



THE UNIVERSITY
of **NORTH CAROLINA**
at **CHAPEL HILL**

Presentation to the Board of Trustees

REPAIR AND RENOVATION

MARCH 27, 2013

Repair and Renovation (R&R) Funding

- 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



1995 - Categories of R&R

- (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**

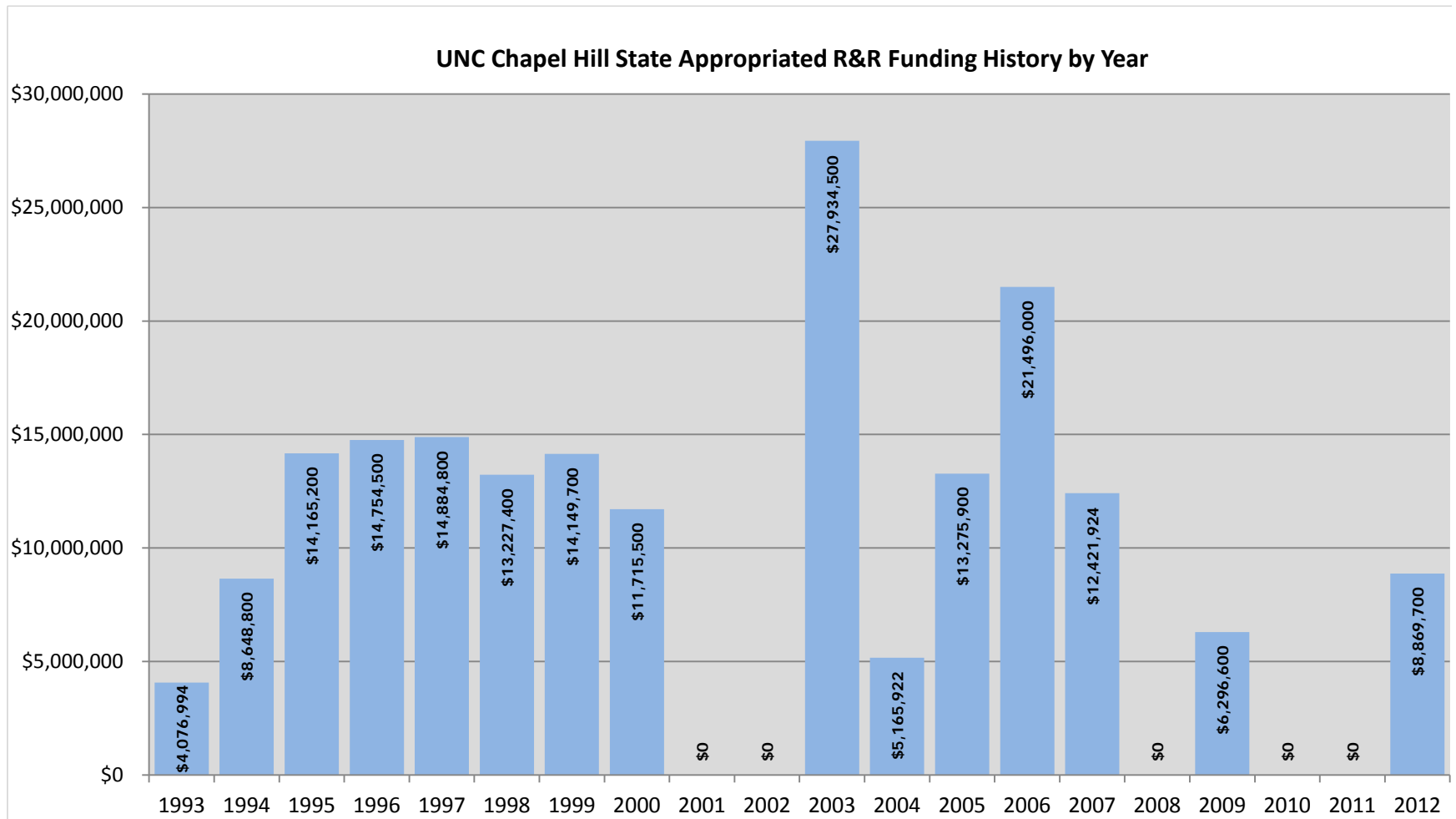


Facilities Condition Assessment Program (FCAP)

- 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



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

Current Backlog	\$697 Million
Architectural	\$141 Million
Electrical	\$54 Million
Mechanical	\$350 Million
Regulatory	\$102 Million
Infrastructure	\$50 Million



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

