
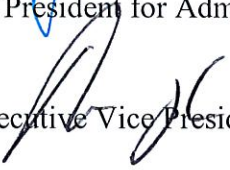




June 24, 2015

TO: Members of the Board of Trustees

FROM: Scott A. Jordan 
Executive Vice President for Administration and Chief Operating Officer

Mun Y. Choi 
Provost and Executive Vice President for Academic Affairs

RE: UCONN 2000 Fiscal Year 2016 Capital Budget

RECOMMENDATION:

That the Board of Trustees approve a capital budget in the amount of \$312,100,000 in UCONN 2000 General Obligation Bonds for Fiscal Year 2016.

BACKGROUND:

The proposed capital budget for UCONN 2000 Phase III for FY16 reflects the statutory authorization “cap” of \$312,100,000. This amount includes \$204,400,000 for the UConn program and \$107,700,000 for UConn Health. To support this capital activity, the Twenty-first Supplemental Indenture authorizing University of Connecticut General Obligation Bonds for the twenty-first issuance under the Master Indenture in an amount not to exceed \$312,100,000 plus cost of issuance and amounts carried forward from the Twentieth Supplemental Indenture is separately submitted to the Board for approval. As with previous issuances, these funds support cash flows for both current year projects and prior years’ projects where bonding has not yet occurred.

The proposed FY16 capital budget is Attachment A. Also enclosed for your information is a document updated annually (and sometimes more frequently): the UCONN 2000 Phase III Phasing Plan, which reflects the plan by statutory named line.

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The key elements underlying the revisions to the phasing plan are detailed below. These changes are driven by academic priorities, economic realities and the importance of spending bond proceeds in a timely manner.

Program & Planning Adjustments:

Adjustments have been made to the UConn preliminary phasing plan due to the Next Generation Connecticut initiative. Next Generation Connecticut is a transformational investment in the University of the sort most academic communities only dream of; it adds \$1.5 billion to the UCONN 2000 program. It will enable the University to build more laboratories, classrooms and dorms, enroll many more students, secure advanced scientific equipment, create an outstanding campus in downtown Hartford, enhance our operations in Stamford, and attend to deferred maintenance needs across all campuses. This initiative is launching UConn into the very top tier of international universities not only in the fields of Science, Technology, Engineering and Math, but in every single discipline in this modern age, where disciplines are increasingly intertwined. Planning for Next Generation Connecticut will be thoroughly integrated into academic planning for the entire University in the months and years to come.

The master plan has been completed and reflects the impacts of the projects included in the Next Generation Connecticut program, and it accounts for the development of the Storrs Campus for the twenty (20) year period between 2015 and 2035. The master plan documents the state of existing conditions on campus and recognizes issues related to land use. Space needs for academic, research, student life and administrative uses have been identified. The master plan includes recommendations for deferred maintenance and capital investments in the physical plant, and pinpoints environmental issues incorporating sustainable design principles for future development. Overall parking, circulation and transportation issues have been evaluated and will be resolved through advanced planning. Specific strategies to improve landscape quality and open spaces are integrated with all aspects of the master plan. The planning effort references the programmatic ties to the Regional campuses, but does not include separate master plans for those locations. The University has reached an agreement with the Office of Policy Management (OPM) regarding the processing of Environment Impact Evaluations (EIE's) for new construction. The projects defined in the Next Generation Connecticut program will be clustered by geography and timeline into incremental EIE's that will address the direct effects of each project and the cumulative effects of phased development of the program. The first of these EIE's will address the proposed developments located in the South Campus and establish a campus-wise baseline for the analysis of cumulative effects through 2018.

Adjustments have also been made to the phasing plan for the UConn Health projects related to the Bioscience Connecticut initiative. These adjustments align available funding with the project schedules and account for a delay in obtaining all of the anticipated funding from UConn Health operations, special eligible gifts or other sources. Scope related to the renovations to the existing Hospital and a portion of the existing Lab building is being deferred pending the funding from other sources.

Indenture Amendments:

The law specifically gives the Board the authority to make revisions to project budgets and related indentures. It would be virtually impossible to manage a twenty-nine year capital program without the authority to make such adjustments. These revisions are complex because 1) there are many projects, 2) UConn must operate within statutory annual bond caps, 3) tax-related expenditure requirements must be observed and 4) the adjustment to the equipment and deferred maintenance lines generally involves projects which span a number of years. While revisions may affect current projects, given the annual bond caps, they also have a rollout effect over the next decade. The Board of Trustees also has the authority to amend past indentures in order to reflect changes as project budgets are finalized or other

events affect the capital budget for a given prior fiscal year. At this time, changes to five Supplemental Indentures are requested.

A brief description of each of the projects in the FY16 capital budget is included below. These are very general summaries; individual project budget descriptions (which are acted upon separately) provide much more detail regarding project scope, timetable, cost and funding sources. As always, the proposed use of capital funds for UConn Health is forwarded to you with the recommendation and endorsement of UConn Health's Board of Directors, who discussed and acted on these items on June 15, 2015.

Storrs and the Regional Campuses

Biobehavioral Complex Replacement

At the Biobehavioral complex on Horsebarn Hill Road are a series of eight metal prefab buildings that are used as research laboratories. Many of the buildings are well beyond their useful life. Recently, a renovation project was completed that included repairs to both the original building and annex addition. FY16 funding is needed to replace the annex roof.

Deferred Maintenance/Code/ADA Renovation Lump Sum

The 2007 amendments to the law define the "deferred maintenance" portion of the project name as "repair of an infrastructure or structure that was not maintained, repaired or replaced in the usual course of maintenance and repair." In general, projects fall into one or more of the following categories:

- Safety, code and ADA required improvements
- Roof and exterior repairs
- Building mechanical system improvements
- Utilities repairs and upgrades
- General building renovations
- Roads, walks and grounds
- Environmental remediation

Engineering/Science Building

The School of Engineering is located in several buildings, five on the main Storrs campus and four at the Depot campus. The three oldest and least renovated buildings on the main campus were built between 1959 and 1987 and can no longer support emerging interdisciplinary engineering programs such as bioengineering and nanotechnology. A planning study identified program components for a new Engineering & Science building which will be a state-of-the-art laboratory for transdisciplinary research in Bio-Nano Engineering, Cyber-Physical System Engineering, Chemical Engineering, the Institute for Systems Genomics and other Sciences that will catalyze research advances in convergence technologies. The new building will be located on the site of the Old Central Warehouse. Demolition of this building took place over the summer of 2014. Work on the new site access road and utility relocations are to begin in August 2015 in advance of the construction of the new building, which will begin in September 2015 and be completed in March 2017.

Equipment, Library Collections & Telecommunications

The enhancement of the University's infrastructure includes its instructional and scientific equipment. The equipment replacement category permits the University to replace outdated items with state of the art laboratory devices and computers. The funding encompasses seven major categories: management information systems, computers, research equipment, instructional equipment, furnishings, operational and

public safety support and library materials. Library materials are no longer purchased with UCONN 2000 funds; this expense is part of the operating budget.

Fine Arts Phase II

In 1991, a Facilities Master Plan was developed with the School of Fine Arts to identify their space needs. It was proposed that a building addition of 30,000 square feet be constructed on Coventry Road that would connect the Fine Arts Building to the Drama Music Building. Located in this new building addition would be space for expanded theater production facilities. At this point, funds have been set-aside to address façade integrity issues at the main Fine Arts Building as well as construction of the new Production Facility.

Gant Building Renovations

This complex, which includes the Institute of Materials Science, Physics and Math buildings, was completed in the early 1970's. The complex has a total of 238,000 square feet of space with offices, research labs, classrooms and computer facilities. The building now operates beyond its useful life. A major renovation or replacement of the space is required to address the physical deterioration, to update the facilities and to meet current program requirements. A recent project repaired major façade issues that impacted the safety at the two main entrances of the building. In addition, the Data Center Stabilization project has been completed. This project addressed the multiple single mechanical and electrical elements that can fail and cause the entire operating environment to crash as well as provide additional power for needed equipment upgrades. During FY16, funds will be used for the start of the design phase for the major renovation of the entire Gant complex.

Hartford Relocation Acquisition/Renovation

The Greater Hartford Campus serves the most diverse student group at UConn. The existing facilities have deteriorated and the cost to repair and restore them is tremendous. Relocating the Greater Hartford Campus to Downtown Hartford will provide enhanced service learning & internship opportunities for undergraduate & graduate education programs; expanded economic activity through increased interaction with local businesses; it will consolidate undergraduate programs, Public Administration, School of Social Work and School of Business into one downtown location; and proximity will increase transfer access for community college students. The project includes construction of a new five-story, 180,000 square foot, building on the former Hartford Times site, plus strategic space use partnerships with neighboring institutions. FY15 funding supported planning and design efforts and construction will commence in FY16.

Heating Plant Upgrade

The University completed an expansion to the existing heating plant, a new Cogeneration system in 2006. At the time of construction, space to accommodate a future chiller and emergency generator were made should the University require additional cooling, electrical standby capacity and reliability improvements. The University will need additional chilled water, emergency power for life safety as well as emergency power for business continuity purposes. FY15 funds allowed for the chilled water system and emergency power projects to continue as well as provided for replacement of the roof. The chilled water upgrade project is in construction and will be completed by March 2016. A project to add an emergency generator is nearing design completion with a planned construction start in the fall of 2015 and completion in the summer of 2016.

Jorgensen Renovation

This facility was constructed in 1956 for orchestra performances. Over the years, it has been modified to accommodate events and gatherings. The building contains five levels, including mezzanine levels above the basement and first floor. With a total of 76,408 square feet of space, the lower floor houses the Little Theatre, the Jorgensen Gallery, and a television studio. The upper floor contains a 2,600-seat auditorium,

lobby areas, and support facilities. At this point, FY16 funding will provide support for limited repairs and renewal of the HVAC system.

Koons Hall Renovation/Addition

Benjamin Franklin Koons Hall was constructed in 1915 and houses the Allied Health programs. It is 28,600 square feet on five levels with classrooms, offices and labs. Within the past ten years, masonry repointing and installation of an elevator were completed. The building is in need of general interior renovation work including HVAC, lighting and utility upgrades, window and door replacements, and new finishes. FY16 funding will support repairs to the roof.

Law School Renovations/Improvements

In May 2000, as part of a plan to undertake a renovation of the Starr building (former Law Library building), a facility program was developed for all original campus buildings: Starr Hall, Knight Hall, Hartranft Hall and Hosmer Hall. As part of the UCONN 2000 program, a \$6,000,000 renovation of Starr Hall was completed. The remaining buildings, formerly a seminary, have extraordinarily beautiful exteriors with severely outdated and cramped interior quarters; many student organization and outreach activities, as well as faculty offices, are in closet-like warrens never renovated. This funding will support the Hosmer Hall elevator modernization as well as façade restoration.

Mansfield Training School Improvements

The Mansfield Training School site, also known as the Depot Campus, has a variety of facilities in mostly fair to poor condition. Several of the buildings have been moderately renovated to serve as incubator or transition space for some academic and administrative purposes, some spaces to be used as storage facilities, and others to be used by operations for maintenance shops, storage and office space. Some of the oldest facilities are no longer in use, have been permanently closed and are in various stages of disrepair and degradation. This project will stabilize some of the facilities that comprise the former Mansfield Training School. Funding to date has been used for renovations in the Longley building (for Engineering research functions and the Technology Incubator Program), the Thompson building (for Fine Arts functions), Merritt Hall (for research incubator technology programs and other administrative activities), a campus-wide high voltage electrical system, mechanical and electrical system improvements to various cottages, roof repairs and the construction of new student recreation fields. Additional renovations, electrical improvements and demolition of uninhabitable buildings will be included in later years of the program. In addition to the improvements that have been made to the useable facilities outlined above, the next phase of work will focus on identifying the buildings to be demolished, securing the buildings that will remain but are not actively used in the near term, and developing a strategy for the long term university use of the property.

Parking Garage #3

The University's Facilities Master Plan identified the need for and recommended a proposed site for a third parking garage. In the UCONN 2000 program, the North Parking Garage was constructed in the north side of the campus and the South Parking Garage was constructed in the campus core next to Gampel Pavilion. The location of this third garage will be synchronized with the development of a new research building to be located on the surface parking lot north of the North Garage. The new parking garage will be sited in a location that will serve the entire future development of the Northwest Science Quadrant.

Residential Life Facilities

This named project represents the overarching authorization to undertake activities to provide housing and dining facilities for the University's students. Although the quantity and the diversity of campus living arrangements were expanded under the first two phases of UCONN 2000, much remains to be done. Some renovations of the older dormitories, code improvements and sprinkler installations were accomplished.

Multiple projects were completed for the installation of sprinkler systems, replacement of elevators, as well as windows and roofs in various residential facilities. The developments of two new residence halls are currently in the design and construction stages. One residence hall will be dedicated to the STEM initiative and have a living/learning community, as well as, approximately 700 beds. A bridging architect was chosen, completed Concept Design and the project was out to bid and awarded. Construction commenced in November 2014 with the current target completion date for the project in the fall 2016. The second residence hall will house Honors students and is in the middle of the design development stage. The project is located on the South side of campus and construction is currently anticipated to start in the spring 2016. In addition to funding these ongoing projects, FY16 funding will support façade repairs at the South Campus complex as well as other deferred maintenance needs in all of the residential facilities.

UConn Health

Deferred Maintenance/Code/ADA Renovation Lump Sum

The 2007 amendments to the law define the “deferred maintenance” part of the project name as “repair of an infrastructure or structure that was not maintained, repaired or replaced in the usual course of maintenance and repair.” In general, projects fall into one or more of the following categories:

- Safety, code and ADA required improvements
- Roof and exterior repairs
- Building mechanical system improvements
- Utilities repairs and upgrades
- General building renovations
- Roads, walks and grounds
- Environmental remediation

Equipment, Library Collections & Telecommunications

These funds are allocated to support the UConn Health’s equipment, needs and telecommunications infrastructure improvements. More specifically, the project line covers computers, management information systems, research equipment, instructional equipment, furnishings, and operational and public safety support. Outmoded items must be replaced with equipment that is necessary to support research and instructional activities, maintain building compliance, conserve energy and provide a safe environment for the students, staff, and those who use UConn Health services.

Main Building Renovation

UConn Health’s Main building includes access areas used by the general public as well as research, academic and clinical space. The focus of this renovation is the building’s research facility and major building mechanical systems. The research area of the facility consists of seven floors, which house over 200 laboratories and support space. Over the life of the building, no substantial renovations or upgrades have been undertaken.

An early phase of this project, the Clinical Skills Renovation, was completed in December 2007. This project renovated a portion of the Main Building to allow for the relocation and expansion of the Clinical Skills teaching program. The expanded program includes the use of a life-size programmable mannequin with a computerized graphical user interface used to teach clinical and decision making skills during realistic patient care scenarios.

The final work for the Main Building renovation focuses on UConn Health’s largest research facility, the “L” (LAB) building, which houses over 200,000 square feet of research labs and support space. The goal

of the project is the phased replacement of the building heating and air conditioning, electrical, and plumbing systems and renovations to the lab spaces across seven floors of the building.

The renovations will be completed in two multi-phased projects. Construction for Project 1 began December 2012 and is now 80% complete. This project is expected to be complete in August 2015.

Planning for Project 2 is 50% complete and construction is anticipated to begin in early 2016. Project 2 will renovate approximately 60,000 square feet of lab space. Work related to renovations of an additional 34,000 square feet of lab area is deferred pending funding from non-bond fund sources.

UCH New Construction and Renovation

The existing John Dempsey Hospital (JDH) building lacks the capacity to accommodate evolving standards of care, new technologies and patient/provider expectations. Since construction completion in 1972, JDH's physical plant infrastructure, including mechanical, electrical, plumbing, HVAC and fire alarm systems and telecommunication cabling, has never been substantially renovated. The addition and renovation will provide a new state of the art platform, including robust information technology systems, and new essential medical equipment for the delivery of healthcare and the education of the State's medical and dental students.

Under this project, construction is underway for a new 169 patient bed tower as an addition to the existing main Hospital (H) Building. The addition will include space for 13 new operating rooms and a new 42 bay Emergency Department. The renovation work will relocate the Clinical Lab and the Clinical Pharmacy programs and will replace or refurbish the mechanical and electrical infrastructure for much of the existing H building.

The project is being implemented in phases as follows:

- Phase 1: New Parking Garage 3 and site utility work. This phase was completed in April 2013.
- Phase 2: Construction of the new bed tower, Emergency Department, Operating Room suite, and the new Parking Garage2. Construction is 65% complete and scheduled for completion in January 2016.
- Phase 3: Renovations to the existing Hospital (H) building. Work related to this phase is deferred pending funding from non-bond found sources.

UCH New Construction and Renovation: Clinic (C Building) Renovations:

This project is in design and the scope of work includes renovations for the Dental School, the Pat and Jim Calhoun Cardiology Center, the Clinical Research Center, and a multi-specialty clinic area. In addition to the program renovations, the mechanical, electrical and plumbing systems serving these areas will be replaced or upgraded. The design schedule was impacted by changes in scope related to the pharmacy, clinical lab, and dental clinics. Design work will continue through October 2015 and construction will follow in early 2016.

**UCONN 2000 Year 21
Proposed FY 2016 Authorized Projects**

Storrs & Regional Campuses

<u>Project Name</u>	<u>Phase III - FY16</u>
Biobehavioral Complex Replacement	250,000
Deferred Maintenance/Code/ADA Renovation Lump Sum	33,784,957
Engineering Building	23,228,229
Equipment, Library Collections & Telecommunications	22,868,855
Fine Arts Phase II	9,832,621
Gant Building Renovations	2,870,759
Hartford Relocation Acquisition/Renovation	33,575,000
Heating Plant Upgrade	980,176
Jorgensen Renovation	1,500,000
Koons Hall Renovation/Addition	800,000
Law School Renovations/Improvements	1,000,000
Mansfield Training School Improvements	1,500,000
Parking Garage #3	250,000
Residential Life Facilities	71,959,403
Subtotal of Storrs & Regional Campuses	<u>\$ 204,400,000</u>

UConn Health

<u>Project Name</u>	<u>Phase III - FY16</u>
Deferred Maintenance/Code/ADA Renovation Sum	3,219,345
Equipment, Library Collections & Telecommunications	4,150,125
Main Building Renovation	9,149,518
UCH New Construction and Renovation	91,181,012
Subtotal of UConn Health	<u>\$ 107,700,000</u>

Grand Total FY 2016 **\$ 312,100,000**

UCONN 2000 Phase III

Draft Phasing Plan for Informational Purposes Only - Revised 6/24/15

Project	FY05-FY15	FY16	FY17-FY24	Total Phase III
Academic and Research Facilities	\$ 10,024,327	\$ -	\$ 489,843,902	\$ 499,868,229
Arjona and Monteith (new classroom buildings)	119,570,963	-	11,672,816	131,243,779
Avery Point Campus Undergraduate & Library Building	10,585,532	-	-	10,585,532
Avery Point Renovation	8,631,006	-	16,702,622	25,333,628
Beach Hall Renovations	5,397,695	-	-	5,397,695
Benton State Art Museum Addition	2,903,509	-	-	2,903,509
Biobehavioral Complex Replacement	3,339,141	250,000	-	3,589,141
Bishop Renovation	3,827,302	-	-	3,827,302
Deferred Maintenance/Code/ADA Renovation Lump Sum	224,704,109	33,784,957	388,065,438	646,554,504
Engineering Building	27,970,913	23,228,229	43,959,908	95,159,050
Equipment, Library Collections & Telecommunications	113,641,496	22,868,855	110,831,145	247,341,496
Family Studies (DRM) Renovation	2,868,306	-	-	2,868,306
Farm Buildings Repairs/Replacement	6,618,342	-	-	6,618,342
Fine Arts Phase II	4,601,509	9,832,621	12,302,000	26,736,130
Floriculture Greenhouse	6,691,799	-	-	6,691,799
Gant Building Renovations	16,325,000	2,870,759	141,300,725	160,496,484
Gentry Completion	9,628,209	-	-	9,628,209
Hartford Relocation Acquisition/Renovation	16,425,000	33,575,000	65,000,000	115,000,000
Heating Plant Upgrade	12,703,824	980,176	18,369,824	32,053,824
Intramural, Recreational & Intercollegiate Facilities	31,009,921	-	-	31,009,921
Jorgensen Renovation	2,234,475	1,500,000	-	3,734,475
Koons Hall Renovation/Addition	1,115,057	800,000	-	1,915,057
Lakeside Renovation	3,800,000	-	-	3,800,000
Law School Renovations/Improvements	15,785,625	1,000,000	-	16,785,625
Manchester Hall Renovation	846,302	-	-	846,302
Mansfield Training School Improvements	3,000,000	1,500,000	6,332,533	10,832,533
Natural History Museum Completion	500,000	-	-	500,000
North Hillside Road Completion	8,200,000	-	-	8,200,000
North Superblock Site and Utilities	-	-	41,469,428	41,469,428
Old Central Warehouse	126,000	-	-	126,000
Parking Garage #3	106,034	250,000	69,609,927	69,965,961
Psychology Building Renovation/Addition	24,608,550	-	-	24,608,550
Residential Life Facilities	62,109,439	71,959,403	71,821,233	205,890,075
School of Pharmacy/Biology Completion	6,000,000	-	-	6,000,000
Stamford Campus Improvements/Housing	3,870,616	-	6,800,000	10,670,616
Storrs Hall Addition	14,815,570	-	-	14,815,570
Student Union Addition	13,000,000	-	-	13,000,000
Support Facility (Architectural & Engineering Services)	16,583	-	-	16,583
Torrey Renovation Completion & Biology Expansion	1,937,868	-	12,294,349	14,232,217
Torrington Campus Improvements	369,156	-	-	369,156
Waterbury Downtown Campus	1,899,783	-	-	1,899,783
West Hartford Campus Renovations/Improvements	6,774,305	-	-	6,774,305
Young Building Renovation/Addition	23,640,884	-	-	23,640,884
Subtotal Storrs & Regional Campuses	\$ 832,224,150	\$ 204,400,000	\$ 1,506,375,850	\$ 2,543,000,000
CLAC Renovation Biosafety Level 3 Lab	16,835,000	-	-	16,835,000
Deferred Maintenance/Code/ADA Renovation Sum-Health Center	41,673,522	3,219,345	3,660,122	48,552,989
Dental School Renovation	3,525,000	-	-	3,525,000
Equipment, Library Collections & Telecommunications-Health Center	60,554,265	4,150,125	3,725,000	68,429,390
Library/Student Computer Center Renovation	1,266,460	-	-	1,266,460
Main Building Renovation	88,276,500	9,149,518	22,679,657	120,105,675
Medical School Academic Building Renovation	34,447,500	-	4,599,988	39,047,488
Planning & Design Costs	25,000,000	-	-	25,000,000
Research Tower	68,580,997	-	-	68,580,997
Support Building Addition/Renovation	100,000	-	-	100,000
UCH New Construction and Renovation	259,416,606	91,181,012	35,859,383	386,457,001
Subtotal for UConn Health	\$ 599,675,850	\$ 107,700,000	\$ 70,524,150	\$ 777,900,000
Grand Total	\$ 1,431,900,000	\$ 312,100,000	\$ 1,576,900,000	\$ 3,320,900,000