

***FY2014***  
***Annual Capital Improvement Budget***

***Finance Committee***

***May 2013***

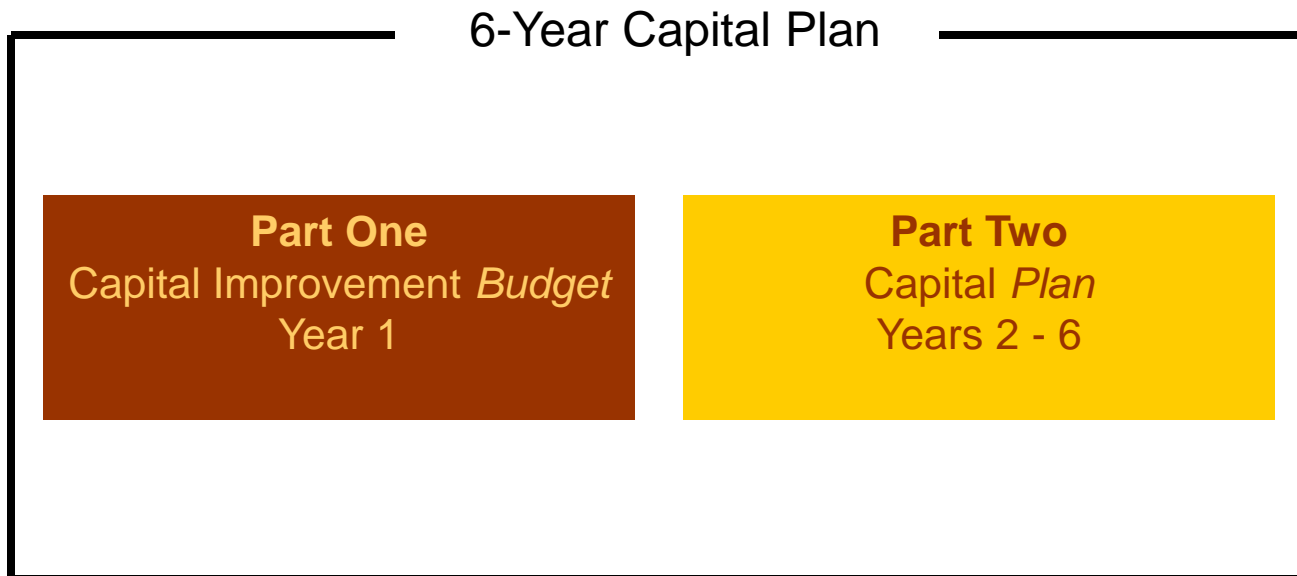


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# *Capital Improvement Plan*

Board of Regents Policy directs the administration to develop a capital budget with a “6-year time horizon, updated annually”

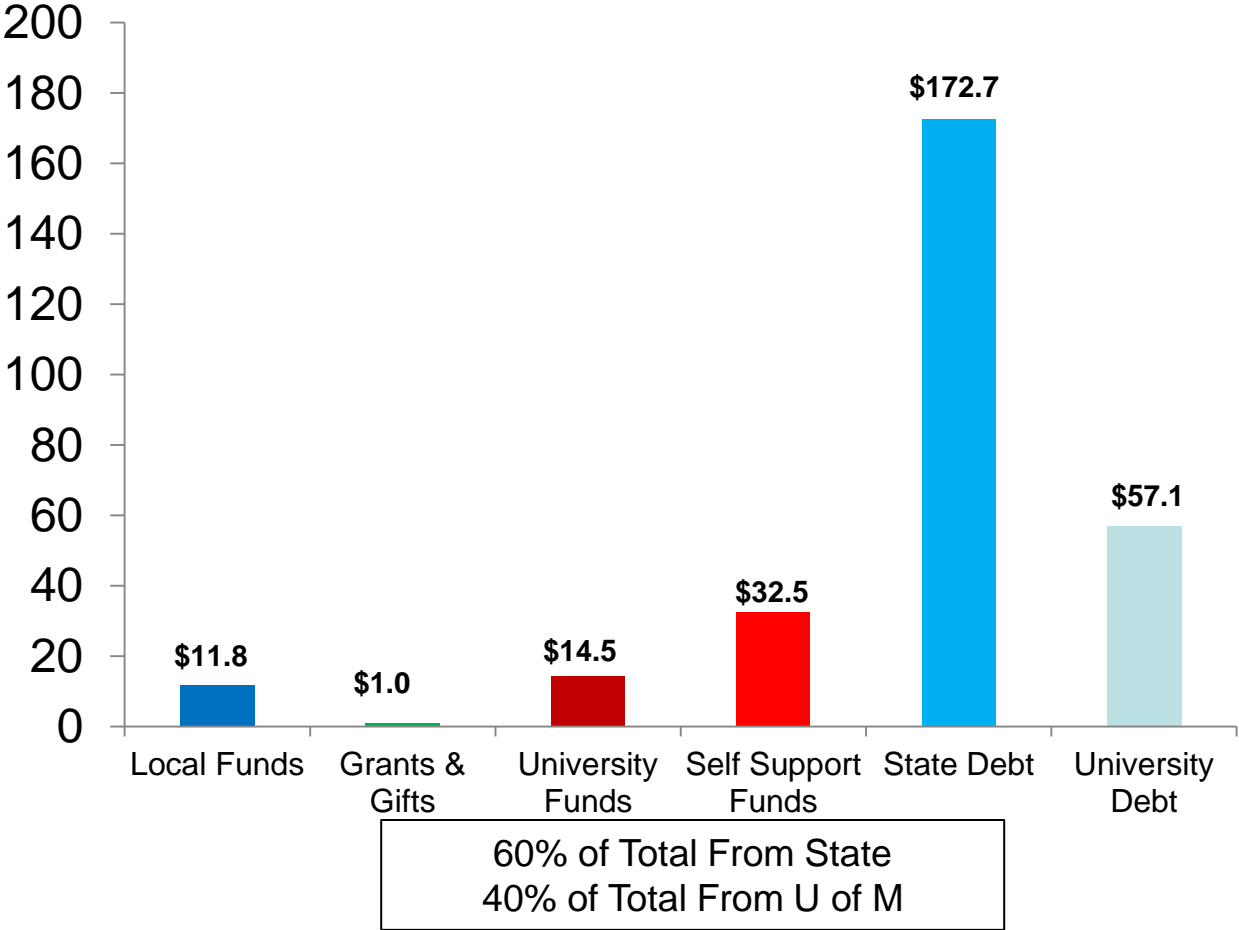


## *Annual Capital Improvement Budget*

- Year 1 of the Six-Year Capital Plan
- Includes individual projects over \$500K
- Projects need to have a completed predesign
- Projects must be fully funded
- Approved projects move into design and/or construction



# 2014 Annual Capital Improvement Budget \$289.5 Million



# State Capital Request Projects Included in the 2014 Capital Budget

## Requested

Project	State Share	University Share	Total
<b>HEAPR</b>	\$125,000		<b>\$125,000</b>
<b>Tate Laboratory Building Renovation</b>	\$ 6,000	\$3,000	<b>\$ 9,000</b>
<b>Saint Paul Campus Lab</b>	\$ 4,000	\$2,000	<b>\$ 6,000</b>
<b>Eddy Hall Building Renovation</b>	\$ 9,667	\$4,833	<b>\$ 14,500</b>
<b>Research Lab Improvement Fund</b>	\$ 8,000	\$4,000	<b>\$ 12,000</b>
<b>Crookston Campus Wellness Center</b>	\$ 12,000	\$6,000	<b>\$ 18,000</b>
<b>Active Learning Classrooms</b>	\$ 8,000	\$4,000	<b>\$ 12,000</b>
	<b>\$172,667</b>	<b>\$23,833</b>	<b>\$196,500</b>

## Actual

Project	State Share	University Share	Total
<b>HEAPR</b>	\$		<b>\$</b>
<b>Tate Laboratory Building Renovation</b>	\$	\$	<b>\$</b>
<b>Saint Paul Campus Lab</b>	\$	\$	<b>\$</b>
<b>Eddy Hall &amp; Space Optimization</b>	\$	\$	<b>\$</b>
<b>Research Lab Improvement Fund</b>	\$	\$	<b>\$</b>
<b>Crookston Campus Wellness Center</b>	\$	\$	<b>\$</b>
<b>Active Learning Classrooms</b>	\$	\$	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>



# Reviewing Debt Capacity Impact

- Updated capacity for FY2019
- Assumed all projects are funded per plans
- Benchmarked capacity:
  - With endowment assets
  - Without endowment assets
- Included full impact of ACC
- Provided debt capacity reserve in ranges relating to Moody's benchmarks
- Debt Capacity discussion at next meeting of Debt Management Advisory Committee(June)

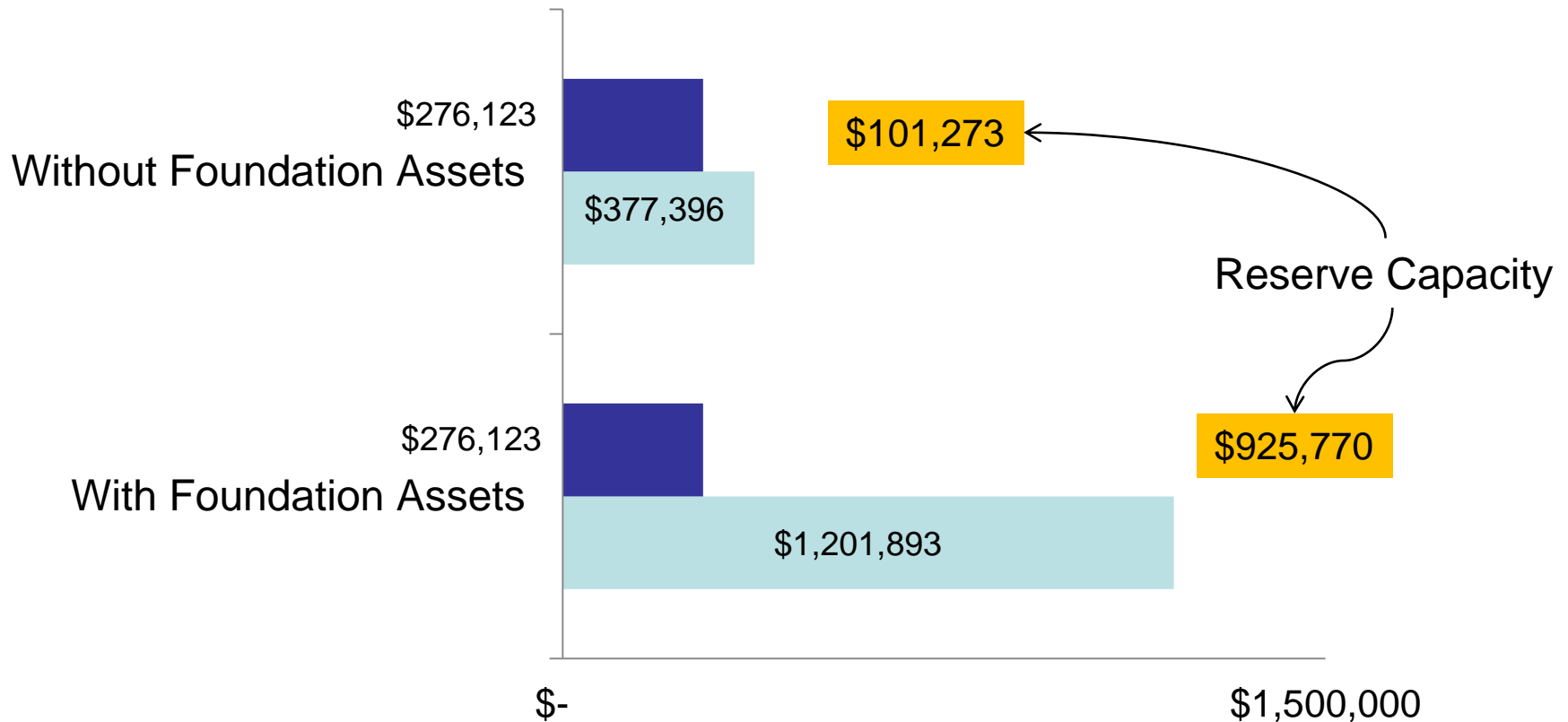


# FY14 Capital Budget Impact on Debt Capacity

		A	B
		Without Foundation Assets	With Foundation Assets
1			
2			
3	<b>Projected Debt Capacity - 2019</b>	<b>\$ 377,396</b>	<b>\$ 1,201,893</b>
4			
5	A. Previously Authorized Projects	\$ 228,025	\$ 228,025
6			
7	Biomedical Facility - Microbiology Building 25% Share	\$ 12,625	\$ 12,625
8	CHP - Combined Heat & Power	\$ 82,900	\$ 82,900
9	ACC - Ambulatory Care Facility**	\$ 132,500	\$ 132,500
10			
11	B. FY14 Annual Capital Improvement Budget*	\$ 48,098	\$ 48,098
12			
13	Tate Laboratory Building Renovation	\$ 3,000	\$ 3,000
14	Saint Paul Campus Lab	\$ 2,000	\$ 2,000
15	Eddy Hall Renovation	\$ 4,833	\$ 4,833
16	Research Lab Improvement Fund	\$ 4,000	\$ 4,000
17	Crookston Campus Wellness Center	\$ 6,000	\$ 6,000
18	Active Learning Classroom	\$ 4,000	\$ 4,000
19	Northrop Renovation - Phase II	\$ 1,765	\$ 1,765
20	ACC - Ambulatory Care Facility**	\$ 22,500	\$ 22,500
21			
22	<b>Subtotal Remaining Debt Capacity 2019</b>	<b>\$ 101,273</b>	<b>\$ 925,770</b>
25	*Note - Excludes \$9,000 related to balance from Cancer/Cardio Project already issued		
26	**Note - Amended total ACC project debt equals \$155,000.		



# Theoretical Impact on U of M Debt Capacity FY2014 Annual Capital Improvement Budget



\*Note: Includes \$155.0M financing of ACC project





***FY2014 - 2019***  
***Six Year Capital Improvement Plan***

***Finance Committee***

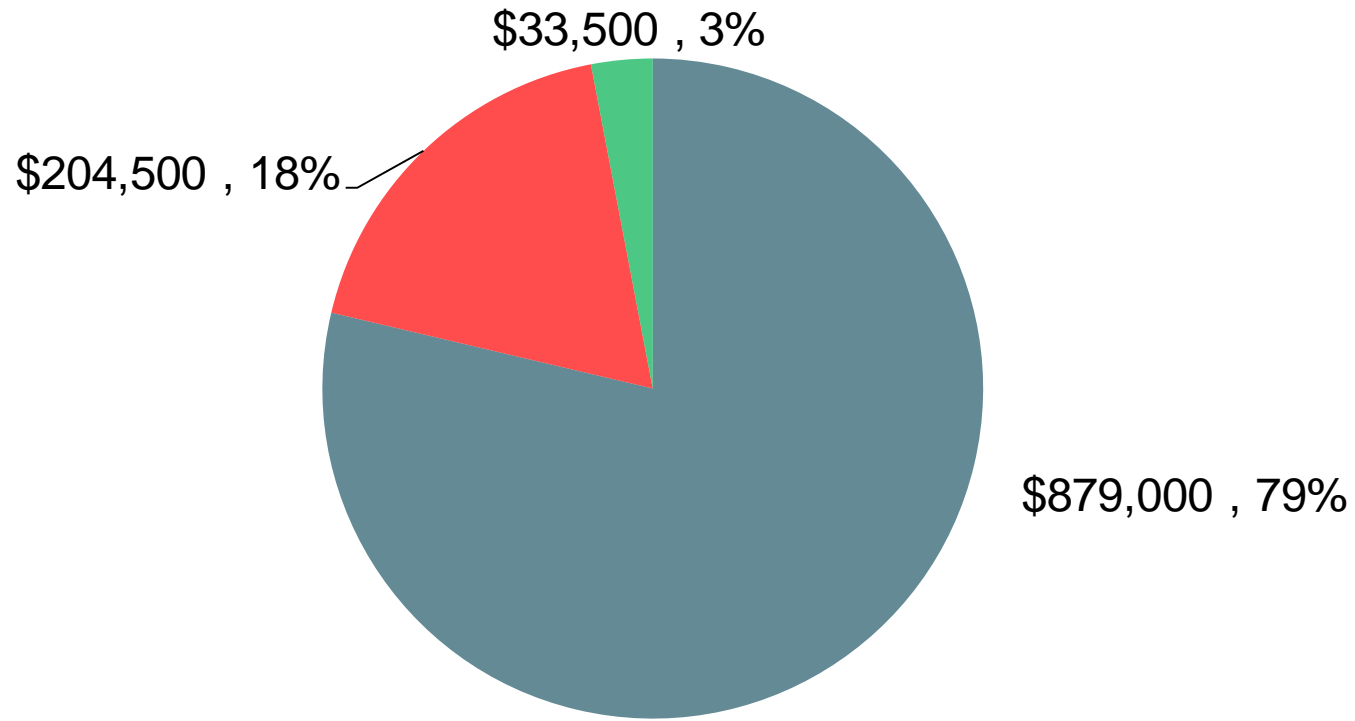
***May 2013***



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Recommended Six-Year Capital Improvement Plan  
FY2014 - 2019  
Grand Total = \$1,117,000,000



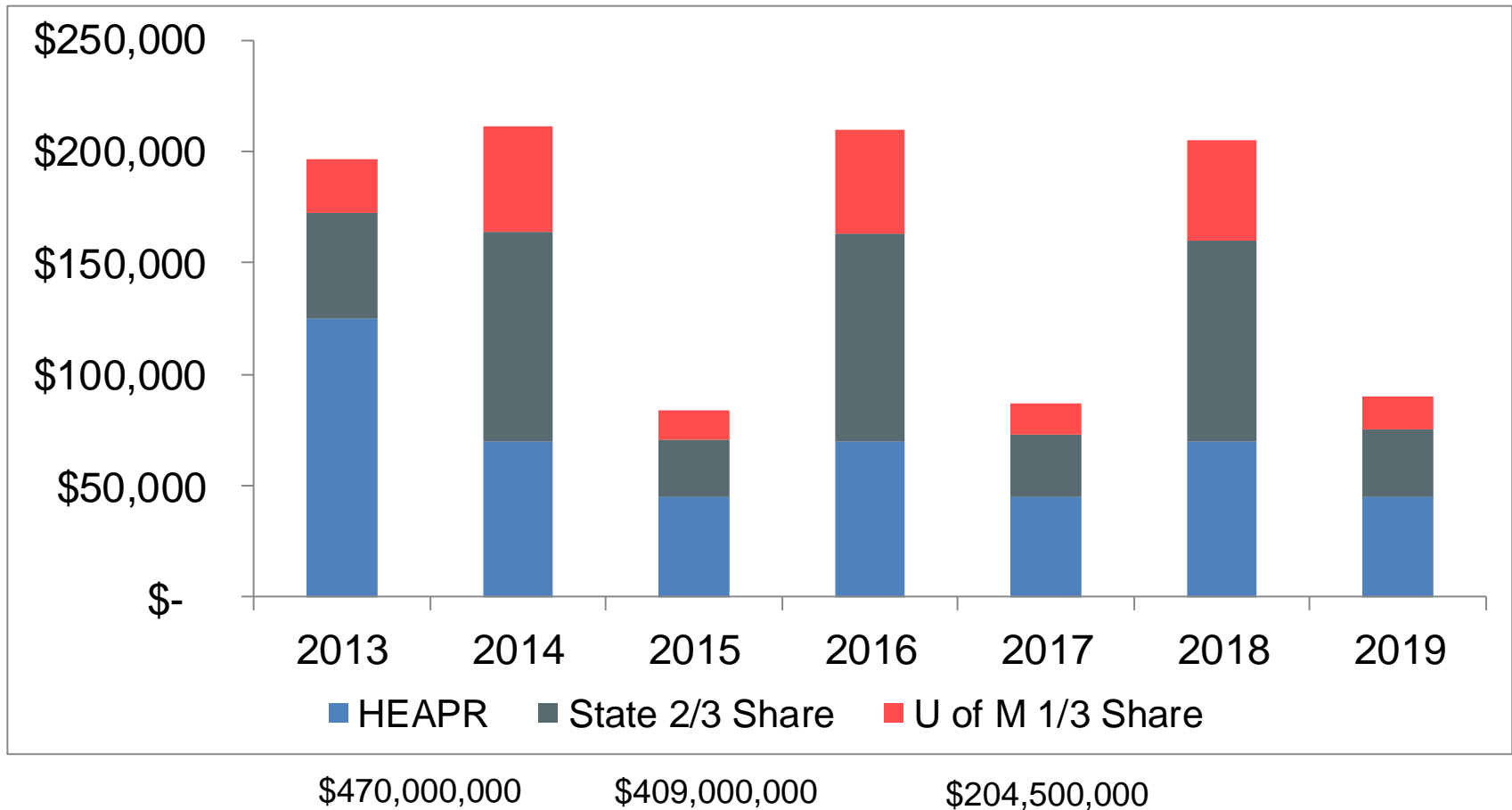
■ State Contribution 2/3rds ■ U of M Contribution 1/3 rd ■ U of M-Self Funded Projects



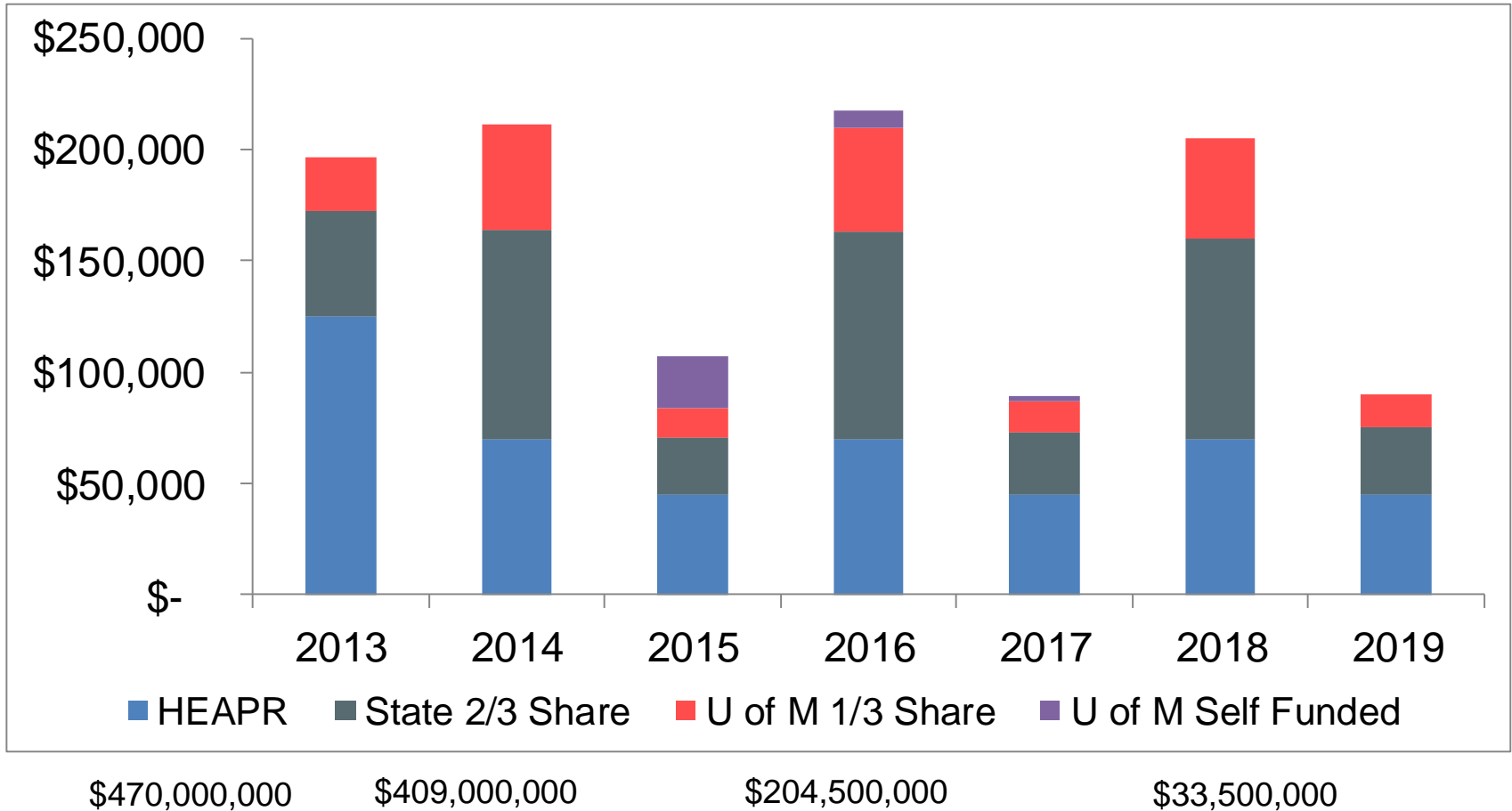
# Recommended 2014 Six-Year Capital Improvement Plan

## State Capital Requests

Grand Total = \$1,083,500,000



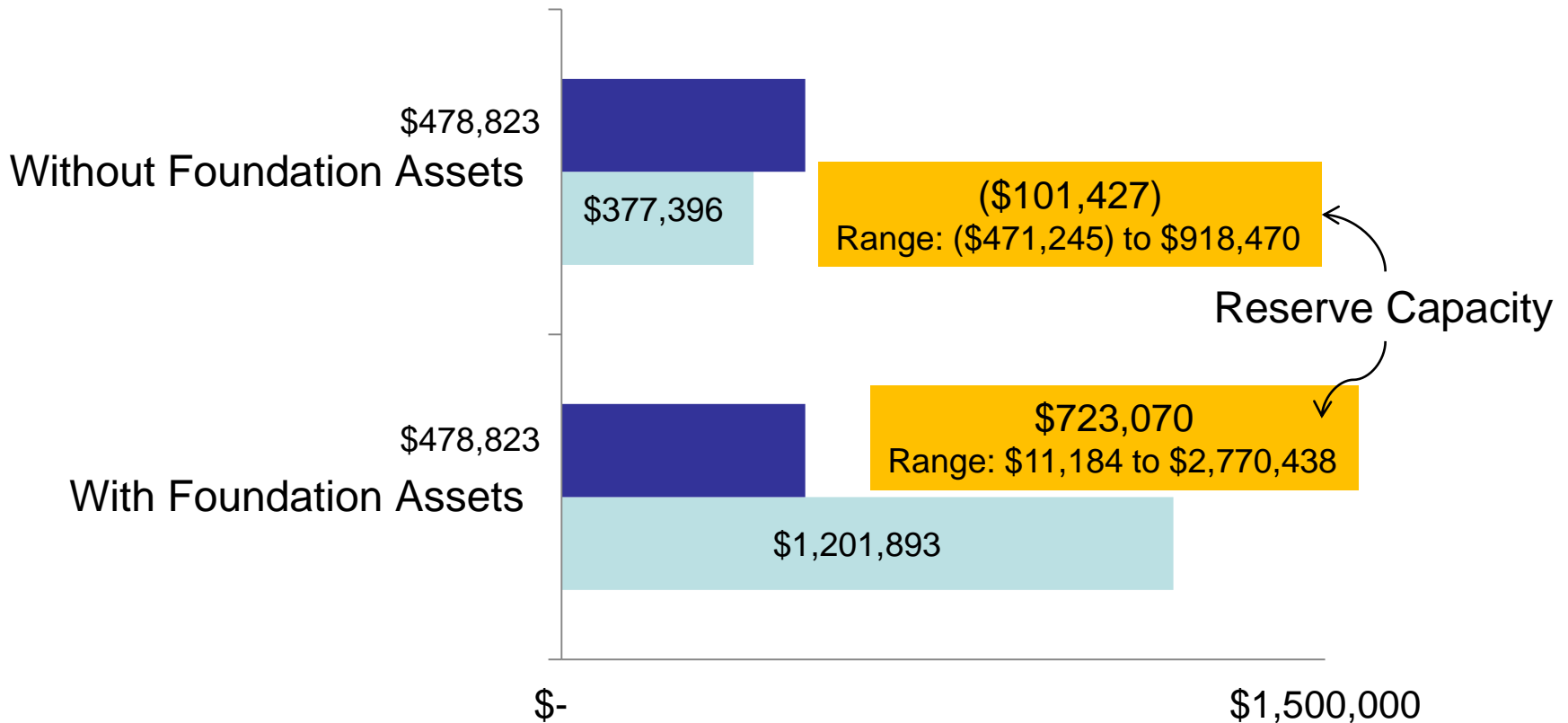
# Recommended 2014 Six-Year Capital Improvement Plan All Funds Grand Total = \$1,117,000,000



## Six Year Capital Improvement Plan - Impact on Debt Capacity

		A	B
		Without Foundation Assets	With Foundation Assets
22	<b>Subtotal Remaining Debt Capacity 2019</b>	<b>\$ 101,273</b>	<b>\$ 925,770</b>
23			
24			
25	C. Six Year Capital Improvement Plan	\$ 202,700	\$ 202,700
26			
27	2014-2019 State Capital Requests - U of M Share	\$ 180,700	\$ 180,700
28	U of M Projects	\$ 22,000	\$ 22,000
29			
30	<b>Net Remaining Debt Capacity - Reserve</b>	<b>\$ (101,427)</b>	<b>\$ 723,070</b>
33			
34	High Capacity	\$ 1,397,293	\$ 3,249,261
35	Low Capacity	\$ 7,578	\$ 490,007
36	High Reserve Net	\$ 918,470	\$ 2,770,438
37	Low Reserve Net	\$ (471,245)	\$ 11,184

# Theoretical Impact on U of M Debt Capacity 2014 Annual and Six Year Capital Improvement Plan 2014-2019

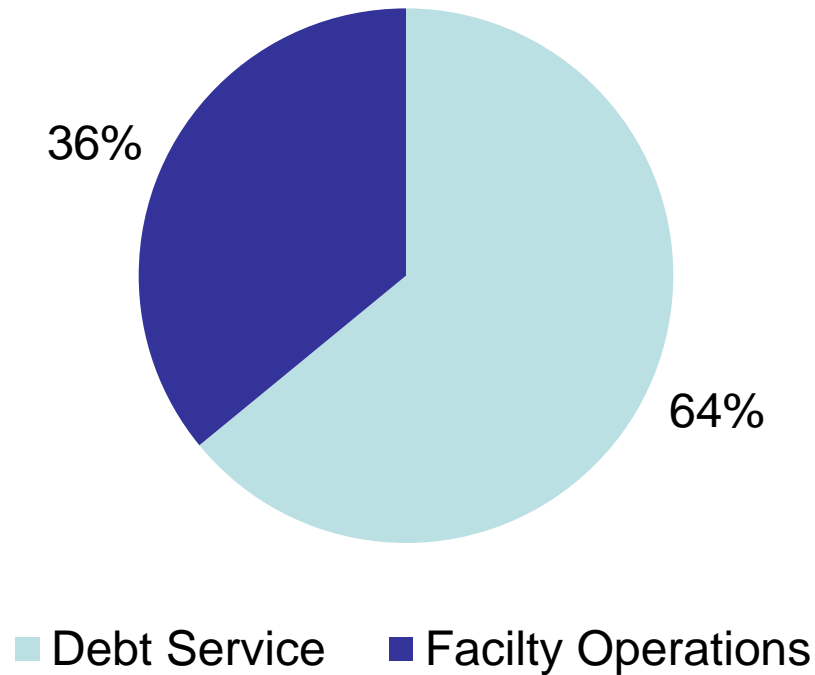


\*Note: Includes \$155.0M financing of ACC project



Recommended Six-Year Capital Improvement Plan  
FY2014 - 2019  
Grand Total = \$22,817,000

**Six Year Plan**



***FY2014 - 2019***  
***Six Year Capital Improvement Plan***

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