

APPENDIX D

Maintaining and Enhancing our Facilities Priorities for FY2011-2016

Background

Since the Plan for Academic Enrichment began in 2002, close to \$350 million has been invested in facilities renewal, expansion and acquisitions. Significant improvements have been made to academic and research facilities, student activities space, code compliance, infrastructure, and our capacity for future expansion.

We plan to invest an additional \$500+ million within the next four years. These investments will have a greater focus on the quality of the student experience (the Robert Campus Center, the Nelson Fitness Center, a new pool, improved athletics facilities, renewal of residence halls, improved classrooms, better library space and a new Student Services Center) while continuing to enhance and expand our academic facilities (the renovation of Pembroke Hall, the move and renovation of Peter Green House, the renovation of Rhode Island Hall for the Joukowsky Institute, the Creative Arts Center, the Mind, Brain, and Behavior Building and the Medical Education Building). In sum, within 9 years Brown will have invested over \$900 million in our physical facilities at an average rate of \$100 million per year.

Of the total, approximately \$400 million will have been invested in facility renewal and modernization projects, representing an average annual expenditure of \$44 million. Something like this level of annual investment in renewal is required to keep the physical plant in its current condition. The current replacement value of the plant is \$2.4 billion. On average Brown should spend at least 2% of the replacement value of the plant on renewal and modernization. In effect, this level of investment would ensure that all of our facilities could be completely renewed every 50 years. Many of our peers and a number of facilities consultants have adopted this 2% target. Using this target and given the current value of the plant, Brown should currently be investing \$48 million per year in renewal. Using survey tools developed by outside consultants, we estimate that the current condition of Brown's plant is 86% as good as new. Most of our peers are between 80% and 90% as good as new. While 86% sounds encouraging, it means that we have a 14% of replacement value backlog. This 14% translates into a \$340 million renewal backlog – a level of backlog that we believe is reasonable at any given point in time. Our goal is to have the condition of our physical plant stay between 80 and 90% as good as new.

In 10 years, the replacement value of the plant will be \$3.5 billion and a 2% annual allocation to renewal will mean \$70 million. Therefore, Brown needs to begin now to build towards investing \$70 million per year in renewal in FY17.

Future Needs

Looking beyond the completion of the projects included in the current capital plan that runs through 2011, we estimate that Brown will need to invest a minimum of \$600-700 million in facilities during the 5 years between 2011 and 2016. In effect, Brown should be planning on spending approximately \$120-140 million per year over this period.

Although it is impossible to predict exactly how our facilities needs will develop between now and 2011, the capital budget for 2011-2016 might look something like the following:

Undergraduate Initiatives	
New Undergraduate Residences	\$175M
Renewed/Modernized Residences, Dining, Athletics Facilities, Etc.	\$125M
Other Renewals, Modernizations and Compliance Projects	\$200M
New Research Building	\$100M
New and/or upgraded academic space	\$100M
<u>Total</u>	<u>\$700M</u>

Undergraduate Initiatives

Within the broad objectives of the Plan for Academic Enrichment, there are a number of specific needs and planning principles relevant to undergraduate facilities in particular. The most critical needs include:

- Facilities and spaces that actively support and promote community by easily allowing students, faculty and staff to interact and engage around a diverse set of activities and programs.
- Facilities which connect to and actively support students' academic and co-curricular lives; including supporting students' growing utilization of technology.
- Spaces that are comfortable, safe, functional and flexible to meet the wide variety of student interests and needs.
- Adequate amounts of space and facilities to meet the daily needs of our students in a manner reflective of the diversity and excellence of Brown.

The expenditure of \$300 million on undergraduate initiatives would allow us to accomplish many of these goals. We would propose in this time-frame especially to focus on new and renovated residence halls as well as targeted upgrades in important undergraduate facilities such as Sharpe Refectory, University Health Services, various library spaces, and athletic and fitness facilities.

The goals for undergraduate housing, with regard to new facilities, include:

- Brown should house 90 percent of undergraduates in on campus residences. This would include housing all first-years, sophomores and juniors and increasing the number of seniors on campus.
- New undergraduate housing should enhance community building and the educational benefits of residential community. Housing should create innovative links between residential and educational lives of students.
- Brown should build housing attractive to juniors and seniors, providing opportunities for independent living—apartments, suites, and singles.

The goals / priority for residence hall renewal include:

- Health and Safety—Above all other considerations, residence halls must provide a healthy and safe learning and living environment.
- Systems—Residence halls should be comfortable environments in which to live and learn with adequate and reliable building and networking systems.
- Living and Learning Environment—The residence halls should function and be equipped to play an integral role in students’ academic lives to facilitate and promote community.

New Residence Halls (600 Beds)	\$175M
Residence Hall Renewal / Modernization (\$15M per year)	\$ 75M
Other (Sharpe Refectory, Study Spaces, athletics, health services, other)	\$ 50M
Total	\$300M

Facility Renewal / Modernization

Of the \$700 million in proposed investments, \$325 million would be for renewal and modernization. In effect, we would be investing \$65 million per year, an amount that would on average be very close to the 2% of replacement value objective. This level of investment would ensure that our overall renewal backlog does not increase over this period. The condition of our plant should, as a consequence, remain at roughly 86% as good as new. In FY17, Brown will be faced with a different group of renewal projects needing to be done.

In addition to the \$125 million in undergraduate facilities renewal, we expect to invest something like \$200 million in other areas. The \$200 million for 2011 to 2016 might generally be distributed as follows:

Academic and other buildings -- systems, interiors and exteriors	\$125M
Additional Code upgrades	\$ 30M
Utility / Infrastructure Renewal	\$ 25M
<u>Cogeneration Plant</u>	<u>\$ 20M</u>
Total	\$200M

We fully expect that among the buildings that will undergo major renovations during this phase will be Hunter Lab and Metcalf Chem.

New Research Building

The \$100 million included in the plan for 2011 to 2016 is anticipated for the development of a research building in the Jewelry District. We are currently beginning the initial planning phase to understand the programmatic needs and space requirements for such a facility. We are also seeking potential research partners willing to share in this venture.

New Academic Space

We do not have a specific proposal or program in mind here, but it is very likely that one or more serious proposals will emerge over the next several years for additional academic space. The University's ability to respond positively to any of those proposals will, of course, depend on their fund-raising potential in addition to the nature and level of the programmatic need and tradeoffs with other pressing academic priorities.