



**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.

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COMMITTEE RECOMMENDATION:

DATE:

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BOARD ACTION:

DATE:

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SUBMITTED BY: Joseph F. Vivona (301) 445-1923

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## SFCP RECOMMENDATION FOR BOARD OF REGENTS CONSIDERATION

### FY2013-2017 SYSTEM FUNDED CONSTRUCTION PROGRAM (SFCP) -- \$'000'S

Highlighted lines are new this year

Red: Changes to Project Queue since Workshop

Revised 6/4/2012

#### FUNDING CALENDAR

INST'N	PROJECTS	Prior	FY2013	FY2014	FY2015	FY2016	FY2017	FY18-22
<b>USM Auxiliary Bonds</b>								
UMCP	High Rise Residence Hall A/C: Phased	47,085 PCE	1,350 CE	9,560 CE	3,810 P	22,305 CE		11,610
UMCP	Prince Frederick Hall (aka Replace Carroll, Caroline, Wicomico & Ph1, SCUB II Expansion)	15,700 PC	55,591 CE					
UMCP	South Campus Dining Hall Renovator				21,700 PC	36,800 CE		
UMCP	High Rise Residence Hall SCUB: Phases	16,900 PCE			500 P	9,500 CE		
TU	Burdick Renovation, Ph 3	1,500 P	13,500 CE					
TU	Residence Tower Renovation (swapped with WV Housing per TU request)					2,800 P	28,000 CE	
TU	Recreation Bldg. Ph 2 (100,000 GSF) (Add'n to Burdick Hall)			3,200 P	32,500 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	9,850 C	900 P	13,300 C			
	Subtotal: USM Bonds/Direct Debt RECOMMENDED		87,791	57,810	111,760	86,605	66,800	41,610
	<b>FIVE YEAR SUBTOTAL BONDS</b>						410,766	
<b>Cash or Institutional Funding</b>								
UMB	Medical School Teaching Fac System Upgrades (non-state portion only)		1,600 CE					
	<i>Includes prior (\$3.594M) and future (\$6M) Capital Facilities Renewal funding</i>							
UMCP	Pocomoke and Severn Bldg. Renovation (non-State portion only)	8,880 PCE	2,320 CE					
	<i>Also includes \$1.15 M in FY2011 CIP funds approved by the Legislature for East Campus Facilities Reloc</i>							
UMCP	Central MD Rsch & 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	Harford Education Center		28,000 PCE					
TU	Newell/Richmond Dining Halls Renovation (increased authorization)	22,800 PCE	2,900 CE	Previously approved via action taken by Board 5/30/12				
	Subtotal: USM Cash/Institutional Funds RECOMMENDED		31,920	21,750	19,340	7,000	0	0
	<b>FIVE YEAR SUBTOTAL CASH</b>						80,010	
<b>Bond Requests suggested for use of Cash or Institutional Funding</b>								
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
	<b>FIVE YEAR SUBTOTAL</b>						32,465	
<b>Internal Loan Recommendations</b>								
CSU	New Residence Hall (400-500 Beds)		39,525 PCE					
	Subtotal: Internal Loan Recommendations (terms TBD)		39,525	0	0	0	0	0
	<b>FIVE YEAR SUBTOTAL</b>						39,525	
	<b>TOTAL SFCP PROGRAM (BONDS, CASH/INTERNAL LOANS)</b>		161,736	83,360	148,465	94,405	74,800	41,610
	<b>FIVE YEAR TOTAL BONDS, CASH/INTERNAL LOANS</b>						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

Revised 6/4/2012

FUNDING CALENDAR

INST'N	PROJECTS	Prior	FY2013	FY2014	FY2015	FY2016	FY2017	FY18-22
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**REQUESTS STILL UNDER REVIEW (REQUIRING FURTHER CONSIDERATION)**

<b>Housing Requests Still Under Review</b>														
UMES	New Residence Hall, Ph 2 (400 beds)	Bonds		2,500	P	21,500	C	1,000	E					
UMES	New Residence Hall, Ph 3 (400 beds)	Bonds									3,000	P	24,000	
BSU	New Residence Hall #1 (450 beds)	Bonds		2,500	P	31,500	C	1,000	E					
BSU	New Residence Hall #2 (450 beds)	Bonds									2,500	P	32,500	
SU	Housing, Ph II	Bonds								3,200	P	5,000	PC	33,000
FSU	New Residence Hall (435 beds) cost TBD	Bonds												
				USM Office to work with FSU on financing plan for future consideration by Board										
<b>Subtotal: Requests for Housing Projects (still under review)</b>				5,000		53,000		2,000		3,200		10,500	89,500	
<b>Other Auxiliary Requests Still Under Review</b>														
UMCP	Replacement Residence Hall: Worcester Hall	Bonds	NEW								40,613	PCE		
UMCP	South Campus Recreation Ctr.	Bonds	NEW							2,950	P		31,750	
TU	Prettyman and Scarborough Halls Renovation	Bonds					1,980	P	19,800	CE				
TU	Glen Towers Renovation	Bonds								3,600	P	7,900	CE	27,550
CSU	New Student Center	Bonds				7,224	P	70,500	CE					
CSU	New Parking Garage (1600 spaces)	Bonds										25,000	CE	
SU	Renovate Stadium	Bonds	NEW	1,100	P	6,900	C							
	Stadium project (cash portion)	Cash	NEW			2,000	C							
SU	Athletic Complex Renovations	Cash	NEW			1,000	PC	2,500	C	1,250	C	1,250	CE	
SU	Construct Fieldhouse/New Recreation Center (scope expanded)	Bonds										3,500	P	82,500
SU	GUC Renovations	Bonds				2,200	P	26,500	C	3,500	E			
UB	USPS Facility Acquisition and Replacement (60 W. Oliver St.)	Loan	NEW	2,450	AP	5,550	CE							
UB	Recreation Center (tied to acq. Item, above)	Bonds	NEW					1,610	P	9,328	C	13,613	CE	
UMBC	New Multi-Purpose (Athletic, etc.) Center to Replace R.A.C.	TBD												
				USM Office will work with UMBC on financing concepts for future consideration by Board										
<b>Subtotal: Other Requests Still Under Review</b>				3,550		24,874		103,090		40,428		91,876	362,410	

**END OF LIST: PROJECTS UNDER REVIEW**

KEY: 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.