

## 14.0 Capital Improvements Element

### PURPOSE

The purpose of this element is to evaluate the need for public facilities as identified in the other campus Master Plan elements; to estimate the cost of improvements for which the University has fiscal responsibility; to analyze the fiscal capability of the University to finance and construct improvements; to adopt financial policies to guide the funding of improvements and to schedule the funding and construction of improvements in a manner necessary to ensure that capital improvements are provided when required based on needs identified in the other Master Plan elements.

**(1) DATA REQUIREMENTS.** This element shall be based, at a minimum, on the following data:

**a) The element shall be based on the facility needs as identified in the other elements and shall support the future needs as identified in the future land use element.**

The facility needs for Florida Agricultural and Mechanical University were derived from an analysis of the other elements of this plan. The important items, along with anticipated costs are contained in Table 14.1.

**Table 14.1 Five-Year Capital Improvement Plan and Legislative Budget Request Period 2018-23**

Priority No.	Project	2018-19	2019-20	2020-21	2021-22	2022-23
<b>PECO ELIGIBLE PROJECT REQUESTS</b>						
1	Student Affairs Building / CASS	\$21,473,149	\$3,100,000	\$0	\$0	\$0
2	Infrastructure-Central Plant Improvements	\$4,850,000	\$4,400,000	\$7,850,000	\$0	\$0
3	Classroom Technology / Distance Learning Upgrade / New	\$10,671,100	\$87,500	\$0	\$0	\$0
4	FAMU / FSU College of Engineering Phase III	\$15,200,000	\$66,000,000	\$5,800,000	\$0	\$0
5	Interdisciplinary Research Buildout	\$13,968,122	\$0	\$0	\$0	\$0
6	Stem Teaching Lab / Dyson Building Re-Purpose (Remodel)	\$0	\$4,953,500	\$11,202,200	\$2,650,000	\$0
7	Army ROTC / Howard Hall Re-Purpose (Remodel)	\$0	\$674,758	\$6,880,974	\$518,640	\$0

**Table 14.1 (continued)****Five-Year Capital Improvement Plan and Legislative Budget Request Period 2018-23**

8	Foote - Hilyer Ground and 1 <sup>st</sup> Floor Re-Purpose (Remodel)	\$0	\$5,053,500	\$17,360,700	\$0	\$0
9	Navy ROTC / Perry-Paige Re Purpose (Remodel) / Addition	\$0	\$2,442,439	\$24,689,405	\$1,620,000	\$0
10	Computer Information Systems Building	\$0	\$3,177,000	\$47,372,400	\$2,725,362	\$0
11	Science Teaching Facility (STEM)	\$0	\$4,210,167	\$48,485,560	\$2,737,678	\$0
12	Social Sciences Building	\$0	\$2,026,000	\$28,115,951	\$1,337,080	\$0
13	Engineering Technology Building	\$0	\$1,417,200	\$21,819,904	\$1,650,000	\$0
14	General Classroom Phase II	\$0	\$0	\$2,872,401	\$34,135,427	\$1,432,627
15	Land Acquisitions	\$0	\$6,500,000	\$4,500,000	4,500,000	\$0
<b>CITF PROJECT REQUESTS</b>						
1	Student Union	\$2,200,000	\$23,800,000	\$3,100,000	\$0	\$0
<b>REQUESTS FROM NON-STATE SOURCES, INCLUDING DEBT</b>						
1	P3 Housing – Pentaplex and Town Center	\$22,580,547	\$22,580,547	\$22,580,547	\$22,580,547	\$0
2	P3 - Retail	\$2,151,227	\$2,151,227	\$2,151,227	\$0	\$0
3	P3 – Parking Garage and Surface Parking	\$10,609,715	\$10,609,715	\$10,609,715	\$0	\$0
4	Food Service Building	\$960,000	\$12,000,000	\$2,040,000	\$0	\$0
5	P3 – Stadium and Athletic Fields	\$22,679,862	\$22,679,862	\$22,679,862	\$0	\$0
6	Tallahassee Biological Control (Entomology Facility)	\$1,617,500	\$23,126,882	\$518,640	\$0	\$0

Source: FAMU, Capital Improvement Plan 2017-18 through 2021-22, May 2016

\* Conjunction in request with similar request from Florida State University

**b) An inventory of existing and anticipated revenue sources and funding mechanisms available for capital improvement financing, such as ad valorem funds, state funds, bonds, impact fees, gas tax, etc.**

The mechanisms employed by FAMU to fund needed capital improvements generally come from the following sources, each of which is briefly described below:

PECO Funds. These monies are generated by the Statewide Gross Receipts Tax and the State Infrastructure Fund. These monies are distributed annually to the Universities by the Florida Board of Governors and represent the single largest capital funding source for FAMU.

Capital Improvements Trust Fund (CITF). These monies are generated by student fees on a per-credit hour basis. Once collected, these monies are remitted to the Florida Board of Governors for redistribution among the schools. These funds are normally combined with PECO funds prior to being received by the Universities. These fund allocations can be distinguished and represent the second largest capital funding source for FAMU.

**c) An inventory of operations and maintenance costs for existing facilities.**

Operating and maintenance costs typically originate primarily from the Physical Facilities Department, which includes the physical plant. According to this department, the University plans to expend approximately \$22,000,000 on Plant Operations and Maintenance-related costs in fiscal year 2015-16. Plant Operations and Maintenance program component budgeted amount includes funding for the Physical Plant, Facilities Planning and Environmental Health and Safety. Plant Operations and Maintenance receives increase funding based on the increase in gross square footage.

**(2) ANALYSIS REQUIREMENTS.** This element shall be based, at a minimum, on the following analyses:

**a) An analysis of current University practices that guide the timing and location of construction extensions or increases in the capacity of University facilities.**

FAMU relies heavily on the timing and receipt of funds generated from PECO and CITF. These funds are administered by SUS and therefore require that planned improvements be funded and consistent with state approval and timing, particularly as they relate to the use of PECO Funds. The University does maintain more flexibility in funding housing and parking area improvements since these are typically funded through the commitment of rental rates and parking fees towards debt service requirements. The timing of these improvements is, however, guided by the demand for such facilities since their efficient utilization is needed to pay for these improvements.

**b) An estimate of the cost of each of the on-campus capital improvements identified in the other plan elements, including**

consideration of inflation factors and the relative priority of need ranking.

These items, along with relative priority, are depicted in Table 14.1.

**b) An estimate of the cost of future capital improvements that may be required off the University campus to support the future infrastructure and traffic functions of the University.**

With the exception of traffic capacity, the majority of infrastructure impacts created by FAMU are to be assessed in conjunction with the city of Tallahassee. Previous infrastructure and utility analysis (9.0 General Infrastructure Element) indicate that these needs will be addressed due to FAMU's establishment of level-of-service standards that do not conflict with those of the host community. The University will adopt a level-of-service standard for transportation roadways. Furthermore, the majority of known projects are associated with roadways. These projects, combined with the acquisition by the host community for right-of-way areas for other road projects near the campus, should minimize those costs borne by FAMU.

**c) A description of the basis of the cost estimates.**

These estimates were based on an examination of costs on similar projects at other locations. They should be re-examined on an annual basis.

**d) An assessment of the University's ability to finance capital improvements including:**

1. Forecasting of revenue and expenditures for the planning period.
  - a. 3-year committed. See Table 14.2.

**Table 14.2 Operational Maintenance Strategies**

<b>Preventative Maintenance Costs</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Salaries and Benefits	\$2,092,263	\$2,196,876	\$2,306,720	\$2,422,056	\$2,543,159
OPS	\$155,051	\$162,804	\$170,944	\$179,491	\$188,466
Expenses	\$1,916,676	\$2,012,510	\$2,113,136	\$2,218,793	\$2,329,732
Other	\$61,776	\$64,865	\$68,108	\$71,513	\$75,089
<b>Total</b>	<b>\$4,225,767</b>	<b>\$4,437,055</b>	<b>\$4,658,908</b>	<b>\$4,891,853</b>	<b>\$5,136,446</b>
<b>General Maintenance Costs</b>					
Salaries and Benefits	\$4,881,945	\$5,126,042	\$5,382,344	\$5,651,461	\$5,934,034
OPS	\$361,786	\$379,876	\$398,870	\$418,814	\$439,754
Expenses	\$4,472,242	\$4,695,854	\$4,930,646	\$5,177,178	\$5,436,037
Other	\$194,595	\$204,324	\$214,401	\$225,121	\$236,377
<b>Total</b>	<b>\$9,910,568</b>	<b>\$10,406,096</b>	<b>\$10,926,401</b>	<b>\$11,472,574</b>	<b>\$12,046,203</b>

Source: FAMU and Wood+Partners, 2012; Operational Maintenance Strategies data was not available at the time this update was prepared.

b. 10-year projected.

Table 14.2 indicates operational maintenance strategies until the year 2014-2015.

2. Projection of operating costs for existing and future facilities.

Projected operations and maintenance cost will be based on the level of construction or gross square footage that is added. Operating costs are anticipated to increase by approximately three (3) to five (5) percent annually for existing and new facilities.

3. Projections of other tax bases and revenue sources, such as impact and user fees.

No other revenue sources are anticipated to be utilized other than those already referenced herein.

**e) An analysis comparing the host community's and the University's cost estimates for future improvements generated by University infrastructure impacts.**

Replacement of existing infrastructure systems is of primary importance when assessing FAMU's impacts on the host community and its ability to provide the infrastructure needs. A process for identifying and mitigating University-generated impacts will need to be undertaken as part of the statutory campus planning requirements. At this time, these impacts are either not known or have not been fully evaluated by either FAMU or the host community for the purposes of establishing the timing and/or cost estimate for these improvements.