

**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 April, 2015. The list is amended to reflect the addition of the Prospect Road and Center Avenue Underpass project.

The project (\$5.3 million) consists of the construction of a pedestrian underpass under Prospect Road at Center Avenue, which addresses the safe passage of students at this intersection. Additionally the underpass serves as (1) a signature gateway to Colorado State University and (2) an opportunity to unify the South and Main Campus. This is an Intercept project and, in accordance with statute, the program plan was reviewed by Department of Higher Education (DHE) staff.

The bond financing for this project has already been issued to fund two projects, the South Campus Parking Lot and the University Square Parking Garage, which were included on a previously approved Two-Year Cash Funded Capital Programs list. Significant savings on the construction bids for these two projects made the \$5.3 million for this project available. The bond is being backed by parking revenues, and CSU-FC will not undertake any additional debt for this project.

This project was heard as part of the Fiscal Affairs and Audit Standing Committee’s meeting on August 20, 2015. 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.

Each 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 outlined 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. State law specifically 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 Prospect Road and Center Avenue Underpass is an Intercept Project totaling \$5,300,000. The bond financing for this project has already been issued to fund two projects, the South Campus Parking Lot and the University Square Parking Garage, which were included on a previously approved Two-Year Cash Funded Capital Programs list. Significant savings on the construction bids for these two projects made the \$5.3 million for this project available. The bond is being backed by parking revenues, and CSU-FC will not undertake any additional debt for this project. Table 1 displays the total cost for the Prospect Road and Center Avenue Underpass.

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

<b>CF</b>	\$5,300,000
<b>FF</b>	\$0
<b>TF</b>	<b>\$5,300,000</b>

The project creates an underpass for pedestrians and bicyclists at the intersection of Prospect Road and Center Avenue.

The project is described briefly below:

***“Prospect Road and Center Avenue Underpass”*** – In recent years, pedestrian and bicycle traffic at the intersection of Prospect Road and Center Avenue has increased due to additional student housing build along Center Avenue. The project consists of the construction of a pedestrian underpass under Prospect Road at Center Avenue, which addresses the safe passage of students at this intersection. Additionally the underpass serves as (1) a signature gateway to Colorado State University, and (2) an opportunity to unify the South and Main Campus.

#### **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 Plan for the Prospect Road and Center Avenue Underpass, 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.**