TOPIC: FY 2013 System Funded Construction Program Request

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: June 19, 2012

SUMMARY: This is a request for approval of the FY 2013 System Funded Construction Program in the amount of $161,736,000 that is the first year of the proposed FY 2013-2017 System Funded Construction Program of $562,766,000, as indicated in the attachment. The USM Auxiliary Bond portion of the total is $87,791,000 for FY2013 and a five year total of $410,766,000. Given the state of the economy and the difficulty in securing developer interest, there are no requests recommended for private financing this cycle, though that decision will be revisited if circumstances change.

The request includes projects proposed for planning, construction and/or equipment funding in FY 2013. As noted above, most are recommended for funding through external borrowing in whole or in part. Approval is being requested concurrently and/or at a later date for borrowing authority for those specific projects. There may be changes at that time as a result of timing, cost, fee change implications, or other considerations. Each project is a part of an institutional program that will produce the revenue required for repaying the debt.

Some recommendations in the SFCP may be conditional upon satisfactory completion of other projects or activities. These are noted in the attachment or will be part of concurrent discussion with the Board. One project, a dormitory project at Coppin State University, will be financed through an internal loan by the System. Terms will be negotiated by agreement between the institution and the System Office.

ALTERNATIVE(S): Each project can be reviewed separately and accepted, modified, or rejected. The institutional requirement and financial viability for each project were evaluated separately.

FISCAL IMPACT: The impact of the program focuses on the effect of each project on the institution’s operating budget and varies with the plan for setting the charges required to repay the debt.

CHANCELLOR’S RECOMMENDATION: That the Committee on Finance recommend that the Board of Regents approve the FY 2013 System Funded Construction Program request with the conditions listed herein (and within the attached materials) and authorize the Chancellor to make appropriate changes consistent with existing Board policies and guidelines. Any such changes will be reported to the Committee on Finance.

COMMITTEE RECOMMENDATION: DATE:
BOARD ACTION: DATE:
SUBMITTED BY: Joseph F. Vivona (301) 445-1923
## SFCP RECOMMENDATION FOR BOARD OF REGENTS CONSIDERATION

### FY2013-2017 SYSTEM FUNDED CONSTRUCTION PROGRAM (SFCP) – $'000’s

**Revised 6/4/2012**

### Red: Changes to Project Queue since Workshop

#### INST’N PROJECTS

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<td>Prior</td>
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#### USM Auxiliary Bonds

- **UMCP** High Rise Residence Hall A/C: Phased 47,085 PCE 13,250 CE 9,560 CE 3,810 P 22,305 CE 11,610
- **UMCP** Prince Frederick Hall (July Repairs Cont’d, Carolin, Wicomico & Ph. SCUB II Expend.) 15,700 PC 55,591 CE
- **UMCP** South Campus Dining Hall Renovation 21,700 PC 36,800 CE
- **UMCP** High Rise Residence Hall SCUB: Phased 16,000 PCE 500 P 9,500 CE
- **TU** Burkitt Renovation, Ph 3 1,500 P 13,500 CE
- **TU** Residence Tower Renovation (swapped with WV Housing per TU request) 3,200 P 32,500 CE 2,800 P 28,000 CE
- **TU** Recreation Bldg, Ph 2 (100,000 GSF) (Addn to Burkitt Hall) 2,800 P 28,000 CE
- **TU** Union Addition/Renovation (80,000 GSF) 6,000 P 38,000 C 30,000
- **TU** West Village Housing, Phase 3 & 4 (700 beds) 39,150 PCE 39,150 PCE
- **UMES** Nuttle Hall Residence Renovation 800 P 9,200 C 800 E
- **SU** Dormitory Renovations, Campus-wide, Phased 45,425 PCE 7,500 PCE 5,000 CE
- **UMBC** Residence Hall Renovations/Additions 26,150 P 9,890 C 1,850 E

Subtotal: USM Bonds/Direct Debt RECOMMENDED 87,791 57,810 111,760 86,605 66,800 41,610

FIVE YEAR SUBTOTAL BONDS 410,766

#### Cash or Institutional Funding

- **UMB** Medical School Teaching Fac System Upgrades (non-state portion only) 1,600 CE
- **UMCP** Pocomoke and Severn Bldg. Renovation (non-State portion only) 8,680 PCE 2,320 CE
- **UMCP** Central MD Rach & Educ Ctr. Office Bldg 1,750 P 18,800 C 1,850 E
- **UMCP** New Animal Sciences Consolidated Activities Pavilion 540 P 5,150 CE
- **USG** New Parking Garage (to be reimbursed with grant from Mont. County) 20,000 PCE
- **TU** Hartford Education Center 20,000 PCE
- **TU** Newell/Richmond Dining Halls Renovation (increased authorization) 22,260 PCE 2,960 CE

Subtotal: USM Cash/Institutional Funds RECOMMENDED 31,920 21,750 19,340 7,000 0 0

FIVE YEAR SUBTOTAL CASH 80,010

#### Bond Requests suggested for use of Cash or Institutional Funding

- **UMB** Lexington Garage Elevator & Entrance Modifications 2,500 PCE
- **UMB** Garage(s) Life Safety (Fire Alarm) System Modifications 3,000 PCE
- **UMCP** Residence Hall Renovation Ph 10, Cecil Hall 9,365 PCE
- **TU** Newell Dining Hall Renov’n 800 P 8,000 CE
- **TU** Glen Dining Hall Renovation 800 P 8,000 CE

Subtotal: Bond Requests suggested for Cash/Institutional Funding 2,500 3,800 17,365 800 8,000 0

FIVE YEAR SUBTOTAL 32,465

#### Internal Loan Recommendations

- **CSU** New Residence Hall (400-500 Beds) 39,525 PCE

Subtotal: Internal Loan Recommendations (terms TBD) 39,525 0 0 0 0 0

FIVE YEAR SUBTOTAL 39,525

TOTAL SFCP PROGRAM (BONDS, CASH/INTERNAL LOANS) 161,736 83,360 148,465 94,405 74,800 41,610

FIVE YEAR TOTAL BONDS, CASH/INTERNAL LOANS 562,766

**Requests for Project (Only) Approval** (No financing required and these requests have no impact on USM debt; these are projects presented for Board approval only)

- **CSU**: Energy Performance Contract with MCEC; Shared Savings Agreement* 6,000 15 year term
- **UMBC**: Energy Performance Contract with MCEC; Shared Savings Agreement* 10,000 15 year term

*See note re: MCEC below

END OF REQUESTS RECOMMENDED FOR APPROVAL
# Funding Calendar

## Housing Requests Still Under Review

<table>
<thead>
<tr>
<th>Institution</th>
<th>Project Details</th>
<th>Bonds</th>
<th>A</th>
<th>P</th>
<th>C</th>
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<tbody>
<tr>
<td>UMES</td>
<td>New Residence Hall, Ph 2 (400 beds)</td>
<td>2,500</td>
<td>21,500</td>
<td>1,000</td>
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<tr>
<td>UMES</td>
<td>New Residence Hall, Ph 3 (400 beds)</td>
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<td>BSU</td>
<td>New Residence Hall #1 (450 beds)</td>
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<td>BSU</td>
<td>New Residence Hall #2 (450 beds)</td>
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<td>1,000</td>
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<tr>
<td>SU</td>
<td>Housing, Ph II</td>
<td>3,000</td>
<td>24,000</td>
<td>1,000</td>
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<td>FSU</td>
<td>New Residence Hall (435 beds)</td>
<td>3,000</td>
<td>24,000</td>
<td>1,000</td>
<td>E</td>
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Subtotal: Requests for Housing Projects (still under review) | 5,000 | 53,000 | 2,000 | 3,200 | 10,500 | 89,500 |

## Other Auxiliary Requests Still Under Review

<table>
<thead>
<tr>
<th>Institution</th>
<th>Project Details</th>
<th>Bonds</th>
<th>A</th>
<th>P</th>
<th>C</th>
<th>E</th>
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<tbody>
<tr>
<td>UMCP</td>
<td>Replacement Residence Hall: Worcester Hall</td>
<td>NEW</td>
<td>40,613</td>
<td>PCE</td>
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<td>UMCP</td>
<td>South Campus Recreation Ctr.</td>
<td>NEW</td>
<td>2,950</td>
<td>P</td>
<td>31,750</td>
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<td>TU</td>
<td>Prettyman and Scarborough Halls Renovation</td>
<td>Bonds</td>
<td>1,980</td>
<td>P</td>
<td>19,800</td>
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<td>TU</td>
<td>Glen Towers Renovation</td>
<td>Bonds</td>
<td>3,000</td>
<td>P</td>
<td>7,900</td>
<td>CE</td>
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<tr>
<td>CSU</td>
<td>New Student Center</td>
<td>Bonds</td>
<td>7,224</td>
<td>P</td>
<td>70,500</td>
<td>CE</td>
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<tr>
<td>CSU</td>
<td>New Parking Garage (1600 spaces)</td>
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<td>P</td>
<td>70,500</td>
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<td>SU</td>
<td>Renovate Stadium</td>
<td>Bonds</td>
<td>1,100</td>
<td>P</td>
<td>6,900</td>
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<td>SU</td>
<td>Athletic Complex Renovations</td>
<td>Cash</td>
<td>1,000</td>
<td>PC</td>
<td>2,500</td>
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<tr>
<td>SU</td>
<td>Construct Fieldhouse/New Recreation Center (scope expanded)</td>
<td>Bonds</td>
<td>3,500</td>
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<td>82,500</td>
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<td>SU</td>
<td>GUC Renovations</td>
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<td>26,500</td>
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<td>UB</td>
<td>USPS Facility Acquisition and Replacement (60 W. Oliver St.)</td>
<td>Loan</td>
<td>2,450</td>
<td>AP</td>
<td>5,550</td>
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<td>UB</td>
<td>Recreation Center (tied to acq. item, above)</td>
<td>Bonds</td>
<td>1,610</td>
<td>P</td>
<td>9,328</td>
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<tr>
<td>UMBC</td>
<td>New Multi-Purpose (Athletic, etc.) Center to Replace R.A.C.</td>
<td>TBD</td>
<td>USM Office will work with UMBC on financing concepts for future consideration by Board</td>
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Subtotal: Other Requests Still Under Review | 3,550 | 24,874 | 103,090 | 40,428 | 91,876 | 362,410 |

## End of List: Projects Under Review

- **A** = Acquisition; **P** = Planning; **C** = Construction; **CS** = Construction Supplemental; **E** = Equipment

**The MCEC figures shown are estimates only. The Maryland Clean Energy Center (MCEC) is a quasi-state entity created under Governor O'Malley with state bonding authority. Their purpose is to promote clean energy economic development and jobs in the state. Under the Shared Savings Agreement, USM Institutions will pay annually from their operating budgets a percentage of their avoided energy/water costs. MCEC will use these payments to pay bond holders. If savings do not cover bond payments in any year, the Energy Service Company that contracted with MCEC will be responsible for the difference. Again, these are presented for project approval only.**