REPAIR AND RENOVATION
MARCH 27, 2013
In 1993, the North Carolina General Assembly instituted an R&R Reserve Fund Account (R&R Reserve), to fund repairs, renewal, and renovations to state-owned facilities. With this program, North Carolina asserted responsibility for preservation and maintenance of State supported capital assets.

The R&R Reserve program is an excellent use of state funds in that, in the long run, it protects state assets from deterioration and maximizes their life and utility.
(1) Roof repairs and replacements
(2) Structural repairs
(3) Repairs and renovations to meet federal and state standards
(4) Electrical, Plumbing, and HVAC Repairs
(5) ADA improvements
(6) Fire Safety improvements
(7) Energy Efficiency improvements
(8) Removal of asbestos, lead paint, and other contaminants
(9) Existing space improvements to increase functionality
(10) Historical restoration
(11) Roads, walks, drives and utilities improvements
(12) Drainage and landscape improvements
R&R and Program Renovation Process

- Repair and Renovation funding (referred to as R&R) is provided by the General Assembly through an annual appropriation.

- Major funding for program renovation, normally coupled with major system renewal, is appropriated by the General Assembly through the capital planning process.

- Minor program renovation funding is provided by individual departments.

- Repair and Major Program Renovation funding for Receipt Supported Buildings are funded by the Departments with receipts, debt, or gifts.
R&R Fund Sources

- Annual State R&R Allocation – $4M - $27M
- Departmental Funds Including Gifts - Varies
- Energy Performance Contracting - Current Project $20M
- RESPC Funds – Small Energy Related Projects - Varies
- F&A Funds for Research Buildings - $900K Annually
- Foundation Funds - Varies
- Miscellaneous Funds - Varies
UNC System R&R Allocation Policy

- 1994 UNC’s Board of Governors adopted an allocation formula

- **Campus Size** = Weighted at 20%
  - Net assignable Square Feet of Campus Space
  - Gross Square Feet of Campus Space
  - Campus Population (Students + Employees)

- **Mission** = Weighted at 20% includes two variables
  - Net Assignable Square Fee to Laboratory Space
  - Number of Degree Programs

- **Condition** = Weighted at 60%, includes two variables
  - Current Replacement Value (CRV)
  - Facility Condition Assessment Program (FCAP) Deficiencies

- **UNC-Chapel Hill** – Current Allocation is approx. 20% of the UNC System Total
Facilities Condition Assessment Program (FCAP)

- The UNC Chapel Hill FCAP was established in 1997
- Document and prioritize building systems deficiencies
- Prioritize Repair and Renovation projects for campus
- Provide input into the Capital Planning Process
- Develop reports for Campus and other Agencies
State Appropriated Repair and Renovation Funding History

UNC Chapel Hill State Appropriated R&R Funding History by Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Funding History</th>
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<tbody>
<tr>
<td>1993</td>
<td>$4,076,994</td>
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<td>1994</td>
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<td>2011</td>
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<tr>
<td>2012</td>
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University R&R Allocation Process

- Identify high priority needs
  - Life Safety deficiencies
  - Mission Critical systems
  - Operational and Life Cycle replacements

- Facilities Working Group review and approval

- Facilities Planning Committee review and approval

- Submission to GA for approval
### Magnitude of Deficiency Backlog – State Supported Facilities

<table>
<thead>
<tr>
<th>Current Backlog</th>
<th>$697 Million</th>
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<tbody>
<tr>
<td>Architectural</td>
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<td>Electrical</td>
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<td>Mechanical</td>
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<td>Regulatory</td>
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<tr>
<td>Infrastructure</td>
<td>$50 Million</td>
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Capital Priorities

- **General Administration R&R Priority**
  - $163M for 2013-14
  - $163M for 2014-15
  - UNC Chapel Hill allocation would be $33.4M/Year

- **R&R Funding Need as % of Replacement Value**
  - Annual R&R Funding Rate @ 1.0% of CRV = $40M
  - Annual R&R Funding Rate @ 1.5% of CRV = $60M

- **Campus Six-Year Capital Plan Project Priority**
  - Law School - $153.2M
  - Academic Buildings Phase I Renovation - $464.5M
  - Psychology/Interdisciplinary Sciences - $196.7M