Sightlines LLC
FY2012 Facilities MB&A Presentation

November 21, 2013
Presented by: Jim Kadamus and Jon King
Core Observations: ConnSCU

ConnSCU Space Profile

• Significant investment into new space and major renovations have resulted in over 50% of the physical footprint being less than 25 years old.
• Busy campus populations within the CT State Universities drive the overall density factor above peer system average.

ConnSCU Capital Investment Profile

• Capital project funding has focused on new space since FY2007 and has resulted in an 8% increase in ConnSCU GSF. The growth in space has helped circumvent unsustainable density levels from appearing across the state.
• Annual Stewardship funding is limited and impacts the ability each institution has to “keep-up” with building needs.
• The overall Net Asset Value of ConnSCU is higher than peer system averages. However, a significant backlog of projects exist across the state.

ConnSCU Operations & Service Levels

• Daily service spending to run facilities is above peer system average. This may be impacted by elevated density factors and building technical complexities as well as regional labor rates.
• Energy consumption has decreased since FY07 and is consistent with peer system levels.
• Service process scores among the CT State Universities are above peer system average and provide effective work management processes. However, service process scores among the CT Community Colleges are below average and limits the impact the service process can have within facilities.
Space Profile
Total ConnSCU GSF

Total GSF in FY12: 13.51 Million (8% growth in space since FY07)

<table>
<thead>
<tr>
<th>Campus</th>
<th>New Construction (FY07-FY12)</th>
</tr>
</thead>
</table>
| CCSU            | Anthony and Helen G. Bichum Engineering Laboratory  
|                 | Arute Field Visitor Grandstands  
|                 | Auxiliary Office  
|                 | Baseball Grandstands  
|                 | East Hall Fuel Cell  
|                 | East Hall Storage Shed  
|                 | Hitchcock-Young Pavilion  
|                 | New Maintenance Building  
|                 | New Public Safety Complex  
|                 | Soccer Press Box  
| ECSU            | New Softball Facility  
|                 | Police Station  
|                 | Science Building  
|                 | South Parking Garage  
| Manchester      | Great Path Academy  
|                 | Maintenance Building, 3 bay garage  
| Naugatuck       | New Technology Building (sq ft)  
| Northwestern    | Art and Science Center  
|                 | Art and Science Center atrium  
| Norwalk         | Health & Wellness Center  
| Quinebaug Valley| Modular Bldg, Construction Tech program  
|                 | Modular Bldg, Stride-offices  
| SCSU            | Buley Library Addition  
|                 | Office Building One  
| Three Rivers    | A Wing  
|                 | B Wing  
|                 | C Wing  
|                 | Central Utility Plant  
| Tunxis          | Academic Bldg (600 building)  
|                 | Library 700 Building  
|                 | dpw # 14631  
| WCSU            | Westside Campus Center  

<table>
<thead>
<tr>
<th>Millions</th>
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<tbody>
<tr>
<td>FY2007</td>
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<tr>
<td>FY2008</td>
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<td>FY2009</td>
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<tr>
<td>FY2010</td>
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<td>FY2011</td>
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<td>FY2012</td>
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<table>
<thead>
<tr>
<th>Total GSF</th>
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<tbody>
<tr>
<td>FY2007</td>
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<tr>
<td>FY2008</td>
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<td>FY2009</td>
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<tr>
<td>FY2010</td>
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<td>FY2011</td>
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<td>FY2012</td>
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</tbody>
</table>

State Universities  
Community Colleges
ConnSCU Age Profile

New Construction and Major Renovations results in 50%+ of GSF less than 25 years old

Gross Square Footage by Age Category (Construction vs. Renovation)

CT State Universities

% of Total Campus GSF

<table>
<thead>
<tr>
<th>Construction Age</th>
<th>Renovation Age</th>
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<tbody>
<tr>
<td>21%</td>
<td>25%</td>
</tr>
<tr>
<td>43%</td>
<td>34%</td>
</tr>
<tr>
<td>19%</td>
<td>27%</td>
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</tbody>
</table>

CT Community Colleges

% of Total Campus GSF

<table>
<thead>
<tr>
<th>Construction Age</th>
<th>Renovation Age</th>
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<tbody>
<tr>
<td>16%</td>
<td>22%</td>
</tr>
<tr>
<td>50%</td>
<td>32%</td>
</tr>
<tr>
<td>17%</td>
<td>22%</td>
</tr>
<tr>
<td>10%</td>
<td>6%</td>
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Capital Profile
Total ConnSCU Capital Investment

Total capital investment: $768 Million

ConnSCU Total Capital Investment

Average: $123 Million/Year

FY07 FY08 FY09 FY10 FY11 FY12

Existing Space New Space Non-Facilities
ConncSU capital investment focuses on new space projects since FY07.

**Total Capital Investment since FY2007**

<table>
<thead>
<tr>
<th></th>
<th>CT State Universities</th>
<th>CT Community Colleges</th>
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<tbody>
<tr>
<td><strong>$ (in Millions)</strong></td>
<td>FY07: $70</td>
<td>FY07: $90</td>
</tr>
<tr>
<td></td>
<td>FY08: $60</td>
<td>FY08: $80</td>
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<tr>
<td></td>
<td>FY09: $50</td>
<td>FY09: $70</td>
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<tr>
<td></td>
<td>FY10: $40</td>
<td>FY10: $60</td>
</tr>
<tr>
<td></td>
<td>FY11: $30</td>
<td>FY11: $50</td>
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<tr>
<td></td>
<td>FY12: $20</td>
<td>FY12: $40</td>
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- **Average: $46 Million/Year**
- **Average: $77 Million/Year**
Average Annual Capital Investment Compared to Peer Systems

CT State Universities are below peer average; CT Community Colleges are well above peer average.

Average Annual Capital Investment/GSF

State Universities

Community Colleges

Average: $7.23/GSF

Existing Space  New Space
Average Annual Capital Investment Compared to Peer Systems
Including CT Community Colleges; capital investment is above peer system average

**Average Annual Capital Investment/GSF**

**State Universities**

- System A
- ConnSCU
- System B
- System C
- System D
- System E
- System F
- System G
- System H

Average: $7.23/GSF

**Community Colleges**

- CT Community Colleges
- System A

Including CT Community College Investment

$/GSF

- $0
- $2
- $4
- $6
- $8
- $10
- $12
- $14
- $16
- $18
- $20

Existing Space  New Space

[Diagram showing the comparison of capital investment per GSF for different systems, with highlights for CT Community Colleges and System A.]
Annual Stewardship Target
Defining the Annual Stewardship investment target

FY2012 Annual Stewardship investment target: ConnSCU

- **Replacement Value:** $4.48 B

### Total $ in Millions

<table>
<thead>
<tr>
<th></th>
<th>$134.3</th>
<th>$122.5</th>
<th>$74.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>CT State Universities</td>
<td>$91.1</td>
<td>$82.7</td>
<td>$50.2</td>
</tr>
<tr>
<td>CT Community Colleges</td>
<td>$43.1</td>
<td>$39.8</td>
<td>$24.2</td>
</tr>
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</table>
ConnSCU: Total Capital Investment into Existing Space vs. Target

Spending into existing space isn’t meeting investment targets; backlog is growing

- Decreasing Backlog
- Stabilizing Backlog
- Increasing Backlog

Annual Stewardship | Asset Reinvestment | Target Need | Life Cycle Need

2007 | 2008 | 2009 | 2010 | 2011 | 2012

Millions

$0.0 $20.0 $40.0 $60.0 $80.0 $100.0 $120.0 $140.0
Asset Reinvestment Backlog ($/GSF) Compared to Peer Systems

Estimated ConnSCU Backlog: $836 Million

Total Asset Reinvestment Backlog Benchmark ($/GSF)

State Universities

- System A: $41
- System B: $73
- System C: $78
- System D: $81
- System E: $85
- System F: $106
- System G: $109
- System H: $116

Average: $92

Community Colleges

- CT Community Colleges: $61
- System A: $150

Connecticut State Colleges and Universities
Operations & Service
Operating Budget Actuals Compared to System Peers

Operating costs are above peer system averages

Operating Budget Actuals ($/GSF)

State Universities

Community Colleges

Institutions Ordered by Tech Rating
Energy Consumption Benchmark (BTU/GSF)
CT State Universities have reduced their energy consumption by 25% since FY2007

Energy Consumption (BTU/GSF)

State Universities

Community Colleges

Rate of Change Since 2007
Peers: -11%  CT State Universities: -25%

Rate of Change Since 2007
Peers: -11%  CT Community Colleges: -11%

Note: Alaska System excluded due to climate differences
Service Process Index

Distinct opportunity for the CT Community Colleges to improve Service Process

Service Process Index FY12

CT State Universities

- SCSU: 85
- CCSU: 80
- WCSU: 90
- ECSU: 86

Average: 85%

CT Community Colleges

- Tunxis: 84
- Three Rivers: 65
- Quinebaug Valley: 50
- Northwestern: 47
- Capital: 37
- Asnuntuck: 20
- Naugatuck: 7
- Gateway: 6
- Middlesex: No formalized work management system identified
- Norwalk: 5
- Manchester: 4
- Housatonic: 2

Average: 61%

Average:
- ECSU: 79
- CCSU: 84
- SCSU: 85

No formalized work management system identified
Concluding Comments
1. **New Space Investment Stabilizes ConnSCU:** The recent investment into new construction has reduced the renovation age profile of ConnSCU, addressed unsustainable campus density levels, and helped meet the ever-changing needs of today and tomorrow’s campus demographic.

2. **Reinvestment intoExisting Buildings Falls Short:** Capital reinvestment into existing facilities has been balanced by placing priority on reliability and asset preservation projects. Funding for this work has grown since FY2009, yet remains below target and has resulted in a growing backlog of needs across ConnSCU.

3. **“Keep-Up” Funding Matters:** Partnering with each ConnSCU institution to establish and maintain a joint “keep-up” fund for reliable access to capital funding will result in critical, long-term physical asset protection. This is especially important given the large-scale reinvestment appropriation invested across ConnSCU since FY2007.

4. **Manage a Growing Backlog Strategically:** Although current backlog levels are below peer system average, a substantial backlog exists at some ConnSCU campuses and needs to be comprehensively documented. Implementing a building portfolio approach will provide ConnSCU the ability to prioritize projects based not only condition, but also on programmatic initiatives and the long-term vision of each institution.

5. **Supplement “Keep-Up” Funding with Energy Savings:** ConnSCU has reduced energy consumption across the state since FY2007. However, the cost of energy remains substantially higher than peer system averages. Savings could be used to augment “keep-up” funding for existing facilities.

6. **Improve Service Process Across CT Community Colleges:** An effective work management system needs to be installed in all community colleges to improve productivity, pinpoint campus hotspots, integrate with project planning, and release additional operational savings.
Question & Comments