

**TOPIC: TWO-YEAR CASH FUNDED CAPITAL PROGRAM LIST
AMENDMENT – COLORADO STATE UNIVERSITY – FORT
COLLINS**

PREPARED BY: ANDREW RAUCH, LEAD FINANCE ANALYST

I. SUMMARY

This submission is to amend the Two-Year Cash Funded Capital Program list for Colorado State University – Fort Collins (CSU-FC) presented to the Colorado Commission on Higher Education (CCHE) in February, 2015. The list is amended to reflect the addition of four new projects: the Medical Center (\$58,981,491), the South Campus Parking Lot (\$5,400,000), the University Square Parking Garage (\$37,522,060), and the Sawtooth Mountain Conservation Easement (\$7,000,000). Three projects: the Medical Center, South Campus Parking Lot, and University Square Parking Lot will be funded using the state Intercept Bond program. The Sawtooth Conservation Easement is funded through cash funds and federal funds. CSU-FC's amended Two-Year list is included as Attachment A.

II. BACKGROUND

Under state law, C.R.S. 23-1-106 (7) the Colorado Commission on Higher Education and the legislative Capital Development Committee must consider and approve Two-Year cash funded capital program lists, any amendments to the list, and program plans for any project using the Intercept program. Governing boards have the authority to submit new Two-Year lists and amendments to the CCHE or Capital Development Committee (CDC) at any point during the fiscal year. However, projects on the Two-Year list may not commence until both the CCHE and the CDC consider and review the list. If a project is amended or the cost for an approved project changes by more than 15% of the original total, the CCHE must reapprove the submission. Every December, a comprehensive Two-Year Cash Funded Capital Program list comprised of all Governing Board projects is submitted to CCHE for approval. The list is then forwarded to the CDC for approval in January.

The CCHE's authority to review these projects is defined and described in state law. Pursuant to C.R.S. 23-1-106 (9) (a) the CCHE's authority to review cash funded, non-Intercept projects is limited to receiving cost information from the public institution about the project, and forwarding the Two-Year Capital Projection list to the Capital Development Committee. The Commission has limited authority to review cash funded projects and no official approval authority for individual non-Intercept projects. But rather state laws grants authority and responsibility for the review and approval of such projects to the public institution's governing board. For cash funded, Intercept projects, the CCHE's authority is outlined in C.R.S. 23-1-106 (10)(a), which gives the Commission the authority to review any program plan for a project meeting this designation.

III. STAFF ANALYSIS

The Medical Center is a cash-funded, Intercept project costing \$58,981,491. The project will be financed through a bond, which will be backed by lease payments, CSU Health Network revenues and fees, and donations. Table 1 displays the total cost for the Medical Center.

Table 1:
Two-Year Cash Funded Capital Program
FY 2014-15 List

CF	\$58,981,491
FF	\$0
TF	\$58,981,491

The project is for a new, four-story Medical Clinic. This is an auxiliary building, and it is not eligible for state funded controlled maintenance. The project addresses current space deficiencies and inefficiencies in the campus health care system. The new clinic will be 113,300 total square feet.

The project is described briefly below:

“Medical Center” – The project creates single, unified space for student physical and mental health services on the Colorado State University-Fort Collins campus. The center will house the Colorado State University Health Network teams designed to treat students with complex needs, and gives them a single location for operations. The University of Colorado Health will be a major tenant, operating a primary care clinic and an after-hours urgent care in the building. The building will also house the Columbine Center for Healthy Aging.

The South Campus Parking Lot is a cash-funded, Intercept project costing \$5,400,000. The project will be financed through an Intercept bond backed by parking revenues. Table 2 displays the total cost for the South Campus Parking Lot.

Table 2:
Two-Year Cash Funded Capital Program
FY 2014-15 List

CF	\$5,400,000
FF	\$0
TF	\$5,400,000

The project is described briefly below:

“South Campus Parking Lot” – This project creates a new surface lot near the Tennis Complex on the South Campus at CSU-FC. Parking is expected to be at a premium on Main Campus as new construction occurs on existing lots over the next several years. This lot allows the institution to address current and future parking shortages.

The University Square Parking Garage is a cash-funded, Intercept project costing \$37,522,060. The project will be financed through an Intercept bond and backed by parking revenues. Table 3 displays the total cost for the University Square Parking Garage.

Table 3:
Two-Year Cash Funded Capital Program
FY 2014-15 List

CF	\$37,522,060
FF	\$0
TF	\$37,522,060

The project is described briefly below:

“University Square Parking Garage” – This project is a four-story parking structure accommodating roughly 1,555 parking spaces. It will be located in the southeast part of main campus. This project address current and future parking space shortages.

The Sawtooth Mountain Conservation Easement is a cash-funded, non-Intercept project with a spending authority request of \$7,000,000. This project is funded through blended sources, with \$3 million coming from the federal Forest Legacy Program, \$650,000 from Great Outdoors Colorado, and \$3.35 million as the donated value of the easement. The funds from Great Outdoors Colorado and the donation value are reflected as state funds. The table below displays the cost breakdown.

Table 4:
Two-Year Cash Funded Capital Program
FY 2014-15 List

CF	\$4,000,000
FF	\$3,000,000
TF	\$7,000,000

The project is described briefly below:

“Sawtooth Mountain Conservation Easement” – The project places 2,448 acres in Ouray County (Southwest Colorado) into a conservation easement under the Forest Legacy Program. The water rights will be tied to the land forever, and the easement is guaranteed in perpetuity.

IV. STAFF RECOMMENDATIONS

Staff recommends that the Commission approve the amended Two-Year Cash Funded Capital Program List Amendment for Colorado State University – Fort Collins and the Program Plans for the Medical Center, the South Campus Parking Lot, and the

University Square Parking Garage, and forward the list to the Office of State Planning and Budgeting, the Capital Development Committee, and the Joint Budget Committee.

STATUTORY AUTHORITY

C.R.S. 23-1-106 (7)

(c) (I) The commission annually shall prepare a unified, two-year capital improvements report for projects to be constructed or acquired pursuant to subsection (9) or (10) of this section and estimated to require total project expenditures exceeding two million dollars, coordinated with education plans. The commission shall transmit the report to the office of state planning and budgeting, the governor, and the general assembly, consistent with the executive budget timetable.

(II) (A) Commencing in the 2010 regular legislative session, and in each regular legislative session thereafter, the commission shall submit the two-year projections prepared by each state institution of higher education for the 2010-11 and 2011-12 fiscal years, and for each two-year period thereafter as applicable, to the office of state planning and budgeting and the capital development committee. Beginning in the 2010 regular legislative session and in each regular legislative session thereafter, the capital development committee shall conduct a hearing on the projections and either approve the projections or return the projections to the institution for modification. The commission and the office of state planning and budgeting shall provide the capital development committee with comments concerning each projection.

(B) A state institution of higher education may submit to the staff of the capital development committee, the commission, and the office of state planning and budgeting an amendment to its approved two-year projection. The capital development committee shall conduct a hearing on the amendment within thirty days after submission during a regular legislative session of the general assembly or within forty-five days after submission during any period that the general assembly is not in regular legislative session. The capital development committee shall either approve the projections or return the projections to the institution for modification. The commission and the office of state planning and budgeting shall provide the capital development committee with comments concerning each amendment.

C.R.S. 23-1-106 (10)

(10) (a) (I) The commission shall review and approve any plan for a capital construction or capital renewal project for an auxiliary facility that is estimated to require total expenditures exceeding two million dollars and that is to be acquired or constructed and operated and maintained solely from cash funds held by the state institution of higher education that, in whole or in part, are subject to the higher education revenue bond intercept program established pursuant to section 23-5-139.

ATTACHMENT A: Two-Year Cash Funded Capital Program List – Colorado State University – Fort Collins.