

Contact: Joan Racki

**FIVE-YEAR CAPITAL PLANS,
INCLUDING FY 2010 CAPITAL REQUEST**

Actions Requested: Consider recommending to the Board:

1. Approval of the Five-Year State-Funded Capital Plan for FY 2010 – FY 2014 of \$688.8 million, including a capital request of \$147.0 million for FY 2010, to be funded by capital appropriations or Academic Building Revenue Bonds (Table 1, page 5).
2. Receipt of the Five-Year Capital Plan (FY 2010 – FY 2014) of \$49.9 million for the University of Iowa Hospitals and Clinics to be funded by Hospital Building Usage Funds and Hospital Revenue Bonds (Table 2, pages 6-7).
3. Receipt of the report on FY 2010 – FY 2014 capital plans of \$383.0 million for the universities and special schools to be funded by sources other than capital appropriations, Academic Building Revenue Bonds, or UIHC Funds (Table 3, pages 8-10).

Executive Summary: The Board is required by Iowa Code to submit its capital funding request for upcoming fiscal year by October 1st. As a result of legislation enacted during the 2005 session, the Board is no longer required to submit a Five-Year Plan for state funded facilities. However, consistent with the Board's focus on planning, a Five-Year Plan for state funding is submitted for consideration. It is understood that the Plan may be modified each year as the Board reviews capital requests.

Five-year plans for the University of Iowa Hospitals and Clinics and capital plans of the universities and special schools to be funded from "other" sources of funds (excluding requested capital appropriations and gifts to match these appropriations, and projects at the University of Iowa Hospitals and Clinics) are also included as required by the Board's Policy Manual.

The plans do not include projects enumerated in the FY 2009 Capital Plans presented to the Board in June 2008, nor do they include previously approved projects for which expenditures will be made during this five-year period.

Board action on the Five-Year Capital Plans does not constitute Board approval of specific projects, approval of the sources of funds, nor authorization for fundraising for the projects, but is an estimate of future capital needs. All projects listed on the Plans would be brought forward for specific project approval, including the source of funding, as required by Board procedures. Major projects will need to meet the evaluation criteria adopted by the Board in June 2003. Additional information on the projects included in the Plans is available from the Board Office.

The Five-Year Plan for state funds includes the recommended FY 2010 capital request of \$147.0 million. The first FY 2010 priority is \$50 million to correct fire and environmental safety deficiencies and deferred maintenance; and provide campus safety improvements, University of Iowa flood recovery, and capital funds for Iowa Public Radio. This amount specifically includes \$1.0 million each for the special schools for fire safety improvements. The remainder of the \$50 million requested funding would be allocated among the three universities and Iowa Public Radio at a later date.

Projects included in the recommended FY 2010 capital request are:

<u>Institution</u>	<u>Project</u>	<u>Amount [State Funds] (\$ thousands)</u>
SUI	Pentacrest Renewal and HVAC Modernization and/or Flood Recovery	\$38,000
ISU	College of Veterinary Medicine, Phase 2 – Small Animal Hospital Renovation and Addition ¹	38,000
UNI	Baker Hall Renovation	19,700
ISU	Biorenewables Complex – Agricultural & Biosystems Engineering (planning)	1,250

¹The sum of \$1.8 million for planning was appropriated for FY 2009

Five-Year State-Funded Capital Plan: The proposed Five-Year State-Funded Capital Plan (see Table 1, page 5) to be funded by capital appropriations and/or Academic Building Revenue bonds totals \$721.5 million, including \$688.8 million in state funds, and \$32.7 million in private or other funds. This Plan includes the FY 2010 capital appropriations request of \$147.0 million identified above.

The Five-Year Capital Plan includes \$275.0 million to correct fire and environmental safety deficiencies and deferred maintenance; and provide campus safety improvements, University of Iowa flood recovery, and capital funds for Iowa Public Radio. Appropriations totaling this amount would have a major impact on correcting the more than \$450 million in deficiencies reported to the Board in February 2008 as part of the Facilities Governance Report.

The proposal for state funds for the FY 2010 – FY 2014 Plan is summarized below:

<u>Institution</u>	<u>Totals (\$ thousands)</u>
All Regent Institutions	\$275,000
SUI	161,000
ISU	148,150
UNI	<u>104,600</u>
Total	\$688,750

University of Iowa Hospitals and Clinics Five-Year Plan:

The University of Iowa Hospitals and Clinics Five-Year Plan (FY 2010 - FY 2014) of capital projects, in the amount of \$49.9 million (see Table 2, pages 6-7), would be financed by patient-generated funding.

While the UIHC Five-Year Plan includes no new construction, UIHC reports that its FY 2009 Capital Plan (presented to the Board in June 2008) includes a description of new facilities to be initiated in FY 2009 for which construction is anticipated to occur during the FY 2010 – FY 2014 period as part of the UIHC's Strategic Facilities Planning process for FY 2006 – FY 2035.

The projects for which approvals would be requested during the FY 2010 – FY 2014 period can be summarized by type, as follows:

	<u>(\$ Thousands)</u>
Fire & Environmental Safety Resolution	\$ 2,023
Remodeling/Renovation	<u>47,870</u>
Total	\$49,893

The remodeling / renovation projects include window and roof restorations / upgrades / replacements; floor covering replacements; heating, ventilating and air-conditioning projects; and elevator replacements in addition to projects which will remodel space.

Other Funds: Capital plans of the universities and special schools to be funded from “other” sources of funds (excludes requested capital appropriations/bonding authorization and gifts to match these appropriations, and projects at the University of Iowa Hospitals and Clinics).

The institutional five-year plans (FY 2010 – FY 2014) to be financed from sources other than state-funded requests or UIHC revenues total \$383.0 million. (see Table 3, pages 8-10) Included are projects for the residence, parking, utility and telecommunications systems, as well as improvements to be undertaken with general operating funds.

Other fund sources include: operating budget building repair funds, income from treasurer's temporary investments, auxiliary service or enterprise bond funds (utility, telecommunications and residential systems), Iowa Department of Transportation institutional roads program, gifts and grants, and departmental renewal and replacement funds.

Amounts of other funds by institution and fiscal year are summarized below:

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Total</u>
SUI	\$32,688	\$47,628	\$44,825	\$37,168	\$37,095	\$199,404
ISU	56,430	32,760	20,010	24,760	18,960	152,920
UNI	7,142	5,432	5,717	5,472	5,762	29,525
ISD	100	100	100	100	100	500
IBSSS	<u>115</u>	<u>143</u>	<u>94</u>	<u>133</u>	<u>127</u>	<u>612</u>
Total	\$96,475	\$86,063	\$70,746	\$67,633	\$62,044	\$382,961

* NOTE: Excludes projects on the institutional FY 2009 Capital Plans presented to the Board in June 2008.

Additional Information:

Regent Facilities: Quality facilities are an integral part of the academic enterprise; they help ensure quality academic programs and the ability to attract and retain faculty and students. They are needed to compete for faculty, staff, and students, and improve the research productivity of the faculty.

Academic/research/administrative (general fund) facilities at the Regent institutions total approximately 17.3 million gross square feet of the total 34.8 million gross square feet of Regent enterprise facilities.

Recent Capital Appropriations / Bonding Authorization: Between 1995 and 2004, state financing for Regent capital projects was provided by state appropriations from the Rebuild Iowa Infrastructure Fund and Tobacco Bond Proceeds. During the 2004 and 2007 legislative sessions, the Board received authorization for the sale of Academic Building Revenue Bonds; the total authorized amount was more than \$250 million in project costs. Tuition and fee revenues are used for debt service payments on these bonds. The tuition replacement appropriation from the State replaces that revenue. This funding mechanism used by the Regent universities is unique among state entities and is authorized under Iowa Code §262A.

In addition, more than \$100 million were appropriated during the 2006 and 2007 sessions for high priority capital projects. During the 2008 session, \$1.8 million were appropriated for Phase II of the construction and renovation of the Veterinary Medical Facilities at Iowa State University and \$2.0 million were appropriated for infrastructure, deferred maintenance and equipment related to Iowa Public Radio. Capital appropriations and Academic Building Revenue Bond authorization total more than \$643 million from FY 1996 – FY 2010 for the Regent enterprise.

TABLE 1
BOARD OF REGENTS, STATE OF IOWA
BOARD OFFICE RECOMMENDATION
FIVE-YEAR STATE-FUNDED CAPITAL PLAN
FISCAL YEARS 2010 THROUGH 2014
(\$ Thousands)

Inst.	Project	FY 2010		FY 2011		FY 2012		FY 2013		FY 2014		TOTAL STATE REQUEST	PRIVATE/ OTHER FUNDS	TOTAL
		Priority	Amount	Priority	Amount	Priority	Amount	Priority	Amount	Priority	Amount			
All	Fire and Environmental Safety, Deferred Maintenance, Campus Security, SUI Flood Recovery, Iowa Public Radio	(1)	\$ 50,000	(1)	\$ 50,000	(1)	\$ 50,000	(1)	\$ 50,000	(1)	\$ 75,000	\$ 275,000	\$ -	\$ 275,000
SUI	Pentacrest Renewal and HVAC Modernization and/or Flood Recovery	(2)	38,000									38,000		38,000
ISU	College of Veterinary Medicine, Phase 2 - Small Animal Hospital Renovation and Addition	(3)	38,000									38,000	5,300	43,300
UNI	Baker Hall Renovation	(4)	19,700									19,700		19,700
SUI	Seashore Hall Area - Renovation and Reconstruction			(2)	17,000	(2)	15,000	(2)	13,000			45,000		45,000
ISU	Biorenewables Complex - Agricultural & Biosystems Engineering	(5)	1,250	(3)	27,800	(3)	27,800					56,850	13,300	70,150
UNI	Commons Renovation			(4)	5,800							5,800		5,800
SUI	Dental Science Building Renovation			(5)	20,000							20,000		20,000
UNI	Science Buildings Renovation, Phase 2			(6)	16,000	(4)	11,200					27,200		27,200
ISU	Electrical and Computer Engineering Building 2, Phase 2			(7)	500	(5)	11,400					11,900	11,900	23,800
SUI	Library System Renovation					(6)	20,000					28,000		28,000
ISU	Snedecor Hall Addition							(3)	8,000			8,000		8,000
UNI	Industrial Technology Center Renovation/Addition							(4)	6,400			6,400	2,200	8,600
UNI	Price Laboratory Renovation/Addition ¹					(7)	11,000	(6)	7,900			14,700		14,700
SUI	Pharmacy Building Renovation							(7)	15,000	(2)	15,000	18,900		18,900
ISU	Academic Building Remodeling							(8)	17,500	(3)	17,500	30,000		30,000
UNI	Steam Distribution System Replacement, Phase 2									(4)	18,300	35,000		35,000
	TOTAL		\$ 146,950		\$ 137,100		\$ 146,400		\$ 132,500		\$ 125,800	\$ 688,750	\$ 32,700	\$ 721,450

¹Preliminary; to be re-evaluated after the completion of the report on Price Laboratory School facilities by the finance and funding committee of the State of Iowa Research, Development, Demonstration, and Dissemination School

TABLE 2
UNIVERSITY OF IOWA HOSPITALS AND CLINICS
FY 2010-2014
FIVE-YEAR CAPITAL PLAN SUMMARY

The projects listed in the Five-Year Capital Plan include only those that are anticipated to be initiated during fiscal years 2010-2014. The plan does not include projects enumerated in the UJHC's FY 2009 Capital Plan, including modernization projects associated with implementation of UJHC's Strategic Facilities Master Plan, or those with previously approved budgets for which expenditures will be made during this five year period.

All of These Projects are Contingent Upon the Availability of Self-Generated UJHC Funding, UJHC Bond Revenue and/or Gifts, Approval through UJHC's Annual Capital Budget Process, Conclusions/Recommendations Adopted for Renovating Existing Facilities as Part of UJHC's Strategic Facilities Master Plan for FY 2006-2035, and Approval of Each Project by the Board of Regents, State of Iowa.

Project	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Total	Source of Funds
(\$ in Thousands)							
Fire and Environmental Safety Resolution							
JCAHO Plan for Improvements (Multiple Projects)	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 1,500	9
Installation of Addressable Fire Alarm Systems - Phase C (Multiple Projects)	300	223				523	9
Subtotal - Fire and Environmental Safety Resolution	\$ 600	\$ 523	\$ 300	\$ 300	\$ 300	\$ 2,023	
New Construction							
The UJHC's FY 2009 Capital Plan includes a description of new facilities to be initiated in FY 2009 for which construction is anticipated to occur during the FY 2010-FY2014 period as part of the UJHC's Strategic Facilities Master Planning process for FY 2006 - FY 2035. The projects which evolve from the planning process will be fully documented for consideration and approval by the Board of Regents, State of Iowa.							
Remodeling/Renovation/Rehabilitation							
Phased Floor Covering, Wall & Ceiling Refurbishment - UJHC Wide (Multiple Projects)	\$ 1,500	\$ 1,650	\$ 1,815	\$ 2,000	\$ 2,200	\$ 9,165	
Air Handling Unit Replacements - Hospital Wide (Multiple Projects)	1,500	1,500	1,500	1,500	1,500	7,500	9
UJHC Window Restoration and Upgrades (Multiple Projects)	1,000	1,000	1,000	1,000	1,000	5,000	9
Roof Replacements and Recovers - UJHC Wide (Multiple Projects)	1,000	1,000	1,000	1,000	1,000	5,000	9
UJHC Elevator Refurbishments (Multiple Projects)	500	500	500	500	500	2,500	9
UI Heart & Vascular Care Clinic & Diagnostic Laboratories Renovation & Expansion (Multiple Projects)	1,600	3,400	1,000			6,000	9
Patient, Visitor and Staff Dining Room Renovations (Multiple Projects)	500	500	500	500	500	2,000	9
Ambulatory Care Pharmacy Relocation and Expansion - GH (General Hospital)	900	675				1,575	9
Renovation of Diagnostic and Therapeutic Imaging Laboratories to Accommodate New Technology (Multiple Projects)	350	350	350	350	350	1,400	9
Former Microbiology Laboratory Redevelopment	300		390			690	9
"Temporary" Metal Building Removals	250					250	9
Main Kitchen Renovation			800	4,000	1,000	5,800	9
Upgrade and Expand Internal Wayfinding - Hospital-Wide (Multiple Projects)			400	400	500	900	9
Subtotal Remodeling/Renovation/Rehabilitation*	\$ 5,500	\$ 9,550	\$ 11,930	\$ 12,250	\$ 8,640	\$ 47,870	
Grand Total - UJHC	\$ 6,100	\$ 10,073	\$ 12,230	\$ 12,550	\$ 8,940	\$ 49,893	

* UJHC's Strategic Facilities Master Planning process for FY 2006-2035 calls for remodeling/renovation/rehabilitation of existing facilities that will likely result in identification of additional projects for initiation during the FY 2010-2014 period. In accord with long-standing practice, any such changes which arise will be fully documented for consideration and approval by the Board of Regents, State of Iowa.

TABLE 2
UNIVERSITY OF IOWA HOSPITALS AND CLINICS
FY 2010-2014
FIVE-YEAR CAPITAL PLAN SUMMARY

<p>Source of Funds Key:</p> <p>1 State Appropriation or Bonding Authorization</p> <p>2 Building Renewal Funds</p> <p>3 Income from Treasurer's Temporary Investments</p> <p>4 Gifts and Grants</p> <p>5 Departmental Renewal and Replacement Funds</p> <p>6 Auxiliary Service or Enterprise Revenue Bonds</p>	<p>7 Iowa DOT (Road Use Tax Funds)</p> <p>8 Student Health Fees</p> <p>9 University Hospitals Building Usage Funds</p> <p>10 Center for Disabilities and Development Building Usage Funds</p> <p>11 UIHC Bonds</p>
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As previously noted, all of the projects identified in UIHC's Five Year Capital Plan are contingent on the availability of self-generated UI Hospitals and Clinics funding, UIHC bond revenue and/or gifts, approval through UIHC's annual capital budget process, finalizing specific renovation projects associated with UIHC's strategic facilities plan for FY 2006-2035, and approval of each project by the Board of Regents, State of Iowa. In addition, the "cutting edge" responsibility of the UIHC constantly brings about some revision in planning. While the foregoing enumeration includes all projects now envisioned for the FY 2010-2014 period, it is likely that the dynamics of clinical service-educational demands and corollary societal forces, and accreditation and regulatory requirements will mandate other projects as time moves on. In accord with long-standing practice, any such changes which arise will be fully documented for consideration and approval by the Board of Regents, State of Iowa.

TABLE 3
OTHER-FUNDS FIVE-YEAR CAPITAL PLANS*
(\$ Thousands)

University of Iowa	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Five Year Total	Source of Funds
Campus Repairs and Improvements	\$ 450	\$ 450	\$ 450	\$ 450	\$ 450	\$ 2,250	2,3
Deferred Maintenance	5,500	7,000	8,500	10,000	10,000	41,000	2,3
Fire Safety Projects	1,100	1,100	1,100	1,100	1,100	5,500	2,3
Security Access	220	245	270	300	300	1,335	2,3
General Classroom / Laboratory Improvements	400	400	400	400	400	2,000	2
Institutional Roads Program	624	624	624	624	624	3,120	7
Parking System - Improvements & Replacements	2,595	2,725	2,800	2,950	3,000	14,070	5,6
Parking System - Commuter Parking Lot	3,500	3,500				7,000	5,6
Parking System - Parking Structure		8,000	8,000			16,000	6
Residence Services Improvements & Replacements	2,789	4,724	4,321	4,534	2,171	18,539	5
Burge - Replace Roofs	600					600	5
Hillcrest Hall - Door Access System	750					750	5
Mayflower Hall - Renovate Kitchen Interiors	260	260	260	260		1,040	5
Slater Hall - Renovate Restrooms	1,000	2,000	1,000			4,000	5
Daum Hall - Renovate Restrooms & Replace Plumbing		2,000	2,000			4,000	5
Burge Hall - Sprinkler System		1,000	1,000			2,000	5
Currier Hall - Sprinkler System				1,250	1,250	2,500	5
Stanley Hall - Renovate Restrooms				1,000	1,000	2,000	5
Burge Hall - Carnival Room Renovations					1,300	1,300	5
Mayflower Hall - Renovate Lounges					1,000	1,000	5
Telecommunications Improvements	3,000	2,500	2,500	2,500	2,500	13,000	5
Utility Infrastructure Improvements	9,900	11,100	11,600	11,800	12,000	56,400	5
Power Plant Capacity Master Plan (1)						---	5,6
Total - SU1	\$ 32,688	\$ 47,628	\$ 44,825	\$ 37,168	\$ 37,095	\$ 199,404	

(1) As shared with the Board at the August 2007 meeting, the Power Plant Capacity Master Planning process will identify projects for the main campus power plant and at the Oakdale campus, the details of which will be brought to the Board of Regents for review and approval per Board procedures. No dollar amounts are yet included for these projects. This category will be impacted by the need for west campus energy production and utility distribution improvements identified during following the 2008 flooding.

Source of Funds Key:

- 1 State Appropriation or Bonding Authorization
- 2 General Fund Building Renewal
- 3 Income from Treasurer's Temporary Investments
- 4 Gifts and Grants
- 5 Departmental Renewal and Replacement Funds
- 6 Auxiliary Serv. or Enterprise Rev. Bonds
- 7 Iowa DOT (Road Use Tax Funds)
- 8 Student Health Fee
- 9 University Hospital Building Usage Fund
- 10 Center for Disabilities and Development Building Usage Fund
- 11 University Hospital Revenue Bonds
- 12 Federal Appropriations

* Excludes projects listed in the FY2009 Capital Plan

TABLE 3
OTHER-FUNDS FIVE-YEAR CAPITAL PLANS*
(\$ Thousands)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Five Year Total	Source of Funds
Iowa State University							
Utilities - Power Plant Station Power Improvements	\$ 1,100	\$ 800				\$ 1,900	6
Utilities - Vet Med Substation Improvements	650	2,100				2,750	6
Utilities - Northwest Campus Substation	250	1,000	\$ 1,750			3,000	6
Utilities - Power Plant Water Production Improvements		550	900			1,450	6
Utilities - Haber Road Substation Transformer		250	1,850			2,100	6
Utilities - Chiller # 6			550	\$ 7,400	\$ 1,200	9,150	6
Memorial Union Remodeling				-	11,300	11,300	3,4,6
Telecommunications	4,270	8,000	7,400	3,400	1,800	24,870	6
Institutional Roads Program	660	660	660	660	660	3,300	7
West Campus Parking Structure		17,500				17,500	6
Iowa State Center Parking Improvements			4,900			4,900	6
Jack Trice Stadium Phase II	45,800					45,800	4
Hilton Coliseum Remodeling/Addition	1,000					1,000	4
Friley Hall - Heat & Smoke Detection	1,400			11,000		12,000	4
Barton/Lyon/Freemen Halls-Sprinkler Systems	1,300					1,400	6
Larch Hall-Sprinkler System		1,900				1,300	6
Willow Hall-Sprinkler System			2,000			1,900	6
Friley Hall-Sprinkler System				2,300	4,000	2,000	6
Total - ISU	\$ 56,430	\$ 32,760	\$ 20,010	\$ 24,760	\$ 18,960	\$ 152,920	

Source of Funds Key:

- 1 Capital Appropriation or Bonding Authorization
- 2 Building Renewal (Repair) Funds
- 3 Income from Treasurer's Temporary Investments
- 4 Gifts and Grants
- 5 Departmental Renewal and Replacement Funds
- 6 Auxiliary Service or Enterprise Revenue Bonds
- 7 Institutional Roads Funds (Iowa DOT)
- 8 University Hospitals Building Usage Fund
- 9 University Hospitals Revenue Bonds
- 10 Parking System Operations

*Excludes projects listed in the FY 2009 Capital Plan

TABLE 3
OTHER-FUNDS FIVE-YEAR CAPITAL PLANS*
(\$ Thousands)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Five Year Total	Source of Funds
University of Northern Iowa							
Institutional Roads	\$ 312	\$ 312	\$ 312	\$ 312	\$ 312	\$ 1,560	7
Residence System - Bender Hall Sprinkler System	2,240					2,240	6
Residence System - Noehren Hall Tuckpointing	600					600	6
Residence System - Rider Hall Elevator Upgrade	320					320	6
Residence System - Shull Hall Elevator Upgrade	320					320	6
Residence System - Noehren Asbestos Abatement	1,300					1,300	6
Residence System - Tuckpointing		350	600	950	600	2,500	6
Residence System - Elevator Upgrades		300				300	6
Residence System - Window Replacement		1,020				1,020	6
Residence System - Bathroom Repairs/Replacement		1,000			1,000	2,000	6
Residence System - Sprinkler Systems			1,705	1,060	1,200	3,965	6
Residence System - Asbestos Abatement		850	700			1,550	6
Mauker Union	50	50	50	50	50	250	10
Parking System - Gilchrist A Lot	600					600	10
Parking System - Art South		800				800	10
Parking System - Other			400	400	400	1,200	10
Campus Repairs / Renewals	1,400	1,600	1,800	2,000	2,200	9,000	2
Total - UNI	\$ 7,142	\$ 5,432	\$ 5,717	\$ 5,472	\$ 5,762	\$ 29,525	
Iowa School for the Deaf							
Interior Finishes & Tuckpointing				100		\$ 100	2
Dormitory Renovation	\$ 100					100	2
Academic Building Renovation		\$ 100			\$ 100	200	2
Academic Building Windows Replacement			\$ 100			100	2
Total - ISD	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 500	
Iowa Braille and Sight Saving School							
Building Deferred Maintenance, Remodeling, Renovation	\$ 115	\$ 143	\$ 94	\$ 133	\$ 127	\$ 612	2
Total - IBSSS	\$ 115	\$ 143	\$ 94	\$ 133	\$ 127	\$ 612	
GRAND TOTAL	\$ 96,475	\$ 86,063	\$ 70,746	\$ 67,633	\$ 62,044	\$ 382,961	

Source of Funds Key:
 6 Auxiliary Service or Enterprise Revenue Bonds
 7 Institutional Roads Funds (Iowa DOT)
 8 University Hospitals Building Usage Fund
 9 University Hospitals Revenue Bonds
 10 Parking System Operations

*Excludes projects listed in the FY 2009 Capital Plan