

ITEM: BOT-1

**University of Central Florida
Board of Trustees**

SUBJECT: Replenish E&G accounts for Trevor Colbourn Hall construction

DATE: September 6, 2018

PROPOSED BOARD ACTION

Replenish the Education and General (E&G) account(s) used to fund the construction of Trevor Colbourn Hall with non-appropriated funds. For future board and committee approvals of capital projects, require a written certification by the President and Vice President presenting the item identifying the source of funds and certifying that they are appropriate for that purpose.

BACKGROUND INFORMATION

In 2014, the Board of Trustees considered a plan to renovate the 40-year-old Colbourn Hall, which had experienced water intrusion and other issues typically found in older facilities. The repairs and renovations were planned as a single project.

Several comprehensive evaluations of the building determined that Colbourn Hall was in such poor condition that undertaking extensive repairs to the building would not make economic sense and not be in the best interest of the university and employees occupying the building.

In April 2014, the BOT Finance and Facilities Committee approved construction of the new Trevor Colbourn Hall, initially designed as a 75,000-square-foot building that would be built with carry-forward funds.

In May 2014, the full Board approved construction of Trevor Colbourn Hall. Neither the committee nor the full Board were told the source of the carry-forward funds would be E&G, which cannot be used for new construction.

In spring 2016, it was determined that cost considerations dictated that Colbourn Hall be demolished and the square footage of Trevor Colbourn Hall be increased to serve the university needs.

In June 2016, the BOT Finance and Facilities Committee approved the razing of Colbourn Hall, which was approved by the full board the following month.



As of August 2018 - the Florida Auditor General found that the \$38 million Trevor Colbourn Hall project was funded by E&G funds. The preliminary findings were shared with UCF.

After speaking with the Board of Governors, President Whittaker directed that the Board of Trustees be informed of these facts and, with its approval, identify non-E&G funds to replenish the E&G account from which the construction funds were drawn. Additionally, the university is developing a process for future board and committee approvals of capital projects, which will require a written certification by the President and Vice President presenting the item identifying the source of funds and certifying that they are appropriate for that purpose.

Supporting documentation: Exhibit A: Timeline
Exhibit B: Project spreadsheet
Exhibit C: 4/3/14 Finance & Facilities meeting documents
Exhibit D: 5/22/14 Board of Trustees meeting documents
Exhibit E: 7/28/16 Finance & Facilities meeting documents
Exhibit F: 7/28/16 Board of Trustees meeting documents

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Submitted by: Scott Cole, Vice President and General Counsel

Exhibit A

Detailed Timeline

2010- Colbourn Hall renovation was first placed on UCF's PECO list and assigned priority #18 with a projected cost total of \$5 million (see Exhibit B).

2011- PECO priority was moved to #16; projected cost remained \$5 million.

2012 - PECO priority was changed to #17; list projected cost rose to \$5.8 million.

2013 - Projected cost had risen to \$8.3 million and Other State Sources were being considered for funding. Facilities Planning discussed availability of PECO funds with BOG staff but was told none was available.

February 2014 - Building Analyses conducted by Clancy & Theys, Schenkel Shultz, Walter P Moore and TCL determined that the extent and cost of necessary repairs made renovation economically unfeasible.

April 3, 2014 – BOT Finance and Facilities committee was informed of the cost of renovations of the existing Colbourn Hall. Staff recommended to the Committee that they approve construction of a new 75,000 square-foot building (Trevor Colbourn Hall). The estimated construction cost of the new building was \$21.3 million. In the absence of PECO funding, construction costs would be paid from UCF “non-recurring funds” (see Exhibit C). However, the committee was not informed that the “non-recurring funds” were E&G funds, which could not be used for construction.

May 22, 2014 - The full board approved construction of Trevor Colbourn Hall but again was not told that the funding source would be E&G funds (see Exhibit D).

2015 - Educational Plant Survey supported UCF's request for PECO for the renovation of Colbourn Hall and the construction of Trevor Colbourn Hall.

Spring 2016 - It was determined to be more prudent to demolish Colbourn Hall and increase the square footage of Trevor Colbourn Hall to serve the needs of both buildings. This was primarily due to rising costs, both from increasing construction costs and the need to expand the space to accommodate more people.

June 27, 2016 - The Finance and Facilities committee approved the razing of Colbourn Hall. Estimated cost to correct defects in the building was more than \$15 million, which was greater than 60 percent of the building cost (see Exhibit E).

July 28, 2016- The full board approved the demolition of Colbourn Hall. (See Exhibit F).

May 1, 2017 – Construction begins on Trevor Colbourn Hall.

August 2018 - Construction of Trevor Colbourn Hall was completed and occupants from Colbourn Hall moved to Trevor Colbourn Hall. The razing of Colbourn Hall is scheduled for September 2018.

As of August 2018 - the Florida Auditor General found that the \$38 million Trevor Colbourn Hall project was funded by E&G funds. The preliminary findings were shared with UCF.

Present- The plan for restoring E&G funds that were spent on the construction and furnishing of Trevor Colbourn Hall in cash totaling \$38 million has been returned to E&G and replaced with cash and accumulated investment gains from auxiliary and concession funds. In August 2018, the E&G carryforward was returned and the current sources of funding are \$36.7 million auxiliary funds, \$950k concession funds, \$600k of PO&M for demolition of old building, and \$320k E&G funds for project management services provided by Facilities Planning.

Exhibit B

Trevor Colbourn Hall - Colbourn Hall Renovation						
DATE OF BOT APPROVAL	FISCAL YEAR	DESCRIPTION	#	FUNDING SOURCE	PROJECT TOTAL	Notes
July 29, 2008	2009-2010	Not on list				
July 23, 2009	2010-2011	Colbourn Hall Renovation	#18	PECO	\$4,968,246	
July 22, 2010	2011-2012	Colbourn Hall Renovation	#16	PECO	\$4,968,246	
July 21, 2011	2012-2013	Colbourn Hall Renovation	#17	PECO	\$5,807,316	
August 24, 2011		C. T. Hou - Partners and Allan and Conrad Inc.				Site Observation Report - Structural
July 26, 2012	2013-2014	Colbourn Hall Renovation	#3	Other State Sources	\$1,276,053	
December 3, 2012		The RAAD-Temoux Engineering Group, Inc				Visual Structural Assessment & Analysis of Colbourn Hall
June 29, 2012		The RAAD-Temoux Engineering Group, Inc				Visual Structural Assessment & Analysis of the Exterior Facade of Colbourn Hall
April 9, 2013		AMEC E&I				Report of Limited HESHAP Asbestos Survey
July 25, 2013	2014-2015	Colbourn Hall Renovation	#2	Other State Sources	\$7,865,928	Colbourn Hall Building Analysis
February 1, 2014		Clancy & They's, Schemel Shultz, Walter P. Moore, TLC				The BOG Modified of the Clancy & They's, Schemel Shultz, Walter P Moore Report dated February 2014 - UCF requested out of cycle funding from the State, however it was denied
July 31, 2014	2015-2016	Colbourn Hall Renovation	#5	PECO	\$19,524,553	#1. Utilities, Infrastructure, Capital Renewal, and Roofs
June 29, 2015	2016-2017	Trevor Colbourn Hall	#6	PECO	\$26,175,387	#2. Interdisciplinary Research and Incubator Facility
June 29, 2015	2016-2017	Colbourn Hall Renovation	#5	PECO	\$19,524,553	
July 28, 2016	2017-2018	Colbourn Hall Renovation	#4	Other State Sources	\$15,000,000	Added to Other State Sources UCF needed to fund
			#5	Other State Sources	\$23,000,000	Added to Other State Sources UCF needed to fund
			deleted	Other State Sources	\$15,000,000	The Clancy & They's, Schemel Shultz, Walter P Moore and TLC Report dated February 2014 triggered the change. BOT and BOG Modified of Razing of Building 18 and increase in the size of Trevor Colbourn Hall, and funding source Funded by UCF
			deleted	Other State Sources	\$23,000,000	The Clancy & They's, Schemel Shultz, Walter P Moore and TLC Report dated February 2014 triggered the change. BOT and BOG Modified of Razing of Building 18 and increase in the size of Trevor Colbourn Hall, and funding source Funded by UCF
			deleted	PECO		BOT Approval for the Razing of Building 18 Colbourn Hall
July 28, 2016	2017-2018	Colbourn Hall Renovation				\$38,000,000 Signed Building Program
February 27, 2017 (Revised 3-5-2017)		Trevor Colbourn Hall Building Program				\$38,000,000 Requesting funding to reimburse UCF
July 20, 2017	2018-2019	Trevor Colbourn Hall Colbourn Hall Demo	#5	PECO	\$38,000,000	Requesting funding to reimburse UCF
		Trevor Colbourn Hall Colbourn Hall Demo	#6	PECO	\$38,000,000	Requesting funding to reimburse UCF
July 19, 2018	2020-2020	Trevor Colbourn Hall Colbourn Hall Demo	deleted	PECO	\$38,000,000	Notified no funding will be provided