

# 2015 Capital Request

House Capital Investment Committee

January 22, 2015

**2015**  
**Capital Request**



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# Thank You



UM Crookston  
Wellness Center

UM Twin Cities  
Microbiology Research Facility



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# Our Mission

As Minnesota's only public, land grant research University, our mission is threefold:

- Research and Discovery
- Teaching and Learning
- Outreach and Public Engagement



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# Students

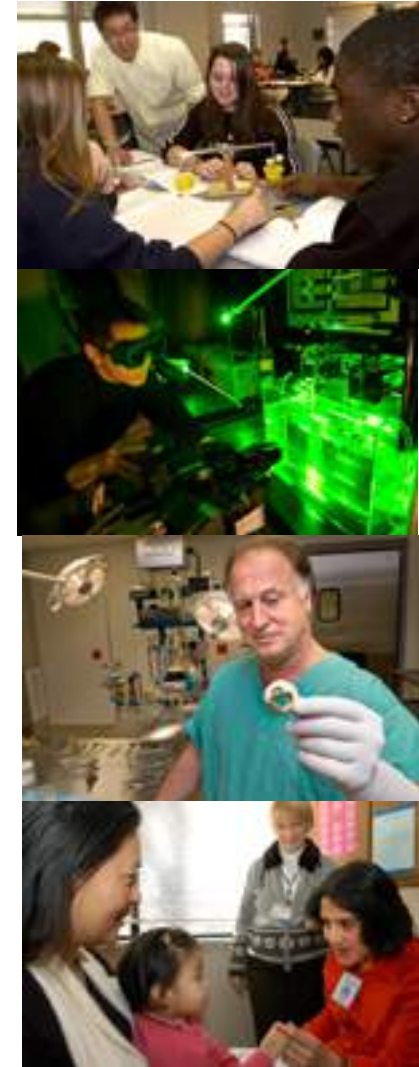
- The U is serving 11% more students than it did in 2001 – 67,477 students
- Last semester, 72% percent of the U's undergraduates were Minnesota residents
- Affordability is the U's priority. In 2014, 37,524 students received financial aid; the U awarded students \$195.6 million in gift aid
- The U awards 100% of Minnesota's dentistry, pharmacy, and veterinary medicine degrees
- Four-year graduation rates have doubled since 1997





# Research

- The U is Minnesota's only research university
- Last year, the U attracted \$741 million in research funding
- The National Science Foundation ranked the U 9th among public research universities
- In 2014, a total of 15 startup companies based on U of M technology were launched, the most in the U's history



# Impact in Your Districts

## House Higher Education Committee

*Here is how the University of Minnesota impacts the economy in your districts*

**33,691**

U of M alumni living in your districts

**43,292**

U of M degrees earned by those alumni

**1,736**

U of M staff members living in your districts

**5,132**

current U of M students from your districts



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# Facilities are Important

- Critical tools for supporting academic programs
- Play a major role in the student experience
- A competitive advantage
  - recruiting students, faculty, and staff
  - obtaining grants and gifts
- Result in ongoing financial commitments
  - operations and maintenance
  - renewal and replacement





# University of Minnesota

29

Million Gross  
Square Feet



5

Unique  
Campuses

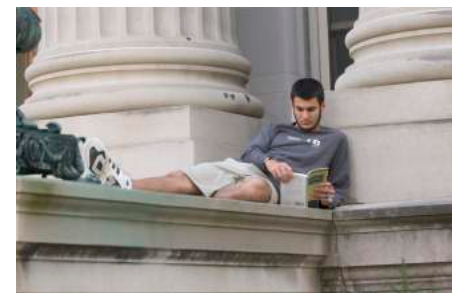


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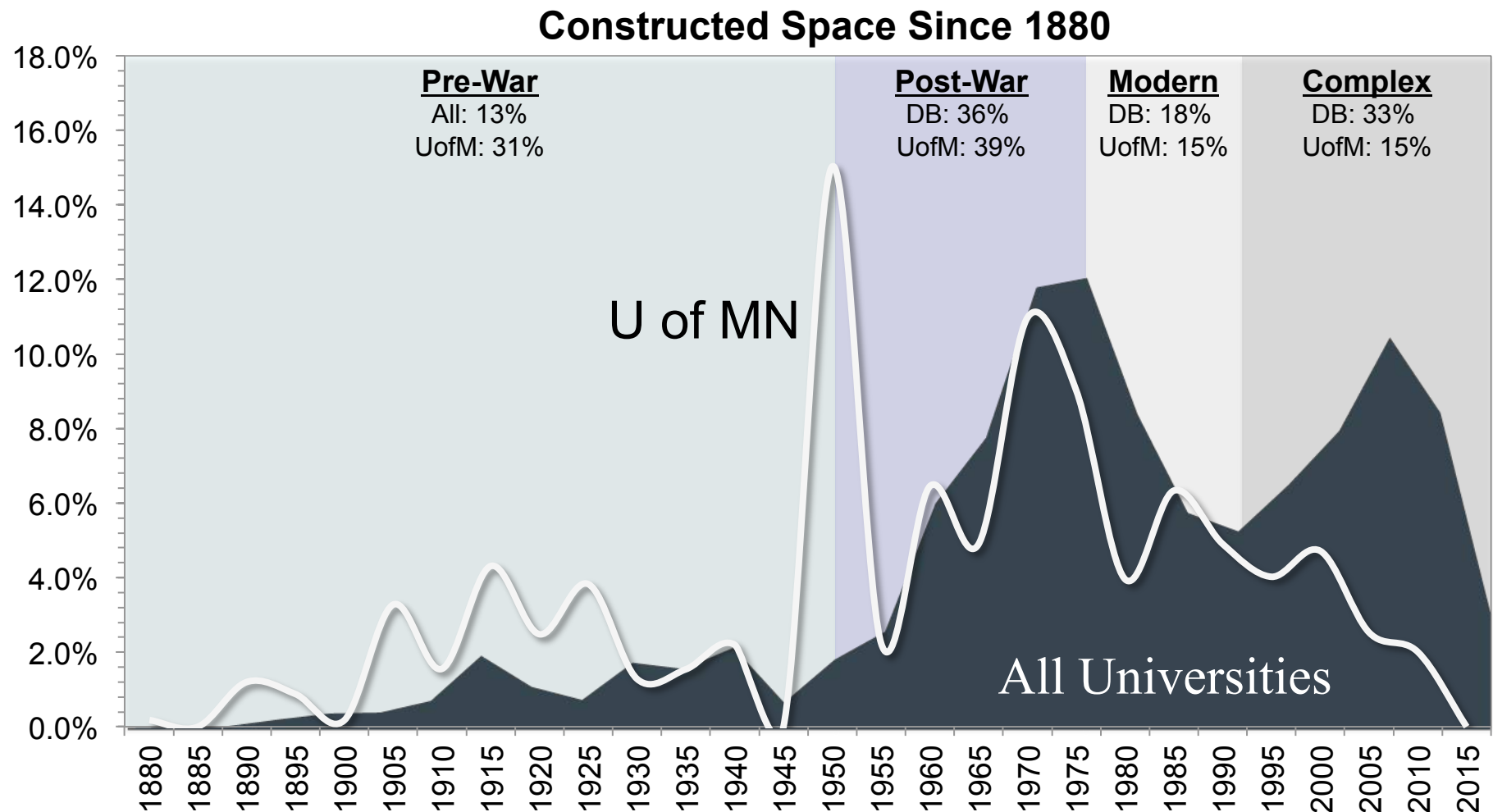
Research and  
Outreach Centers  
& Field Stations

# Facilities Condition Assessment (FCA)

- Vision:
  - The enterprise source of the most accurate and up-to-date condition information for campus facilities and infrastructure used to ensure effective operations and guide renewal investments
- Operationally:
  - An independent, inspection-based review of building conditions
  - Report prioritizes needs for facilities renewal over next ten years
  - Database provides a tool for accessing and utilizing data
  - Information used to measure long term facilities condition against established metrics and peers



# Campus Construction Eras



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# Campus Condition

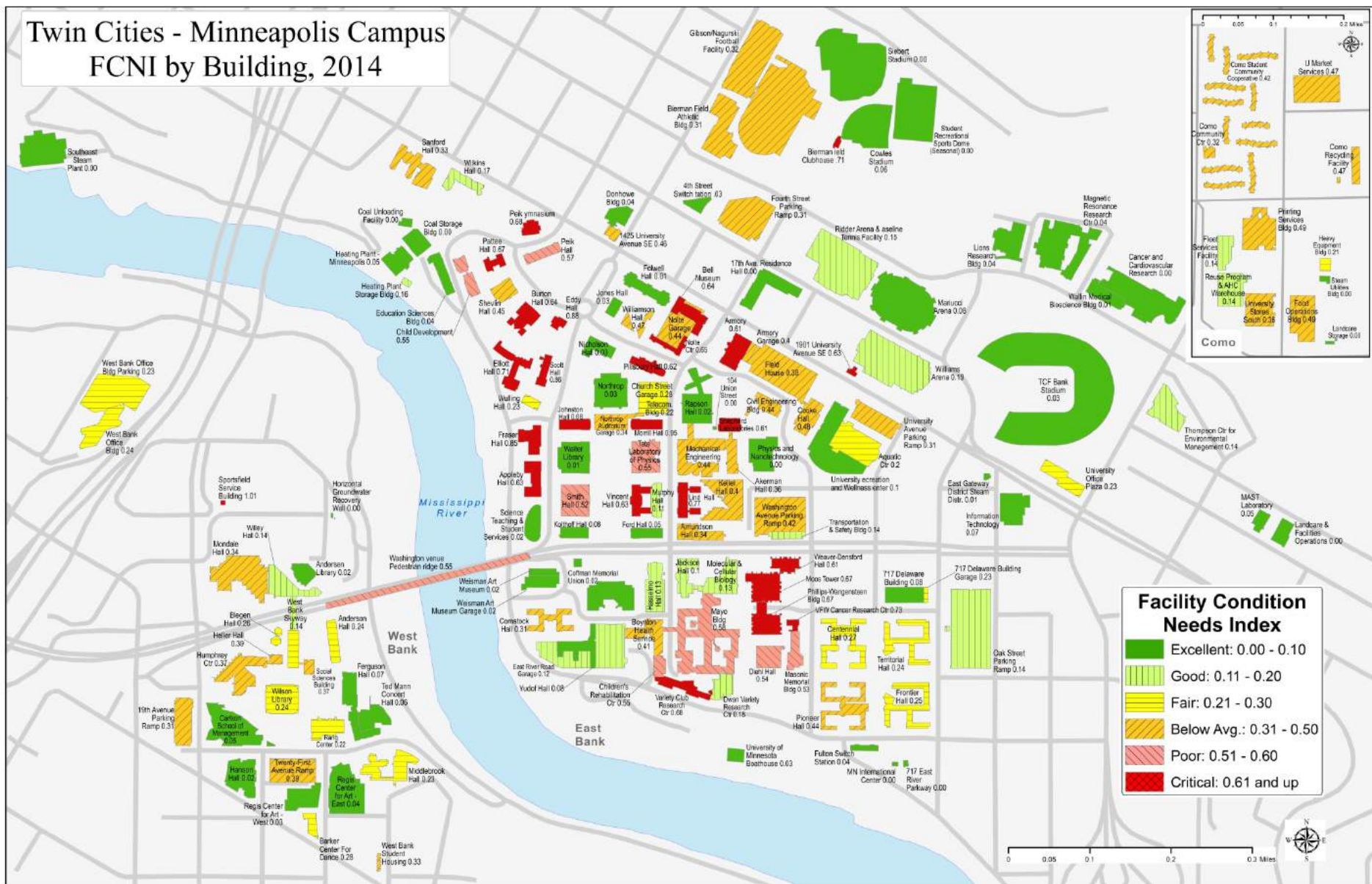
Campus	Total GSF <sup>1</sup>	Estimated Replacement Value <sup>2</sup>	Projected 10-Year Needs	10 Year Needs/ Replacement Value = (FCNI)
Twin Cities	22,787,527	\$8,639,540,998	\$ 2,837,671,283	0.33
Duluth	3,233,888	\$968,930,667	\$ 262,611,844	0.27
Morris	993,166	\$359,732,192	\$ 131,879,334	0.37
Crookston	674,626	\$270,777,555	\$ 56,161,631	0.21
ROCs	1,576,493	\$240,513,943	\$ 53,533,685	0.22
<b>TOTALS</b>	<b>29,265,700</b>	<b>\$10,479,495,355</b>	<b>\$ 3,341,857,777</b>	<b>0.32</b>

<sup>1</sup> Total Gross Square Feet (see previous slide for assessed GSF). Excludes Rochester Campus. Does not include parking ramp decks.

<sup>2</sup> Portions of facility replacement value modeled pending completion of formal assessment and report.



Twin Cities - Minneapolis Campus  
FCNI by Building, 2014



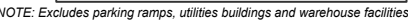
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**Updated:  
September 2014**



# Investments that Renew Buildings

- **HEAPR**
  - State funding for major capital renewal
- **Repair & Replacement (R&R)**
  - Operating budget funds for small to mid sized capital renewal; more flexible (e.g. use for predesign and demolition)
- **Utility Rates**
  - Used to fund utility infrastructure & energy recommissioning and conservation projects
- **Demolition**
  - Cost avoidance; reduces total base and redirects investment from buildings that no longer present long term value
- **Major Capital Projects**
  - Major renovations typically resolve some or all associated condition deficiencies (e.g. Folwell Hall)

# Capital Request Priorities

Annually, the Board of Regents reviews and approves a six-year capital plan designed to:

- Ensure student success
- Ensure research productivity and impact
- Fulfill our statewide mission
- Protect public assets and investment
- Responsibly manage the University's limited resources



# 2015 Capital Request

Location	Project	Request <i>dollars in thousands</i>		
		Total	State	U of MN
SYSTEM	HEAPR	\$ 55,000	\$ 55,000	\$ -
UMTC	Veterinary Isolation Facility Replacement	\$ 27,000	\$ 18,000	\$ 9,000
UMTC	St. Paul Greenhouse Replacement	\$ 6,000	\$ 4,000	\$ 2,000
	<b>Total:</b>	<b>\$ 88,000</b>	<b>\$ 77,000</b>	<b>\$ 11,000</b>

# Higher Education Asset Preservation and Replacement

*Systemwide*

*\$55 million in state funding*



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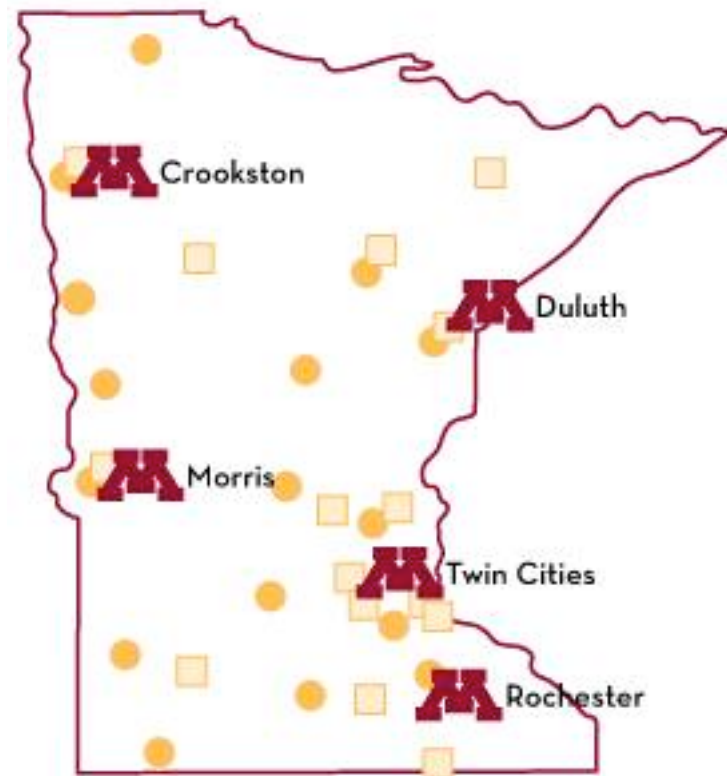
# Higher Education Asset Preservation and Replacement

*Systemwide*

*\$55 million in state funding*

Projects include:

- Mechanical Engineering (Minneapolis - 1924)
- Ruttan Hall (St. Paul - 1971)
- Briggs Library (Morris - 1967)
- Cina Hall (Duluth - 1959)
- Lakeside Laboratory (Itasca Field Station - 1946)



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# HEAPR

- HEAPR is a category of bond funding created by the legislature to “preserve and replace existing campus facilities.”
- The Legislature has strict criteria on how HEAPR funds may be spent. Projects must be for:
  - Accessibility
  - Health and Safety
  - Building Systems
  - Infrastructure
  - Energy Efficiency
- The University is required to regularly report to the Legislature and Minnesota Management and Budget on the status of project spending.





# HEAPR Project Selection

1. Criticality of Facility Condition (how bad is the problem)
2. Risk Assessment (how likely to get worse soon, how likely to impact other building components or become a much more expensive problem)
3. Health and Safety Assessment (what is risk for people, animals, program)
4. Regulatory Requirements (is this more urgent due to law changes, new codes, etc.)
5. Program Impact (how significantly is this facility condition issue impacting or limiting teaching, research, and other program needs)



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# Veterinary Isolation Facility

*Twin Cities*

*\$18.0 million in state funding*



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# St. Paul Greenhouse Replacement

*Twin Cities*

*\$4 million in state funding*



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# Thank You

[www.govrelations.umn.edu](http://www.govrelations.umn.edu)

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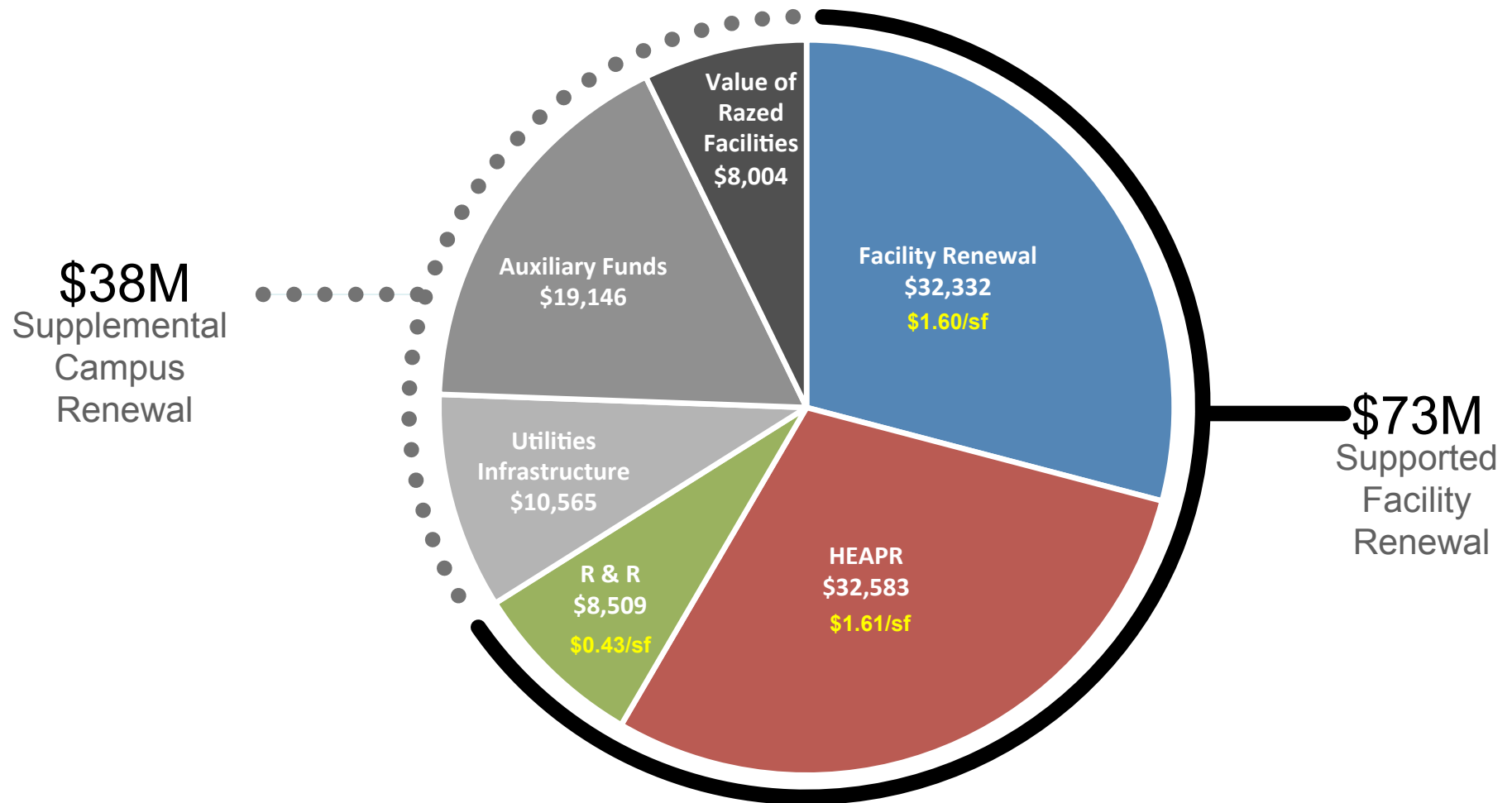


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# Facility Condition Improvement Strategy

- FY16-FY17 Operating Budget Request:
  - FY16: \$5 million
  - FY17: \$10 million
- Strategies
  - Secure predictable facility maintenance funding by increasing the U's base funding from the General Fund by \$5 million
  - Reduce the U's HEAPR capital request by an incremental \$5 million
- Outcomes
  - Improved stewardship and long-range planning
  - Increased recruitment, retention, and success through improved teaching, learning, and research spaces
  - Decreased backlog of maintenance projects
  - Future budget savings for the U and the State of Minnesota

# Annual Capital Renewal Funds: FY10-15



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# Facility Condition Strategies

2002-2014 UMTC Supported

- Utilize existing space
- Renovate existing space in coordination with Programs
- Maximize energy conservation and implement district utility strategies
- Target individual system improvements
- Demolish or decommission targeted buildings
- Build new facilities

## Renovated

- 11 Vital Buildings
- 1,200,000 GSF
- Retired \$200M+ of renewal work

## Razed

- 23 Obsolete Buildings
- 535,000 GSF
- Avoided \$31M renewal; \$1.25M annual O&M

## Built

- 15 Modern Buildings
- 1,300,000 GSF
- Provided state of the art Teaching & Research Space