

CAPITAL BUDGET

Introduction

Capital expenditures are expenditures that create assets with a multi-year life (i.e., assets that will last for more than one budget period). Capital projects are budgeted separately from the operating budget since the source of funding for capital projects is generally different from the source of funding for operating expenditures. For selected projects, there is a link between the operating budget and the capital budget. For example, the State or WKU may choose to finance capital projects, which results in a debt service or lease/purchase payment obligation in the operating budget. WKU cannot initiate any capital construction project in an amount that exceeds \$600,000 without prior approval of the Kentucky General Assembly. An exception is made for projects whereby greater than 50 percent of the cost is funded by private gifts or federal funds. However, these projects must be submitted to an interim committee of the General Assembly and the Council on Postsecondary Education for approval.

The Capital Budget includes legislatively-authorized capital projects that will be under way next year or are currently under way including the source of funding, estimated cost, and the status of each respective project.

Most of the following projects reflect scopes equal to legislative authorization; projects started at an amount less than the authorized amount are displayed at the intended scope.

<u>Project Name</u>	<u>Estimated Cost</u>	<u>Status</u>
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2012-14 Authorized Projects

University Funds

Acquire Furniture and Equipment, Nursing/ Physical Therapy Programs	\$ 3,300,000
Miscellaneous Maintenance Pool, 2012-14	10,000,000
Renovate Dollar General Space, CRD	2,000,000
Upgrade IT Infrastructure	2,300,000
Parking and Street Improvements, 2012-14	3,000,000
Acquire Furniture and Equipment, DUC Project	8,000,000
Purchase Property for Campus Expansion, 2012-14	3,000,000
Equipment Pool, 2012-14	2,518,000
Renovate Movie Theater Space, CRD	1,800,000
Upgrade Campus Retaining Walls	1,000,000

Agency Bonds, FY 2012 Authorization

Renovate Downing University Center – Phase III Scope Increase	16,500,000
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- Acquire Furniture and Equipment, Nursing/Physical Therapy Programs – WKU expects to lease space to house the School of Nursing and the Physical Therapy Department. The space will need furnishings, equipment and information technology resources.

- Miscellaneous Maintenance Pool, 2012-14 – The most critical maintenance projects are identified annually. As funds are available, these projects will be completed.
- Renovate Dollar General Space, CRD – The space will be renovated to accommodate a growing demand for leasable start-up company space in the WKU Small Business Accelerator.
- Upgrade IT Infrastructure – This project serves as a pool to address the highest needs of the information technology infrastructure as funds are identified.
- Parking and Street Improvements, 2012-14 – As needed, this project is intended to improve pedestrian, vehicular and bus traffic flow.
- Acquire Furniture and Equipment, DUC Project – This project is in support of an ongoing sequence of projects to comprehensively renovate the Downing University Center. It may include information technology requirements, fixtures, furnishings, and equipment for all spaces.
- Purchase Property for Campus Expansion, 2012-14 – This project will allow the University to purchase property surrounding the campus, as it becomes available, to accommodate growth and increased parking needs.
- Equipment Pool, 2012-14 – This project gives WKU legislative authorization should there be any emergency needs; however, exercising this authorization is dependent upon University funds being available for purchase of equipment.
- Renovate Movie Theater Space, CRD – The space is problematic for leasing to start-up companies in its current state. Potential mixed-use performance, office and meeting space usage is being considered.
- Upgrade Campus Retaining Walls – Many of the campus retaining walls date from the first period of campus construction. All wall segments have been evaluated to keep, repair or replace. As funds are available, these walls require maintenance and preservation.

<u>Project Name</u>	<u>Estimated Cost</u>	<u>Status</u>
<i>2010-12 Authorized Projects</i>		
University Funds		
Construct Track Facilities	2,500,000	Design Only
Construct Honors College Facility	2,000,000	Design
Agency Bonds/University Funds		
Renovate Downing University Center, Phase III		
Agency Bonds	33,500,000	
University Funds	4,000,000	Construction
Total	37,500,000	Design

- Construct Track Facilities – As part of the Athletics Master Plan, track and field facilities are needed to allow WKU to host a variety of track and field competitions that are currently not possible due to the lack of amenities.
- Construct Honors College Facility – The current Honors College building was built in 1962 to serve as the Baptist Student Union and is no longer adequate to accommodate the needs of the College. A proposed 32,000 square foot building will accommodate the Honors College and space for two affiliated university programs – Office of Scholar Development and Office of Undergraduate Research. The first priority for this project is site selection and design in anticipation of agency bonds being authorized in 2015.
- Renovate Downing University Center – Work of this phase will be undertaken in order to address immediate pressing needs of infrastructure components, including ADA and life/safety compliance requirements and architectural renovations necessary to maintain viable facility use. Design work will be included to ensure proper identification of Phase V and Phase IV. Specific items of work may include electrical service upgrades, HVAC air handling unit replacement, ADA accessible building entrances, and re-purposing renovations of spaces not currently in use. These projects are necessary to allow the continued and more efficient use of the space and to meet enrollment growth pressures. It will allow for replacement of failing and insufficient engineering systems. It will meet current life/safety and ADA requirements and will achieve enhanced levels of energy efficiency.

<u>Project Name</u>	<u>Estimated Cost</u>	<u>Status</u>
<i>2008-10 Authorized Projects</i>		
Agency Bonds/University Funds		
Renovate Ivan Wilson Center Phase I		
Agency Bonds	8,198,000	
University Funds	955,000	
Total	9,153,000	Construction
Federal Funds/University Funds		
Install Bike Paths, Federal Funds		
Federal Funds	831,250	
University Match	59,375	
City of Bowling Green Match	59,375	
Total	950,000	Design

- Ivan Wilson Fine Arts Center Renovation – This project has constructed a new Music Hall facility with 25,000 square feet. The addition includes an instrumental rehearsal hall, choral rehearsal hall, music library, commons space, and Potter College administrative faculty offices and associated storage and support space. The project also includes the renovation of the existing rehearsal hall into reconfigured practice and rehearsal space, focusing on the acoustical isolation between this space and the adjacent recital hall. The Music Hall is complete and the FAC renovation is anticipated to be completed by start of fall 2012.

- Install Bike Paths – Develop a network of bicycle and pedestrian facilities that connects area schools, parks and shopping areas to low- and medium-density residential neighborhoods and dormitories. This project is funded by an equally shared federal grant with the City of Bowling Green.

Total Capital Budget \$105,521,000

Capital Leases Paid from Operating Budget

<u>Lease</u>	<u>Final Pymt</u>	<u>2012-13 Pymt</u>	<u>Balance</u>
1. SLF – Food Bldg by PFT	07/28	\$ 194,149	\$1,911,413
2. TV Production Truck	10/17	278,898	1,293,739
3. Video Conferencing Equipment	03/15	62,348	175,650
4. IT Infrastructure (Projected Lease)	2019	316,000	1,896,000
5. Alumni Square, Police Station*		107,750	
6. Alumni Square, Bookstore/Market*		64,000	
7. Alumni Square, Conference Center*		165,840	
8. Alumni Square, Garage*		250,000	
Total		\$1,438,985	\$5,276,802

*Subject to revision once permanent financing is secured by the Special Purpose Entity (SPE) II.

Projects Authorized but Not Scheduled for FY 2013 until Funds are Identified:

- Renovate Science Campus, Phase IV
- Replace Underground Infrastructure, Steam/Electric
- Renovate Radcliff Regional Center
- Construct International Center
- Upgrade Coal Boiler to MACT Standards
- Renovate Tate Page Hall
- Renovate Craig Alumni Center
- Add Club Seating at Diddle Arena
- Renovate Art Lab/Museum
- Design Agriculture Exposition Center Renovation
- Acquire Land and Construct Head Start Facility
- Academic Complex Renovation
- Design Environmental Science and Technology Hall Renovation
- Design Garrett Conference Center Renovation
- Construct Fit-Out of Leased Space
- Develop Alumni Lawn
- Construct Center for Dairy Education and Innovation
- Construct Scale-Up Compost Heat Greenhouse
- Interior Renovation Jones Jagers
- Design Gordon Wilson Hall Renovation
- Construct Mesonet Computer Center
- Construct Track and Field Facilities

Construct Nanotechnology Laboratory
Construct Baseball Grandstands
Construct Football Pressbox
Construct South Lawn Plaza
Renovate Big Lots Retail Space, CRD
Renovate Kentucky Building
Construct New Lighted Tennis Courts