

# MEMORANDUM

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**TO:** Joint Budget Committee

**FROM:** Amanda Bickel, JBC Staff

**SUBJECT:** CSU Bond Intercept Project

**DATE:** April 8, 2013

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Pursuant to Section 23-1-106 (10) (b), C.R.S., for any higher education capital construction project that is estimated to require total expenditures exceeding \$2.0 million and is subject to the higher education revenue bond intercept program, several approvals are required. The Colorado Commission on Higher Education (CCHE) must review and approve the project and submit the plan to the Capital Development Committee (CDC). The CDC, in turn, must make a recommendation to the Joint Budget Committee, and the JBC must refer its recommendations regarding the project, with written comments, back to CCHE.

On March 26, 2013, the CDC submitted a recommendation to the JBC for approval of a \$7,700,000 revenue bond intercept project at Colorado State University for Eddy Hall Revitalization. This project was previously approved, but that the total funding authority required has increased. **Staff recommends the request and has prepared a draft letter to CCHE for the Committee's consideration.**

# STATE OF COLORADO

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Pat Steadman, Chair  
Mary Hodge  
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John Ziegler

## JOINT BUDGET COMMITTEE

200 East 14th Avenue, 3rd Floor  
LEGISLATIVE SERVICES BUILDING  
Denver, CO 80203  
Telephone 303-866-2061  
[www.state.co.us/gov\\_dir/leg\\_dir/jbc/jbchome.htm](http://www.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm)

**DRAFT**

April 8, 2013

Lt. Gov. Joseph A. Garcia  
Executive Director  
Colorado Commission on Higher Education  
1560 Broadway, Suite 1600  
Denver, CO 80202

Dear Lieutenant Governor Garcia:

Pursuant to the provisions of Sections 24-75-303 (3) and 23-1-106 (9) and (10), C.R.S., the Joint Budget Committee has reviewed the following higher education revenue bond intercept project.

*Colorado State University, Eddy Hall Revitalization.* The project supports renovation of a 69,457 GSF building to address code deficiencies and improve the building's energy efficiency and aesthetics at a cost of \$7.700,000 cash funds. The funding source is revenue bonds issued for a period of 15 years to be repaid from institutional sources.

After considering the information submitted by the Colorado Commission on Higher Education and the Capital Development Committee, the Joint Budget Committee approves this request.

If you have any questions or concerns, please contact Amanda Bickel of our staff at 303-866-4960.

Sincerely,

Senator Pat Steadman  
Chair  
Joint Budget Committee

cc: Representative Edward Vigil, Capital Development Committee  
Kori Donaldson, Capital Development Committee Staff  
Mark Cavanaugh, Department of Higher Education  
Richard Schweigert, Colorado State University System  
Erick Scheminske, Office of State Planning and Budgeting

John Ziegler, Staff Director, Joint Budget Committee

Rep. Edward Vigil, Chair  
Rep. Randy Fischer  
Rep. Libby Szabo

Sen. Gail Schwartz, Vice-Chair  
Sen. Randy Baumgardner  
Sen. Angela Giron



## CAPITAL DEVELOPMENT COMMITTEE

State Capitol Building, Room 029  
Denver, Colorado 80203-1784  
(303) 866-3521



March 26, 2013

Senator Pat Steadman  
Chair, Joint Budget Committee  
200 East 14<sup>th</sup> Avenue, Third Floor  
Denver, Colorado 80203

Dear Senator Steadman:

On March 26, 2013, the Capital Development Committee (CDC) considered one cash-funded request pursuant to Section 23-1-106 (10)(b), C.R.S., which requires additional review and approval of cash projects submitted by higher education institutions as part of a Two-Year Projection of Cash Need, if such projects are subject to the Higher Education Revenue Bond Intercept Program (intercept program). Table 1 summarizes the request. A description of the request is attached. *The CDC approved the project as submitted, and recommends it to the Joint Budget Committee for consideration.*

**Table 1**  
**Capital Development Committee Recommendation**  
**Regarding Cash-Funded Project Subject to Intercept Program**

Agency	Project Title	Summary of Request	CF Amount
Colorado State University	Eddy Hall Revitalization	Renovates the 69,457-GSF Eddy Hall classroom building to address code deficiencies and to improve the building's energy efficiency and aesthetics.	\$7,700,000

If you have any questions or concerns about the CDC's recommendations, please call Kori Donaldson, Legislative Council Staff, at 303-866-4976.

Sincerely,



Representative Edward Vigil  
Chair, Capital Development Committee

Senator Steadman, Chair

March 26, 2013

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c: Capital Development Committee Members

Joint Budget Committee Members

Rich Schweigert, Colorado State University System

Erick Scheminske, Office of State Planning and Budgeting

Laura Blomquist, Office of State Planning and Budgeting

Tonya Gomez, Department of Higher Education

John Ziegler, Joint Budget Committee Staff

Amanda Bickel, Joint Budget Committee Staff

Brenda Shelinbarger, Office of the State Controller

Kori Donaldson, Capital Development Committee Staff

# Fiscal Year 2013-14 Capital Construction Request

## Colorado State University

### Eddy Hall Revitalization

#### PROGRAM PLAN STATUS

2010-046

Approved Program Plan?  Date Approved:

#### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
CF	\$0	\$7,700,000	\$0	\$0	\$7,700,000
<b>Total</b>	<b>\$0</b>	<b>\$7,700,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,700,000</b>

#### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$854,500	\$0	\$0	\$854,500
Construction	\$0	\$5,895,000	\$0	\$0	\$5,895,000
Equipment	\$0	\$250,000	\$0	\$0	\$250,000
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$700,500	\$0	\$0	\$700,500
<b>Total</b>	<b>\$0</b>	<b>\$7,700,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,700,000</b>

#### SUMMARY OF THE PROJECT

**Staff Note:** Initial project approval has been awarded through the two-year list process. The project is subject to additional review and approval because the university is seeking to issue bonds on behalf of the project through the Higher Education Revenue Bond Intercept Program. See "Required approvals" below for more information.

Colorado State University (CSU) is requesting cash funds spending authority to renovate the 69,457-GSF Eddy Hall classroom building to address code deficiencies and to improve the building's energy efficiency and aesthetics. According to the university, the building has received no substantial upgrades since it was built in 1963. The mechanical systems are outdated and parts of the building do not comply with ADA requirements. Specifically, the project will replace the heat exchangers, chiller, pumps, cooling tower, roofing over the lecture room, worn classroom flooring and ceilings, and the exterior concrete stairway; install four fire-rated doors and sidelights, a new fire sprinkler system, a new suspended ceiling system, ADA-compliant restrooms, drinking fountains, signage, elevator, doors, hardware, and handrails in stairways; patch, caulk, and repaint the building's interior and exterior; and remove asbestos.

**Source of cash funds.** The source of cash funds is revenue bonds to be repaid from institutional cash sources. The bonds will be issued for a period of 15 years at an anticipated rate of between 4.6 and 5.2 percent. The anticipated average annual payment amount is \$590,000. The university will also dedicate \$700,000 in university cash funds to the project.

**Required approvals.** Pursuant to Section 23-1-106 (10)(b), C.R.S., any cash project included on an institution's Two-Year List of Projected Cash Need that is subject to the Higher Education Revenue Bond Intercept Program requires additional review by the Capital Development Committee (CDC) and the Joint Budget Committee (JBC). Thus, this project must be approved by the CDC as part of the institution's submitted Two-Year List of Projected Cash Need and, once notification has been received that the program plan and budget documents have been approved by the Colorado Commission on Higher Education, separately recommended to the JBC.