

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

**PREPARED BY: TONYA COVARRUBIAS, FINANCE POLICY OFFICER**

**I. SUMMARY**

This item requests approval of a Two-Year Cash Funded Capital Program list amendment for Colorado State University – Fort Collins (CSU-FC). The list of cash funded projects contains six (6) additional projects that CSU-FC will pursue. The comprehensive list is included as Attachment A.

**II. BACKGROUND**

Current law allows governing boards to amend their two-year capital construction lists at any point during the fiscal year, and such amendments are to be submitted to the Colorado Commission on Higher Education (CCHE) and the Capital Development Committee (CDC) for approval or re-approval.

Department and CDC policy and practice is that no Cash Funded project may commence until it has received approval from the Commission and the CDC on the Two-Year list for non-intercept projects. In addition to CDC and Commission Two-Year Cash Funded list approval, a program plan must be reviewed and approved for Intercept projects. Last December, the Commission approved all submitted Two-Year Cash Funded Capital Program lists. They were approved in January by the legislature’s Capital Development Committee.

**III. STAFF ANALYSIS**

The CSU-FC list adds six (6) new projects at a cost of approximately \$186.7 million making CSU-FC’s total projection of cash needs approximately \$296.7 million. Table 1 displays the new cash funded projects as reported on the two-year list by funding type.

**Table 1:  
Two-Year Cash Funded Capital Program  
FY 2012-2014**

<b>CF</b>	\$186,632,658
<b>FF</b>	\$42,430
<b>TF</b>	<b><i>\$186,675,088</i></b>

For this project, Table 2 displays the breakdown between the academic and auxiliary nature of the projects and whether or not the projects will be financed under the Higher Education Revenue Bond Intercept Program (C.R.S. 23-5-139). The Intercept program permits schools to issue bonds for capital construction and use either the state's credit rating (opt in), or use their own credit rating (opt out). Academic facilities are those that are considered core to the role and mission of the institution (e.g. classrooms, student services, libraries), while auxiliary facilities are those that are not considered core to the role and mission and exist for some other purpose (e.g. residence halls, recreation centers, parking facilities).

**Table 2:  
Cash Funded Project Types**

	<b>Academic</b>	<b>Auxiliary</b>	<b>Total</b>
<b>Intercept</b>	3	2	<b>5</b>
<b>Non-Intercept</b>	1	0	<b>1</b>
<b>Total</b>	<b>4</b>	<b>2</b>	<b>6</b>

Senate Bill 09-290, allows academic facilities constructed to be eligible for state Controlled Maintenance Funds. Non-Intercept projects will only have their cost projections reviewed in the Two-Year list, while Intercept projects require approval in the Two-Year list as well as program review. In accordance with the two step approval process for cash funded projects, the Department will review all budget documents submitted for Intercept Act cash projects and submit all forms to the General Assembly's Capital Development Committee as they are approved.

The new additions to CSU's Two-Year List are described briefly below:

***“Aggie Village North Redevelopment”*** is a comprehensive redevelopment of the Aggie Village North Apartments. The existing buildings will be deconstructed to allow for the development of approximately 408,000 gsf of new student apartments. The completed project will accommodate approximately 1000 beds. CSU-FC will use the intercept bond program to fund this revitalization and it will be will paid for out of university revenues. No new student fees will be required to fund this project. If approved, the project would commence in December 2013 and would be completed in August 2016.

***“Bay Farm Parking Garages”*** are two proposed parking garages and an underpass at Prospect Road to be built in phases on South Campus. The parking garages are needed to replace surface parking lost to construction projects on Main Campus, and to add new parking for CSU's anticipated enrollment growth. CSU-FC will use the intercept bond program to fund the new construction and it will be will paid for out of parking revenues. No new student fees will be required to fund this project. If approved, the project would commence in December 2013 and would be completed in December 2016.

***“Purchase of EECL Addition”*** is for the purchase of a recently constructed addition to the Engines and Energy Research Lab. The 64,000 gsf project was developed by the Colorado State University Research Foundation (CSURF) and includes adjacent site work and parking. CSU-FC will use the intercept bond program to fund this acquisition and it will be paid for using a mix of funds from the Energy Institute, Vice President for Research, and central University funds. No new student fees will be required to fund this project. If approved, the project would commence in January 2014 and would be completed in March 2014.

***“Plant Environmental Research Center Relocation ”*** is a new headhouse/greenhouse building. The 31,480 gsf building will house existing research plots. The current greenhouses are outdated and inefficient. CSU-FC will use the intercept bond program to fund this relocation and it will be paid for using University funds. No new student fees will be required to fund this project. If approved, the project would commence in December 2013 and would be completed in December 2015.

***“Willard O. Eddy Hall Revitalization Phase II ”*** is a 2,400 gsf entrance addition to Eddy Hall with exterior upgrades to include new windows and stone veneer. Upgrades to interior aesthetics in public areas of the existing building and a landscaped plaza off of the Academic Spine are also included. CSU-FC will use the intercept bond program to fund this revitalization and it will be paid for using University funds. No new student fees will be required to fund this project. If approved, the project would commence in December 2013 and would be completed in January 2015.

***“Temple Grandin Center for Equine Assisted Therapies”*** is new construction of a new arena on the Foothills Campus to be used for teaching of equine assisted therapy. CSU-FC will fund this project with donations. No new student fees will be required to fund this project. If approved, the project would commence in March 2014 and would be completed in March 2016.

#### **IV. STAFF RECOMMENDATION**

**Approve the Two-Year Cash Funded Capital Program list for Colorado State University-Ft. Collins for submission to the Governor, the Office of State Planning and Budgeting, the Capital Development Committee, and the Joint Budget Committee.**

#### **V. STATUTORY AUTHORITY**

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

(c) (I) The commission annually shall prepare (I) 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.

**ATTACHMENT A: Two-Year Cash Funded Capital Program List Amendment – CSU-FC**