

**EXECUTIVE SUMMARY**

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**ITEM NAME: FY 2011-2013 Capital Improvement Plans (ASU, NAU, UA)**

Action Item       Discussion Item       Information Item

**Issue:** Arizona State University, Northern Arizona University, and the University of Arizona request approval of their FY 2011-2013 Capital Improvement Plans.

**Statutory/Policy Requirements:**

- ▶ Board Policy 7-106 requires Capital Committee review and Board approval of the annual Capital Improvement Plans (CIP).
- ▶ Arizona Revised Statutes 41-793, require each building system to annually submit a Capital Improvement Plan (CIP) to the Governor no later than October 15. The state of Arizona recognizes three building systems: The Department of Transportation, the Department of Administration, and the Arizona Board of Regents.

**Strategic Implications:**

- ▶ The annual CIPs serve 3 main functions:
  - To serve as reference documents for current facilities inventory and related financial management information;
  - To request general fund monies, including building renewal, from the state; and
  - To identify capital projects each university intends to implement during the next fiscal year along with a forecast of proposed activities and projects in the following 2 fiscal years.
- ▶ The Capital Improvement Plans include a capital allocations report; building renewal and deferred maintenance reports; building inventory reports; lease reports; acquisitions and sales of land reports; capital project status reports; three-year capital improvement plans; FY 2011 project descriptions, scope, and cost; and debt reports.
- ▶ Approval of the CIPs allows universities to expend the lesser of \$250,000 or 2% of project costs in preparation for any projects that will be submitted for the next stage of project approval (Capital Development Plan).

**Summary:**

- ▶ In total, the first-year (FY 2011) plans in the CIPs for the three universities include 8 projects with estimated costs totaling \$199.9 million, and one third-party housing project totaling \$40 million.

**Contact Information:**

Morgan R. Olsen, Executive VP, Treasurer and CFO, (480)727-9920; [Morgan.R.Olsen@asu.edu](mailto:Morgan.R.Olsen@asu.edu)  
MJ McMahon, Executive VP, (928) 523-6104, [MJ.McMahon@nau.edu](mailto:MJ.McMahon@nau.edu)  
Jane Kuhn, Associate Vice President, (928) 523-7732, [Jane.Kuhn@nau.edu](mailto:Jane.Kuhn@nau.edu)  
Joel D. Valdez, Senior VP for Business Affairs, (520) 621-5977, [jvaldez@u.arizona.edu](mailto:jvaldez@u.arizona.edu)  
Lorenzo Martinez, ABOR Central Office, (602) 229-2525, [lorenzo.martinez@azregents.edu](mailto:lorenzo.martinez@azregents.edu)

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- ▶ Building renewal formula requirements total \$89 million for the system.
- ▶ Each university reports the debt ratio calculations are below the statutory limit of 8%.

**Arizona State University**

- ▶ The ASU Capital Improvement Plan includes 5 projects totaling \$75 million, and a FY 2011 building renewal formula requirement of \$29.9 million. The debt ratio is estimated to be     % excluding SPEED projects, and \_\_\_% including SPEED projects.

	<b>Project Name</b>	<b>Est. Cost</b>
1.	Infrastructure and Campus Site Improvements Phase 1	5,000,000
2.	New Bookstore Facility	30,000,000
3.	School of Human Evolution and Social Change Program Expansion	15,000,000
4.	Sun Devil Stadium Upgrades Phase 2	20,000,000
5.	Traffic Calming and Safety Improvements	5,000,000
	<b>Project Subtotal</b>	<b>75,000,000</b>
	Building Renewal Requirement	29,891,900
	<b>TOTAL</b>	<b>104,891,900</b>

**Northern Arizona University**

- ▶ The NAU Capital Improvement Plan includes one third-party residence hall project with an estimated cost of \$40 million, and a FY 2011 building renewal formula requirement of \$12 million. The debt ratio is estimated to be 6.9% excluding SPEED projects, and 7.7% including SPEED projects.

	<b>Project Name</b>	<b>Est. Cost</b>
1.	Privatized Residence Hall	40,000,000
	<b>Project Subtotal</b>	<b>40,000,000</b>
	Building Renewal Requirement	11,996,100
	<b>TOTAL</b>	<b>51,996,100</b>

**University of Arizona**

- ▶ The UA Capital Improvement Plan includes 3 projects totaling \$124.9 million, and a FY 2011 building renewal formula requirement of \$47.1 million. The debt ratio is estimated to be 5.8% excluding SPEED projects, and 6.1% including SPEED projects.

	<b>Project Name</b>	<b>Est. Cost</b>
1.	ICA Master Plan Phase 1 Arizona Stadium North End Zone Expansion	82,000,000
2.	Modern Streetcar and Associated Infrastructure Improvements	34,916,000
3.	Replacement/Relocation of University Purchasing Warehouse	8,000,000
	<b>Project Subtotal</b>	<b>124,916,000</b>
	Building Renewal Requirement	47,069,100
	<b>TOTAL</b>	<b>171,985,100</b>

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**Appendix:**

- ▶ Each university's CIP Executive Summary can be found in the Appendix to this item. The entire CIP for each university is available on CD.

**Committee Review and Recommendation:**

- ▶ The Capital Committee reviewed the plans at its meeting on September 9, 2009, and recommended Board approval. As requested at the Committee meeting, a map indicating building condition has been incorporated into the CIPs.

**Recommendation:**

That the Board grant approval of the Arizona State University, Northern Arizona University, and the University of Arizona FY 2011-2013 Capital Improvement Plans.