Capital Project Plan

2018-2020 Biennium and Beyond
Criteria and Process

• Developed the plan within the context of “Our Path Forward”
  Estimated student growth and capital needs:
  • Projected five year growth is 2,500 – 3,500 students
  • Additional space needed is ~150,000 – 250,000 net square feet to accommodate the five year growth
• Evaluated the following:
  • Availability of surge space
  • Impact to students and research
  • College/program growth potential
  • Recent capital expenditures for colleges
• Conducted broad based discussions with deans, college leadership, and University leadership
Criteria and Process

• Outcome: Development of a multi-year capital plan beyond the modernization funds of $125 million
• Goal:
  • A guiding capital “mini-master plan” that can be used for the next few years
  • Alignment with campus master plan
Modernization Goals

- Preserve and extend useful life of existing buildings
- Improve the utilization of space by providing a more flexible array of classrooms to serve our growing student population, especially in the STEM+H (science, technology, engineering, math, and health) disciplines
- Modernize the core of campus to help create a unified sense of place to enhance student success as measured by the state’s new performance funding model
- Create better space to increase synergies among departments and faculty
- Preserve several historic structures to commemorate their contribution to UK’s 150-year history while addressing the student learning needs of today
- Manage escalating repair and maintenance costs
- Upgrade existing infrastructure to improved, energy efficient systems that reduce operating costs and lower future maintenance expenses
Recommended Modernization Projects

- Scovell Hall: $42M
- Reynolds Warehouse #1: $34M
- Phase 2 of Chemistry Physics Building: $26M
- Phase 1 of W. P. Garrigus Building: $10M
- Phase 1 of White Hall Classroom Building: $5M
- Cooper House: $4M
- Enabling Projects: $4M

Total: $125M
Modernization Project Information

Project: Scovell Hall - Modernization
Description: Complete modernization of the existing building that will provide classrooms, offices, and other support space
Occupant: College of Public Health
Square Feet: 67,645 GSF/40,000 NSF
Cost: $42M
Acquisition Date: 1907

Project: Reynolds Warehouse #1 - Modernization
Description: Will provide classrooms, offices, studios, and other support space for current and future programs in the College of Design Returns 60,000 NSF to campus academic service
Occupant: College of Design
Square Feet: 91,500 GSF/60,000 NSF
Cost: $34M
Acquisition Date: 1962

Project: Chemistry/Physics Building – Modernization Phase 2
Description: Includes completing the exterior facade; creating new student space; and accommodating future floor renovations
Occupant: College of Arts and Science and most undergraduate students
Cost: $26M
Acquisition Date: 1963

*GSF = gross square feet
NSF = net square feet
Modernization Project Information

Project: W. P. Garrigus Building – Modernization Phase 1
Description: Building will undergo a systematic modernization, improving laboratory space for the Animal Science Program
Occupant: College of Agriculture, Food and Environment
Square Feet: Up to 17,000 GSF
Cost: $10M
Acquisition Date: 1973

Project: White Hall Classroom Building – Modernization Phase 1
Description: Improve public spaces including restrooms
Primary User: Campus
Cost: $5M
Acquisition Date: 1970

Project: Cooper House - Modernization
Description: Will provide new office and program space
Occupant: College of Agriculture, Food and Environment
Square Feet: 3,000 NSF
Cost: $4M
Acquisition Date: 1940
## Recommended Capital Projects

### Education & General
- Poultry Research Facility $6M
- Parking Structure #5 Expansion $30M
- Coldstream Office Building $24M
- Dentistry Addition $8M
- Digital Village III $55M
- Barnhart & Still Building $32.5M
- Multi-Disciplinary Science Building - 5th Floor $8M
- Peterson Service Building $14M
- Police Station $13.5M
- Patterson Office Tower - 18th Floor $4M
- Teaching Pavilion $27.5M

**Total** $222.5M

### Research
- Research Building #2 Phase 2 $40M
- Vice President for Research Designated Projects $30M

**Research Total** $70M

### Athletics
- Memorial Coliseum $35M
- Tennis $30M
- Baseball Expansion $5M

**Athletics Total** $70M

### Civil Projects (site improvements, pedestrian safety, utilities)
- Library Drive Extension
- Rose Street
- Kirwan/Blanding

**Civil Total** $25M
## Capital Project Information

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>Occupant</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poultry Research Facility</td>
<td>Required as a result of the recent real estate exchange with Lexington Fayette Urban County Government</td>
<td>College of Agriculture, Food and Environment</td>
<td>$6M</td>
</tr>
<tr>
<td>Parking Structure #5 Expansion</td>
<td>Will add 60% capacity of the existing structure (900-1000 spaces) and will include street front retail</td>
<td>Campus</td>
<td>$30M</td>
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<tr>
<td>Kirwan and Blanding Utilities Relocation</td>
<td>Phase 1 in the process to demolish Kirwan and Blanding Complex</td>
<td>Campus</td>
<td>$7.5M</td>
</tr>
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</table>
Location of Projects
Location of Vacated Space

- Little Library - 3rd floor: 10,762 NSF
- McVey Hall - Portion: 7,518 NSF
- Taylor Education - Portion: 6,200 NSF
- Breckinridge Hall - Portion: 2,180 NSF
- Pence - Complete building: 23,811 NSF
- Miller - 2nd & 3rd floors: 9,231 NSF
- Funkhouser - Portion: 9,182 NSF
- Bowman - Portion: 11,257 NSF
- Good Barn - Portion: 10,059 NSF
- MDS - Portion: 3,832 NSF
- Multi-Disciplinary Research Space - Portion: 711 NSF
- Nursing - Portion: 1,135 NSF
- Research Facility #1 - Complete Building: 17,261 NSF
- Total space vacated: 113,139 NSF

KEY
- Location where space is being vacated

Total space vacated: 113,139 NSF
Major Proposed Projects

Recommended Modernization Projects
- Scovell Hall
- Reynolds Warehouse #1
- Phase 2 of Chemistry Physics Building
- Phase 1 of W. P. Garrigus Building
- Phase 1 of White Hall Classroom Building
- Cooper House
- Enabling Projects

Recommended Capital Projects
- Poultry Research Facility
- Parking Structure #5 Expansion
- Coldstream Office Building
- Dentistry Addition
- Digital Village III
- Barnhart & Still Building
- Multi-Disciplinary Science Building - 5th Floor
- Peterson Service Building 3rd floor
- Police Station
- Patterson Office Tower - 18th Floor
- Teaching Pavilion
- Research
  - Research Building #2 Phase 2 and Vice President of Research Designated Projects
- Athletics
  - Memorial Coliseum, Tennis, and Baseball Expansion
- Civil Projects
  - Library Drive Extension, Rose Street, and Kirwan/Blanding
## Total Project Cost Summary

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Cost (in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modernization</td>
<td>$125</td>
</tr>
<tr>
<td>Capital Construction</td>
<td>$222.5</td>
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<tr>
<td>Athletics</td>
<td>$70</td>
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<tr>
<td>Research</td>
<td>$40</td>
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<tr>
<td>Vice President for Research Designated</td>
<td>$30</td>
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<tr>
<td>Civil</td>
<td>$25</td>
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<tr>
<td>Healthcare*</td>
<td>TBD</td>
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<tr>
<td>Total</td>
<td>$512.5</td>
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</tbody>
</table>

* UK Healthcare is carefully evaluating their new course, including a study for the six health care colleges to determine their facility needs.
Debt Capacity & Affordability

• As of June 30, 2018, UK has $1.2 billion of debt outstanding

• The current debt structure is front-loaded with $373 million, or 30%, amortizing over the next seven years

• As debt amortizes, additional capacity is made available

• Fiscal Year 2019 debt service as a percentage of the adjusted operating budget is 2.8%

• The Commonwealth generally limits debt to 20 years; however, exceptions have been made for recent self-supporting projects
Financial Position Assessment

Observations

Based on a recent Kaufman Hall assessment, at the University’s current Aa2/AA rating:

- Credit position is strengthening, supported by steady growth in enrollment and patient volumes
- Overall liquidity position has improved
- Leverage position is fairly modest
- Debt capacity appears to be a potential near term source of capital
Benefits of Proposed Plan

- Creates ~150,000 – ~200,000 square feet (Goal was 150,000 – 250,000)
- Accommodates more than 2,500 additional students (Goal was 2,500 – 3,500)
- Consolidates space for colleges and programs
- Creates space for new programs
- Impact to students:
  - Student collaborative spaces
  - High tech classrooms
  - Study spaces
- Renews facilities, reduces escalating repair and maintenance costs, improves energy efficiencies, and extends useful life of buildings
- Expands research, both wet-bench and computational
- Supports historic preservation
- Improves parking and pedestrian safety
- Facilitates surge space for future phases of modernization
- Aligns with campus master plan
Project Life Cycle

Pre Project Planning

Identification of Need & Justification → Feasibility & Budget Development → Establishment of Funding → BOT Approval

Project Implementation

Select Consultant & Construction Manager → Kick-off Meeting with User → Program Development → Schematic Design Phase → Schematic Budget Review

Design Development Phase → Design Development Budget Review → Construction Document Phase → 95% Documents & Budget Review → Bid & Contract Award

Construction Phase → Commissioning & Punch List → Furniture Installation → Move In → One Year Warranty

University of Kentucky

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