
# 2024 University of Minnesota Capital Request

Senate Higher Education
February 20, 2024

UNIVERSITY OF MINNESOTA
Driven to Discover®

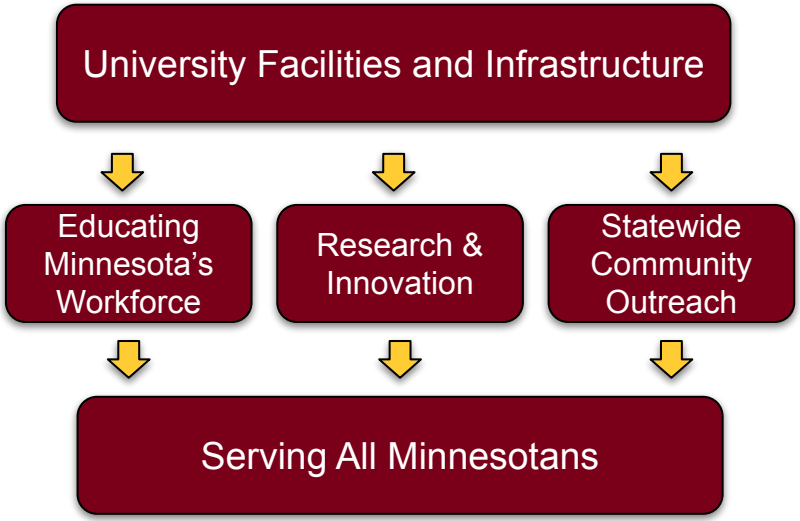
# Building Minnesota's Future

Higher Education Asset Preservation and Replacement (HEAPR) funding was created by the Legislature to recognize the uniqueness and complexity of the buildings and properties owned by the University of Minnesota and Minnesota State, and provide funding for their maintenance.

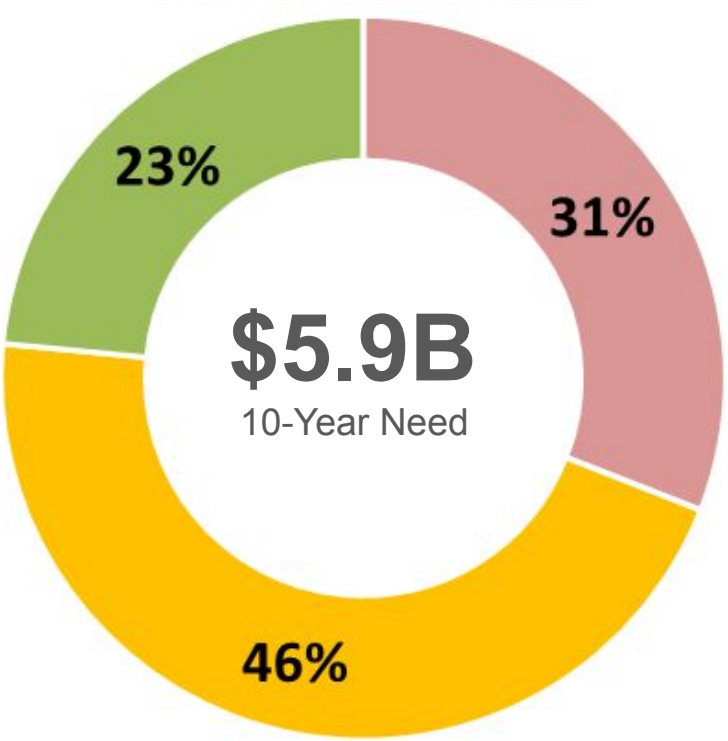
# 2024 University of Minnesota Capital Request

$500 million in Higher Education Asset Preservation and Replacement (HEAPR) funding

- Funds more than 150 projects systemwide to support education, research and outreach
  - Represents 8.5% of the University's $5.9 billion need
  - No net new square footage
  - Supports space consolidation for future cost savings



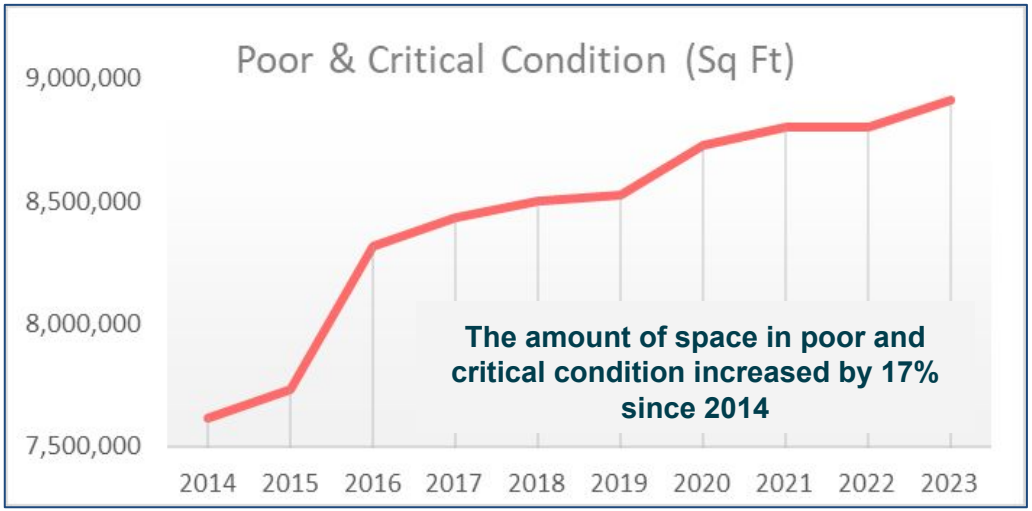
# Campus Condition is Declining




**Excellent / Good** - Fully functioning as intended. Safe, reliable, and welcoming.

**Fair / Below Avg** - Showing signs of increasing deterioration. Component and equipment failures are increasingly likely.

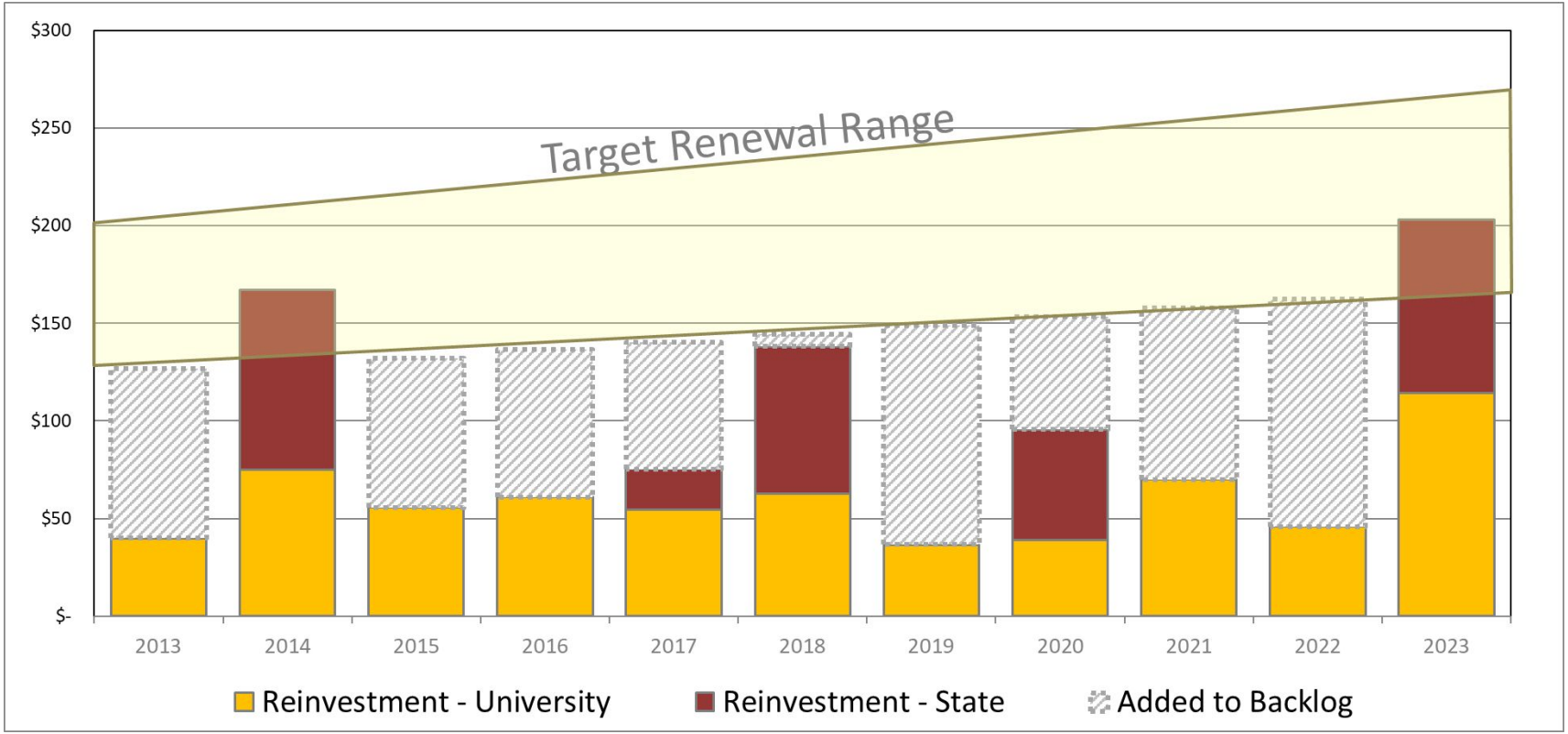
**Poor / Critical** - Facility and components are worn with obvious deterioration. Critical equipment failures are more frequent.



# Inconsistent State Funding Adds to Backlog

| Year | HEAPR Requested | HEAPR Received | Percent (%) |
|---|---|---|---|
| 2014 | $ 100,000,000 | $ 42,500,000 | **43%** |
| 2015 | $ 55,000,000 | $ 0 | **0%** |
| 2016 | $ 100,000,000 | $ 0 | **0%** |
| 2017 | $ 100,000,000 | $ 20,600,000 | **21%** |
| 2018 | $ 200,000,000 | $ 45,000,000 | **23%** |
| 2019 | $ 200,000,000 | $ 0 | **0%** |
| 2020 | $ 200,000,000 | $ 38,495,000 | **19%** |
| 2021 | $ 200,000,000 | $ 0 | **0%** |
| 2022 | $ 400,000,000 | $ 0 | **0%** |
| 2023 | $ 200,000,000 | $ 43,350,000 | **22%** |
| **10-year** | **$ 1,755,000,000** | **$ 189,945,000** | **11%** |

# State Support is Critical to Success



# HEAPR supports Safety and Accessibility

**A safe and accessible campus is fundamental for success**

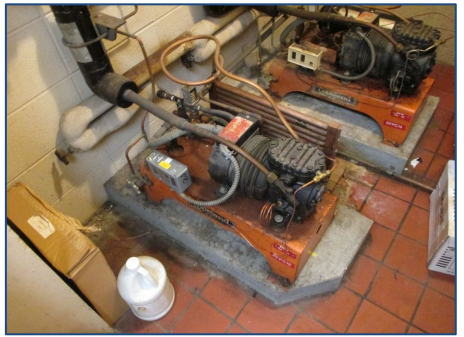
- Fire alarms and sprinklers
- Code related enhancements
- Equal access (e.g. ramps, elevators, drinking fountains)

Top: Twin Cities - Washington Ave. Pedestrian Bridge Enclosure and Railings
Bottom: Itasca Research Ctr. - Visitor Cabin (left); Morris - Multi-Ethnic Resource Center (right)

# HEAPR supports Reliability

**Unreliable buildings disrupt learning and research (and cost more)**

- Mechanical, electrical and plumbing systems
- Utility systems
- Building roofs and windows

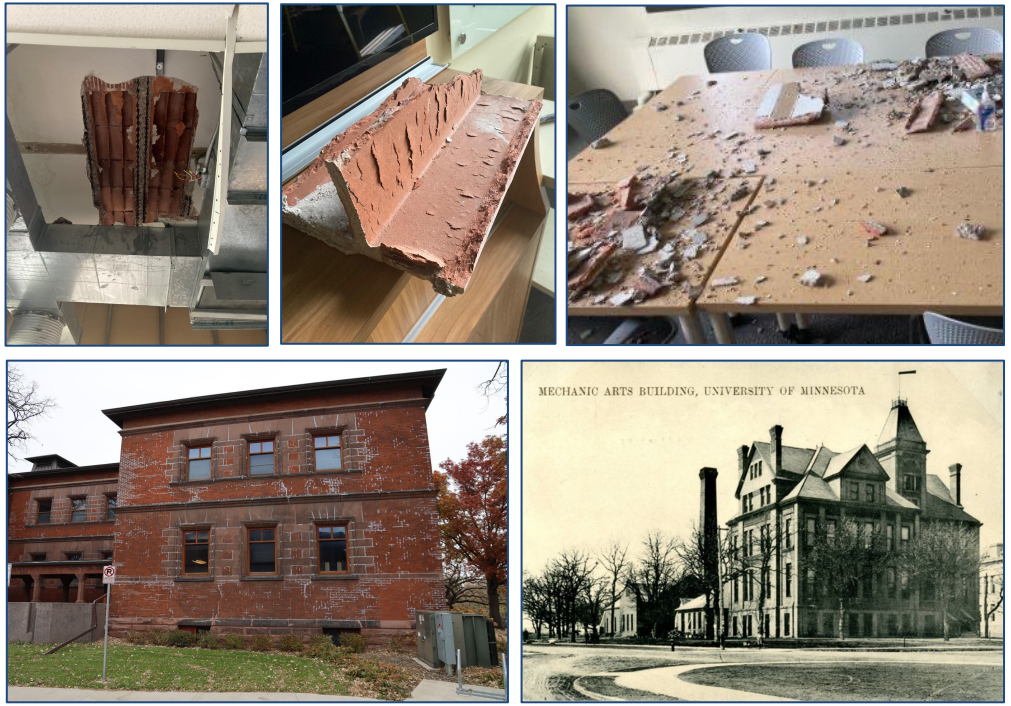


Left: Morris Campus - ruptured natural gas pipe
Right: TC - McNeal roof standing water (top); Food Sci. Nutrition - aged refrig. compressors (bottom)

# HEAPR supports Asset Preservation

**Extending the life of past investments is both responsible & economical**

- Structural stabilization
- Exterior shell renewal
- Mechanical system modernization




Top: McNeal Hall ceiling failure
Bottom: Pattee Hall - exterior rehab (left); Eddy Hall - full capital renewal is needed (right)

# HEAPR is Cheaper

Asset preservation support allows us to focus state, tuition, and external grant dollars on core mission, student success, and right-sizing the University's facility portfolio.

- **Preserve and extend the life of buildings**
- **Enable colleges to advance critical program enhancements**
- **Avoid the need for new facilities or costly emergency repairs**

# HEAPR is Cheaper - An Example (Before)

Left: Mechanical Engineering Building; improvised HVAC piping, window A/C units, and makeshift window coverings
Right: Typical ab interior pre-renovation

# HEAPR is Cheaper - An Example (After)


Left: The centralized mechanical room in the HEAPR renovated portion of the old (north) wing.
Right: the new machine shop in the north wing that was done at the same time as the HEAPR work, funded by the University.

**$500 million in HEAPR funding will renew more than 150 buildings to support education, research and outreach across Minnesota**

Crookston: $10 million

Duluth: $45 million

Morris: $15 million

Research/Field Stations: $13 million

Twin Cities: $417 million

# Investing in Minnesota's future workforce

HEAPR funding:

- Improves safety and accessibility
- Supports student learning and success
- Enables the University to increase key programs' enrollment to meet Minnesota's workforce needs


# State Capital Appropriations Report

- Report presented to Legislature in January, as required by law
- 97% of the 2020 appropriations have been spent or encumbered
- 94% of the 2023 appropriations have been spent, encumbered, or otherwise obligated to specified projects
- Supported >250 vendors, in more than 80 cities and 20 counties
- 90% of project expenditures have gone back into MN companies
- Over 30% of construction expenditures over the last 5 years were with businesses owned and operated by people of color, women, and/or persons with a disability
- Our track record has been to have about 90+% of our total appropriation "spent, encumbered or otherwise obligated" within 2 years of the bill; established, efficient project delivery processes will continue this trend.

# UNIVERSITY OF MINNESOTA

## Driven to Discover®

Crookston Duluth Morris Rochester Twin Cities

# HEAPR Allocation across the State

Formula: 50% GSF + 50% Need = Allocation

| Campus | Eligible GSF (%) | 10 Yr Need (%) | Model Allocation (%) | $500M Allocation |
|---|---|---|---|---|
| Twin Cities | 81.2% | 85.8% | **83.5%** | **$417,732,734** |
| Duluth | 9.8% | 8.1% | **9.0%** | **44,766,158** |
| Morris | 3.2% | 2.7% | **3.0%** | **14,594,764** |
| Crookston | 2.2% | 1.7% | **2.0%** | **9,973,681** |
| Research Outreach Centers | 3.6% | 1.6% | **2.6%** | **12,932,663** |
| **Grand Total** | **100.0%** | **100.0%** | **100.0%** | **$500,000,000** |

# HEAPR Scenario Building

- **Project Mix Changes with Appropriation**
  - Which projects scale and which do not?
  - Are we promoting a portfolio with the optimal reach and mix?
  - What projects have design work with limited “shelf-life”?
  - What theoretically ‘could’ be funded with operating funds?

# HEAPR supports student services: Wilson Library

- Opened in 1968, Twin Cities campus
- Houses collections about the arts, humanities, social sciences
- Study and tech spaces
- Tutoring and academic success center
- Pervasive water leaks
- Repairs: $5 million in HEAPR

# HEAPR increases accessibility: Multi-Ethnic Resource Center

- Built in 1899, Morris campus
- Serves a variety of student-facing programs
- No elevator or accessible bathrooms
- No modern life safety and building systems
- Upgrades: $6 million in HEAPR

# HEAPR supports community engagement: Lysaker Gymnasium

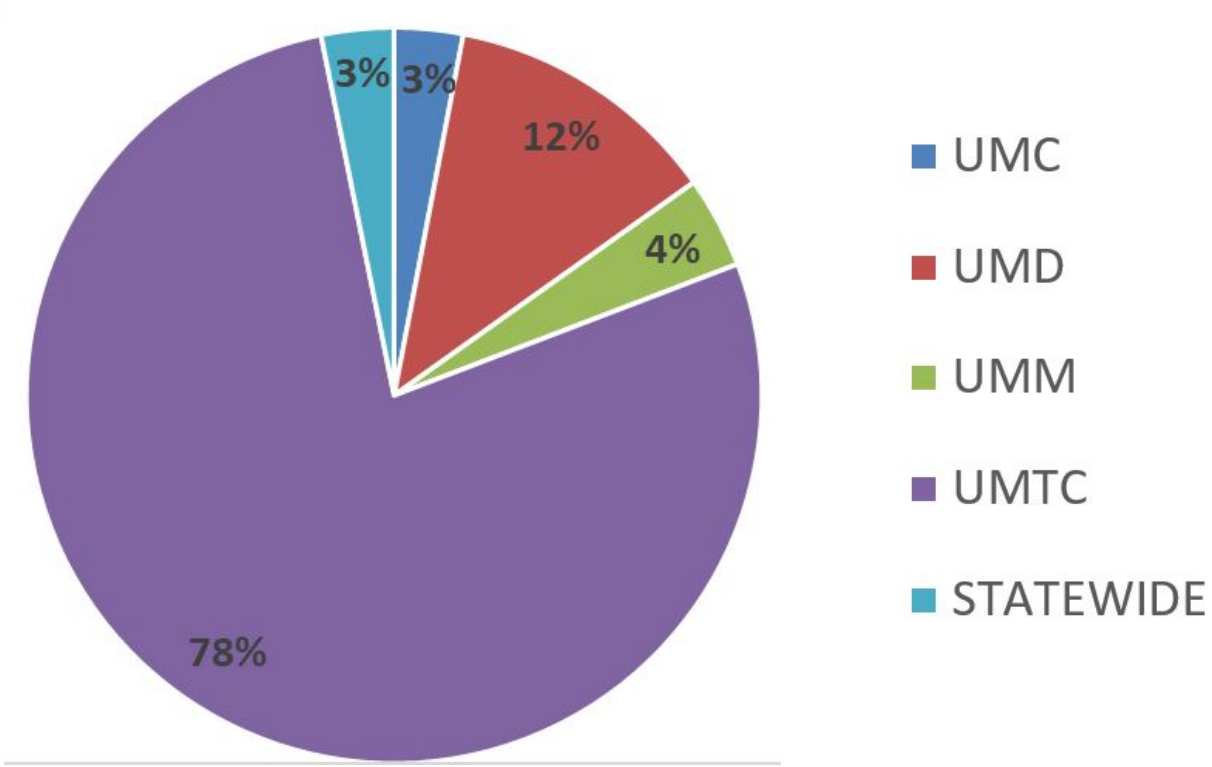
- Built in 1980, Crookston campus
- Indoor sports complex for students, faculty, staff, and community
- Large cracks in foundation
- Repairs: $550,000 in HEAPR

Wall2

# HEAPR improves sustainability: Heller Hall

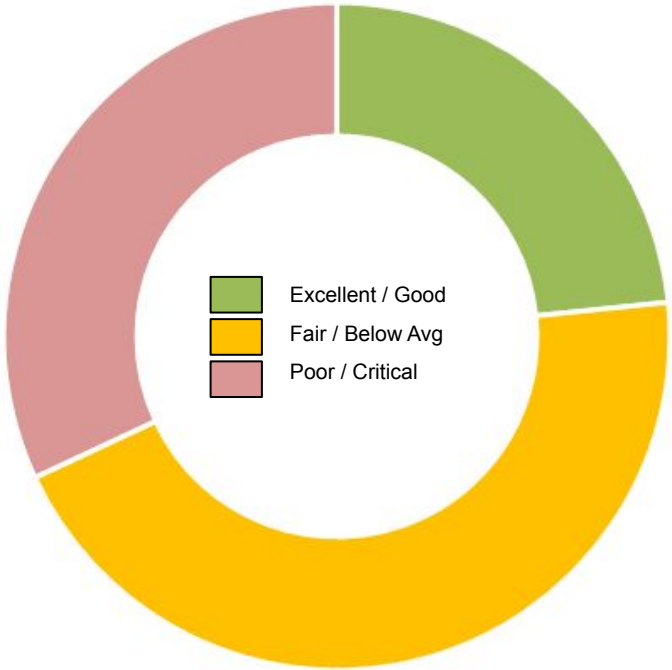
- Built in 1958, Duluth campus
- Used by earth and environmental science and the pharmacy schools
- Main throughway on campus, connecting buildings and student center
- A steam line runs underneath, creating extreme heat issues in the building
- Repairs: $15.75 million in HEAPR
  - Asbestos abatement
  - Fire/life safety upgrades: fire alarm, sprinklers
  - Plumbing, electrical, and HVAC

# HEAPR allocation by campus (last 5 years)



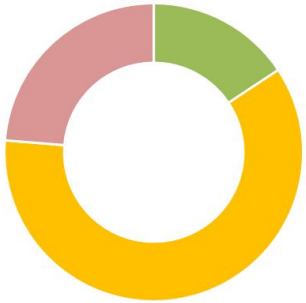
# Increasing Deferred Investment

TWIN CITIES



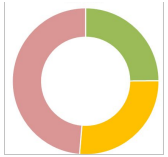

23.5M sf (83%)
$4.9B 10-yr needs

DULUTH



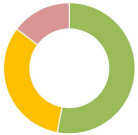
2.5M sf (9%)
$532M 10-yr needs

MORRIS



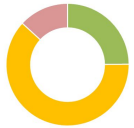
0.99M sf (3.5%)
$218M 10-yr needs

CROOKSTON



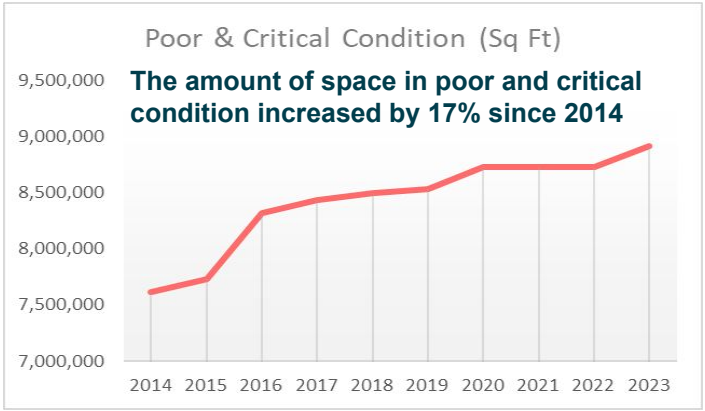
0.72M sf (2.5%)
$118M 10-yr needs

ROCS



0.80 sf (2.8%)
$132M 10-yr needs

**$5.9B**
10-yr needs




Note: all figures based on formally assessed facilities, plus actual or modeled values for non-assessed facilities less than 10 years old.

# Why All Asset Preservation?

Our greatest need is regular, reliable funding dedicated to renewing existing buildings and infrastructure

- The 10-year facility renewal need has grown to $5.9 billion.
- 30% (8.9 million square feet) of all space is in poor or critical condition.
- Buildings in poor and critical condition are inefficient and expensive to operate.
- Projects become more expensive as facilities deteriorate and age.
- Smart investments increase safety, accessibility, reliability and sustainability.