

2022 Capital Request: HEAPR

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SENIOR VICE PRESIDENT FOR FINANCE AND OPERATIONS

World Class Services for a World Class University



Capital Request Summary

| Project Name | Project Total | UMN/ non-state Investment | State Request |
|--|----------------|---------------------------|----------------|
| Higher Education Asset Preservation & Replacement (HEAPR) | \$400.0 | -- | \$400.0 |
| Chemistry Undergraduate Teaching Laboratories | \$108.0 | \$36.0 | \$72.0 |
| Science Building–Design | \$2.4 | \$0.8 | \$1.6 |
| Agricultural Research and Education Complex | \$120.0 | \$60.0 | \$60.0 |
| Health Discovery Hub | \$210.0 | \$70.0 | \$140.0 |
| Health Sciences Facility–Design | \$18.0 | \$6.0 | \$12.0 |
| Total | \$858.4 | \$172.8 | \$685.6 |



HEAPR

- **Higher Education Asset Preservation and Replacement (HEAPR)** is a category of bond funding created by the legislature to “preserve and replace existing campus facilities.” (Statute 135A.046)
- The Legislature has strict criteria on how HEAPR funds may be spent. Projects must be for:
 - Accessibility
 - Health and Safety
 - Building Systems
 - Infrastructure
 - Energy Efficiency



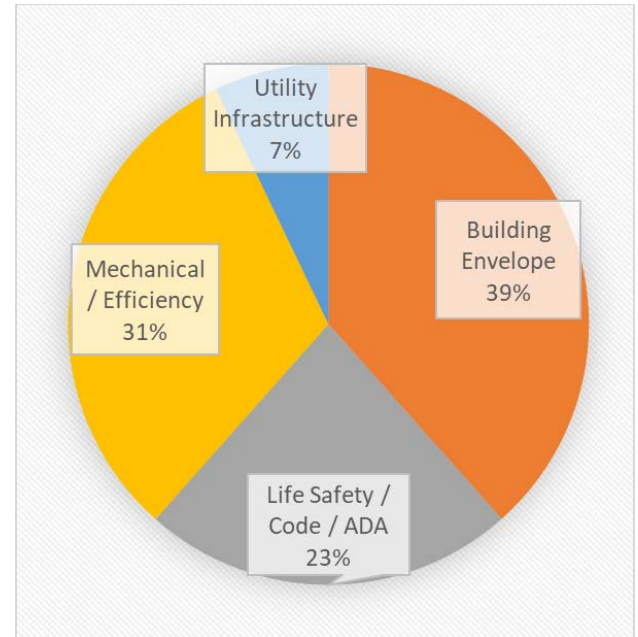
UM-Crookston Ruptured Natural Gas Main



HEAPR Prioritization

- Alignment with Building x Building Plan
- Criticality of Facility Condition - how bad is the problem?
- Risk Assessment - how likely to get worse soon, how likely to impact other building components or become a much more expensive problem?
- Health and Safety Assessment - what is risk for people, animals, program?
- Regulatory Requirements - is this more urgent due to law changes, new codes, etc.?
- Program Impact - how significantly is this facility condition issue impacting or limiting teaching, research, and other program needs?

\$400M Request by Project Type



HEAPR benefits all campuses and sites

Crookston Campus

Natural Gas Distribution System Stabilization

Duluth Campus

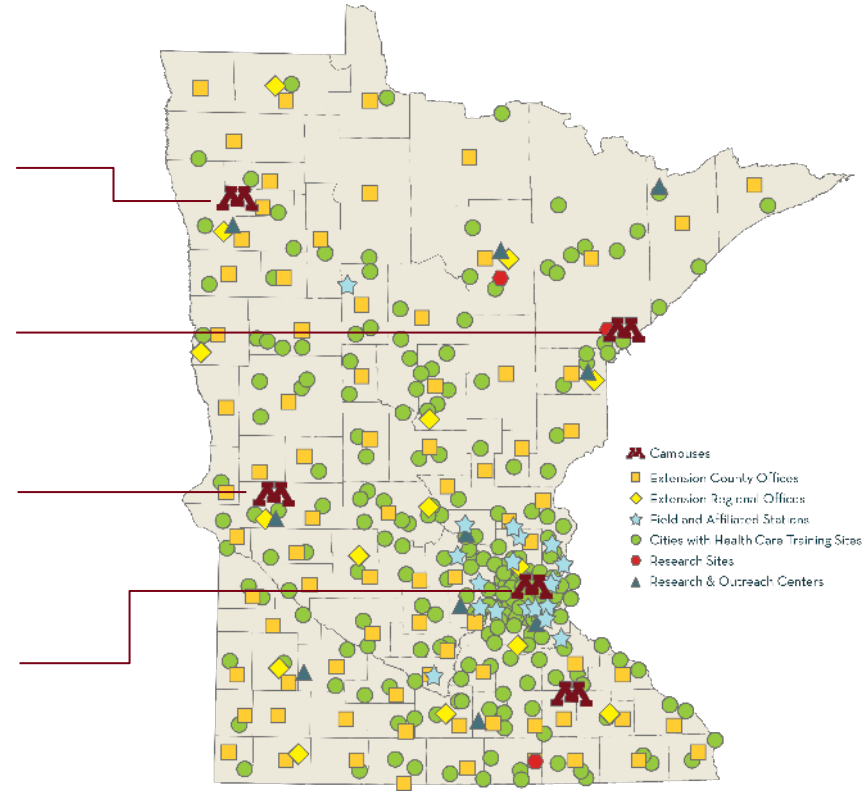
Humanities Building - HVAC and Code Renewal

Morris Campus

Multi-Ethnic Resource Center - Elevator Installation

Twin Cities Campus

Food Science Nutrition Building Renewal



HEAPR Allocation across the State

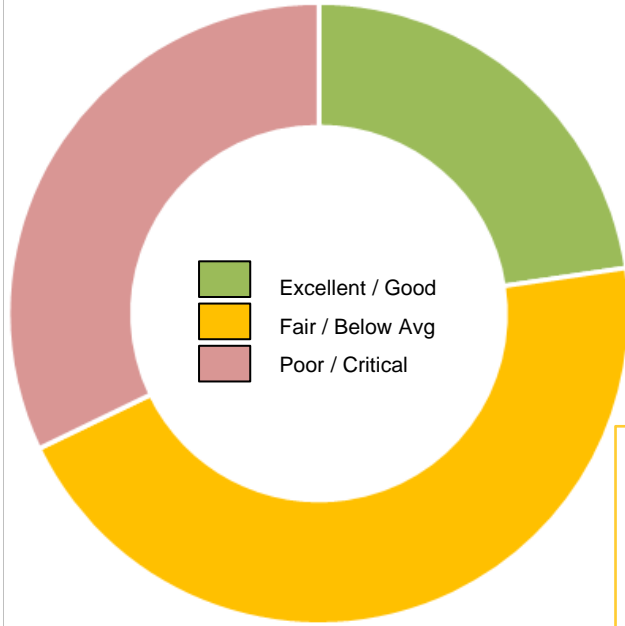
Formula: 50% GSF + 50% Need = Allocation

| Campus | Eligible GSF (%) | 10 Yr Need (%) | Model Allocation (%) | \$400M Allocation |
|---------------------------|------------------|----------------|----------------------|-----------------------|
| Twin Cities | 81.2% | 85.8% | 83.5% | \$ 334,006,187 |
| Duluth | 9.8% | 8.1% | 9.0% | \$ 35,812,926 |
| Morris | 3.2% | 2.7% | 3.0% | \$ 11,855,812 |
| Crookston | 2.2% | 1.7% | 2.0% | \$ 7,978,945 |
| Research Outreach Centers | 3.6% | 1.6% | 2.6% | \$ 10,346,130 |
| Grand Total | 100.0% | 100.0% | 100.0% | \$ 400,000,000 |



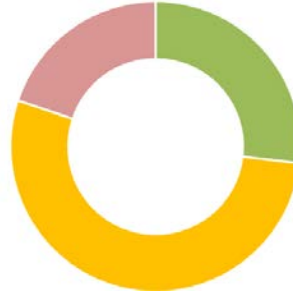
Campus Condition

TWIN CITIES



\$4.2B 10-yr needs

DULUTH



\$445M 10-yr needs

MORRIS



\$181M 10-yr needs

CROOKSTON



\$98M 10-yr needs

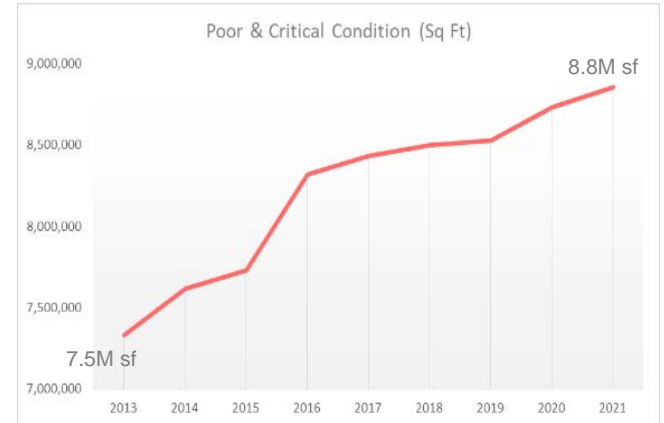
ROCS



\$103M 10-yr needs

At A Glance:

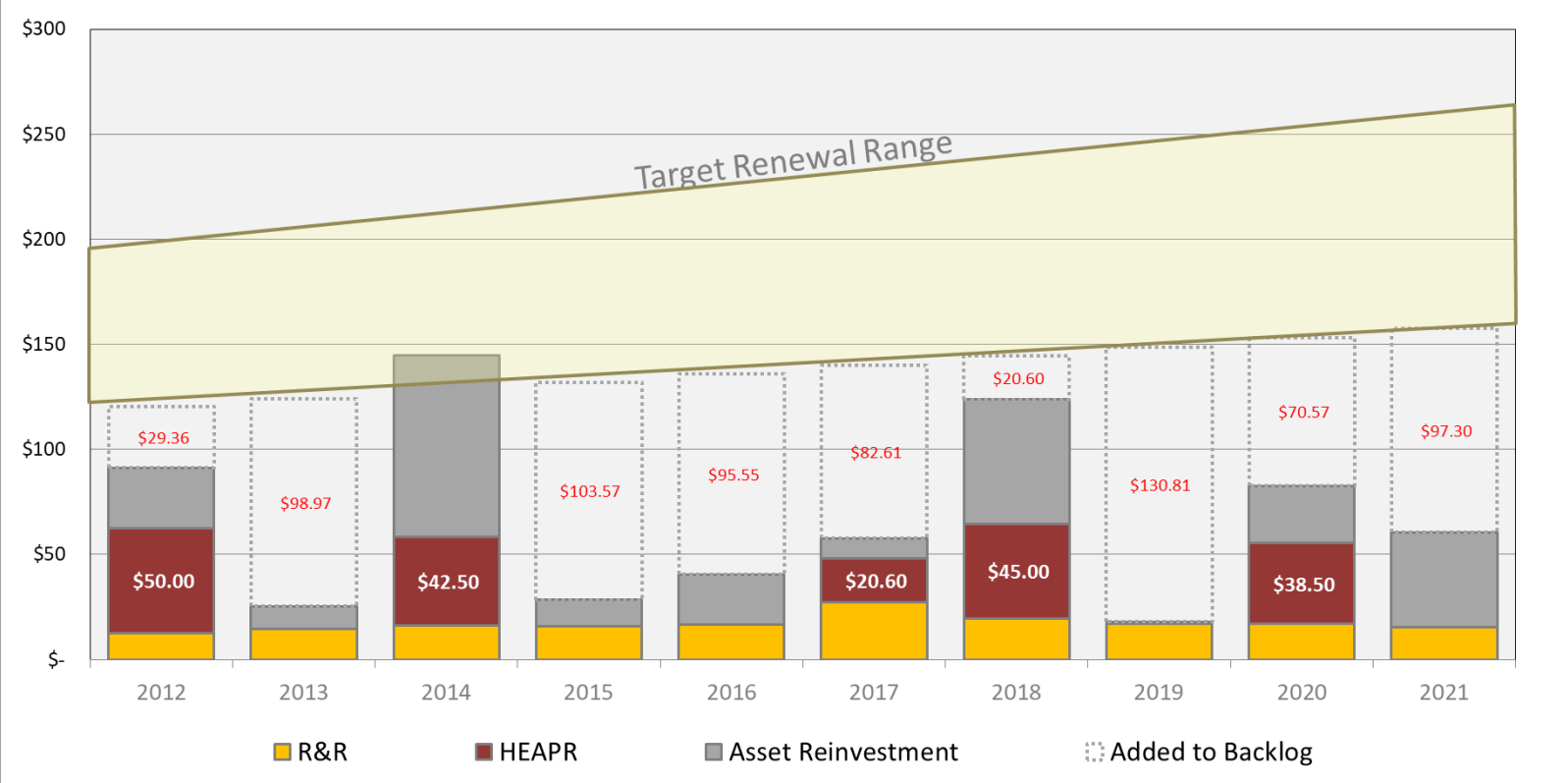
30 million sq. ft. of space
8.8 million sq. ft. poor or critical
\$13.2 billion replacement value
\$5.1 billion 10-year renewal need



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



Renewal Target vs Actual Investment



Appropriation History and Progress

| Year | HEAPR Allocation | % Spent or Encumbered Under Contract | % Spent, Encumbered or Otherwise Obligated to Complete a Project |
|------|------------------|--------------------------------------|--|
| 2017 | \$ 24,863,998 | 100% | 100% |
| 2018 | \$ 45,000,000 | 99% | 100% |
| 2019 | \$ - | na | na |
| 2020 | \$ 38,495,000 | 87% | 97% |

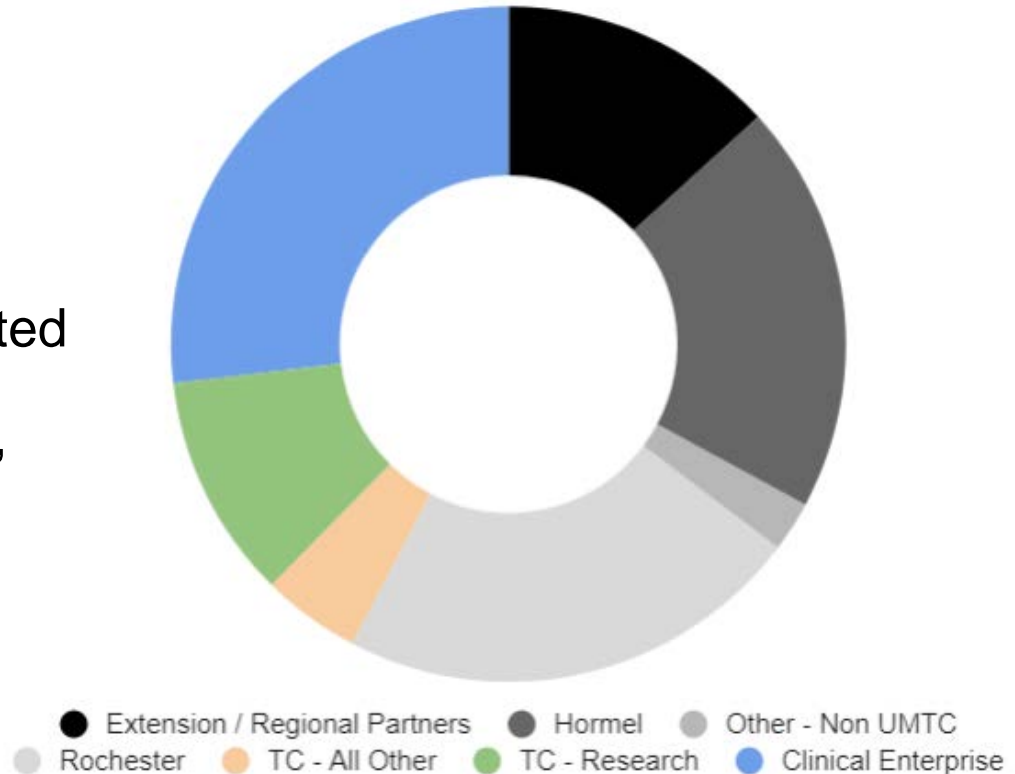
Note: No HEAPR appropriation in 2019



Systemwide Lease Space

Off-Campus Leases

- ~575k sq ft total* (<3% of total enterprise space)
- ~335k sf ft, or ~60%, located in Greater MN
- ~27k sq ft 'TC – All Other" (0.14% of total enterprise space)





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