
SUPPORTING DATA**MASTER PLAN****14 Capital Improvements****Capital Improvements Supporting Data**

The purpose of the Capital Improvements element is to evaluate the need for public facilities as identified in 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 campus master plan elements.

1. Inventory and Analysis of Existing Conditions**1.a. Facility Needs****1.b. Existing and Anticipated Revenue Sources and Funding Mechanisms**

As a general rule, Florida Atlantic University receives funding from the State of Florida for capital improvements in various appropriation types including Public Education Capital Outlay (PECO), Capital Improvement Trust Fund (CITF), PECO Challenge Grant, and direct PECO and non-PECO appropriations. The University also utilizes grant funding for various types of improvements.

Auxiliary University organizations, such as the Business Services Department, Intercollegiate Athletics, and the University Housing Department, utilize revenues collected from their operations to complete capital improvements or use those revenues to bond the necessary funding for these purposes.

Another source of revenue for accomplishing capital improvements is derived from private donations, though this source of funding is usually a component of the PECO Challenge Grant program in which private funds are matched on an equal basis with state funds. A recent example of this type of funding is the Christine Lynn College of Nursing at the Boca Raton Campus.

It is expected that the State's Concurrency Trust Fund will be another source of revenue for capital improvement though it is expected that these funds will only be utilized to meet the concurrency and mitigation costs of university development.

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1.c. Operations and Maintenance Costs for Existing Facilities

In large part, the State of Florida provides Plant Operation and Maintenance (PO&M) funding for university facilities that are categorized as having Educational and General (E&G) space. In some cases, PO&M funding is provided for in a grant awarded. The costs of operating and maintaining auxiliary space is derived from auxiliary revenues.

1.d. Current University Practices that Guide the Timing and Funding of Construction

The timing and funding of state funded projects is ultimately determined by the Legislature through its annual appropriation process. At the Florida Atlantic University level, the timing and funding of new construction/remodeling/renovation projects and other capital improvements is realized primarily through the preparation of the University's annual Fixed Capital Outlay Budget Request. The preparation of this request involves several steps that culminate in the development of a prioritized list of capital improvements (this list is commonly referred to as the Five Year PECO List). A draft list of priorities based in large part upon the previous year's list is recommended to the Vice President of Finance and Chief Operating Officer for review prior to submittal to the President of the University and finally to the Board of Trustees Budget office. The Fixed Capital Outlay Budget Request is prepared by the Facilities Planning Section and the Space Utilization Department of the Administration and Finance Area. Because the timing of projects funded by Capital Improvement Trust Funds is less certain, the Division of Student Affairs and the Student Government Association maintains a less specific list of capital improvements. The Division of Student Affairs has instituted a CITF Planning Committee to coordinate the development of the future CITF funded projects. It is expected that recommendations concerning the prioritization of CITF funded projects will be considered in the annual preparation of the University's fixed capital outlay budget.

The timing of projects funded by auxiliary funds is dependent primarily on financial opportunities. Grant funded projects are dependent on the successful awarding of grant applications; subsequently, the timing of these types of projects are more than likely the most difficult to determine.

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A significant portion of facilities at Florida Atlantic University are operating at full capacity, although no fire code violations have been observed. The University is continually seeking methods of alleviating space pressures in these facilities either by means of expanding these buildings or through remodeling efforts to make more efficient use of available space.

Increases in the capacity of infrastructural systems such as the University's central chilled water and steam system as well as expansion of distribution lines are planned and programmed by the Physical Plant Department in conjunction with the Facilities Planning Department. Future utility capacity and distribution needs are programmed into specific utility system improvements projects or programmed as part of individual new construction/renovation/remodeling projects.

2.b. Estimate of the Cost of the On-Campus Capital Improvements

Funding requests are listed in the Five-Year Capital Outlay Plan in the traditional sequential-manner – planning, construction, and equipment. The priorities listed in the first five years of this ten-year plan are based in large part upon the University's Five Year PECO List. These projects and those identified in years six through ten are prioritized with future funding, it is possible that these priorities may change. If this occurs, these changes will be reported in the University's annual master plan update provided to the Board of Regents.

It should be noted that funding amounts are based upon current dollar values. As is the practice of the Board of Trustees Budget Office, no inflationary factors have been assumed. Adjustments for inflation will be made each year upon the direction of the BOR Budget Office.

2.c. Estimate of the Cost of Future Capital Improvements Off-Campus to Support the Future Utility and Traffic Functions

Since FAU has acquired land on the west side of College Avenue, the University will now have to find a way to join this property with the existing campus on the east side of

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College Avenue. This connection can come in many forms, any one of which will involve off-campus capital improvements along College Avenue. These improvements will also include a new entry for the western property either on College Avenue or on SW 30th Street.

2.d. Basis of the Cost Estimates

Cost estimates for on-campus capital improvements are based upon recent recommendations for construction and project costs per square foot for various space types provided by the BOR Budget Office and reflect historical construction data from FAU and other institutions in the State University System. Because of vagaries in the construction industry in the State of Florida, these recommendations are adjusted to meet local and regional conditions. Other types of improvements are based upon historical sources, such as previous on-campus construction, industry standard, and direct material take-offs.

The project cost estimates reflected on the spreadsheets contained in the goals, objectives and policies for this element include more than just the cost of construction materials and labor. Site improvements, design professional fees, survey and tests, resident inspection, communications, artwork, furnishings and equipment, and contingency costs are also included in the standard format utilized by the State University System.

2.e. Assessment of the University's Ability to Finance Capital Improvements**2.e.2. Projection of Operating Costs**

As a general rule, projects funded from PECO appropriations are accepted by the Legislature and operations and maintenance costs are subsequently funded. The University is required to report in annual submission form, the expected occupancy dates for projects expected to be substantially completed within a 24-month period. If the University wishes to seek state revenue for the operations and maintenance of projects that are funded from sources other than PECO, then it is required to petition the Board of Regents as part of the Fixed Capital Outlay Budget Request process.

2.e.3. Projections of Other Tax Bases and Revenues Sources

At the present time, it is not possible to accurately determine projects of other tax bases and revenue sources, such as impact and user fees. Such projections will be included in future campus master plan updates should accurate tax base and revenue source information become available.

2.e.4. Analysis Comparing the Host Community's and the University's Cost Estimates for Future Improvements generated by University Infrastructure Impacts

The University has not had to work with local jurisdictions regarding water management due to the fact that the occupied land has always been leased property. Now that the University has to plan and manage an undeveloped 20 acres of land, coordination with local authorities will be required. The University will set up regular meetings to discuss the costs for future improvements in the area.