

Section 5. Facilities Snapshot

A. Construction in Progress

Appendix 5.A.1 UAF Construction in Progress

(Fairbanks campus: projects over \$1,000,000; community campus: projects over \$250,000)

As of September 2024, UAF construction in progress totaled \$76.8 million in funded total project cost, and of that total, \$54.6 million has been expended or encumbered (71%). Four major projects were completed in FY24, the most significant funded project being the Bartlett Hall and Moore Hall Modernization and Renewal project. Current and on-going projects as of September 2024 include:

- Campus Wide Doors and Security (\$1.6 million exterior and \$2.0 million interior): The Fairbanks Campus has over 9,000 doors secured with a keying system that is 20 years beyond its patented expiration date. The antiquated keying system severely compromises building security and leaves facilities vulnerable. The interior door rekey is also nearly complete with less than 10 buildings remaining to re-key. One remaining exterior door project will be completed at Signers' Hall in June 2025.
- Patty Center Code Corrections (\$8.2 million): The Patty Center Pool is host to multiple communities, high schools, and NCAA-sanctioned collegiate events, recreational activities, and classes. The highly utilized 60 year-old pool has been well maintained but requires renewal to address a variety of issues including a lack of ventilation air exchanges, and a lack of a vapor barrier in the exterior wall, leading to mold growth and structural damage. The immediate code correction and renewal needs of the project will be the installation of a new ventilation system sized to Alaska-specific regulations, the renewal of the exterior wall with a proper vapor barrier, and the installation of an emergency egress path on the north side of the building. The project will reduce the deferred maintenance backlog in the pool.
- University Park Childcare Center (\$6.3 million funded, \$3.0 million requested in FY26): The University Park Building will be renewed and repurposed to provide critical childcare needs, supporting UAF students, staff, and faculty and removing a barrier to accessing University programs and workforce opportunities. This will help UAF be a more competitive employer in the region and support family-friendly practices for employees and students with expanded services and capacity. A portion of the project will help reduce the deferred maintenance backlog in the building.
- Museum Planetarium Addition (\$8.3 million): UAF is constructing a planetarium as an addition to the UA Museum of the North (UAMN) for teaching, research, and community outreach. The space will support existing UAF programs in astronomy, geophysics, and the Aurora while serving the growing tourism industry that now accesses the UAMN year-round. This project is primarily funded by a \$7.4 million anonymous private donation, the single largest gift ever received in UAF's history.

B. Lease, Joint Use, Debt and Rental

Appendix 5.B.1 Lease, Joint Use, Debt and Rental

UAF leased space accounts for 2.06% of total UAF square footage, totaling nearly 85 thousand of the campus' 4.1 million square feet of owned space. Annual lease payments total roughly \$927,000.

As of FY24, four off-campus leases remain in the Fairbanks area: \$314,787 for the CTC Hutchison Institute of Technology, \$34,111 for the ACUASI Hangar space, \$50 for the Stroeker Foundation in the Key Bank Center, and \$271,177 for the CTC Process Technology and Environmental Safety programs at the Fairbanks Pipeline Training Center, a portion of which is paid from TVEP funds.

Third Party Leased Space

UAF-owned space leased to third parties totals roughly \$1 million in annual revenues. UAF has special arrangements with other entities to share non-UA owned facilities located on UA property. These include the Cold Climate Housing Research Center (CCHRC) and the State of Alaska Virology Lab.

C. UAF Debt Service

Appendix 5.C.1. UAF Debt Service Schedule

Annual listing of all debt payments and the term of the debt (FY23 to FY33)

Current Debt Issues

UAF's most significant debt service (D/S) obligations include the CHPP, DM, and the Engineering and Murie buildings. These four together represent over three quarters of UAF's total debt. Deferred maintenance is a significant factor because it represents borrowing to address current infrastructure, which then reduces UAF's ability to maintain existing infrastructure in future years.

The D/S obligation in FY24 is \$19.3 million and will remain at this level through FY33 notwithstanding additional debt issuance or refinancing activities. This is due to the issuance of Series W, which is a refinancing package intended to reduce debt service in the near term (by approximately \$3 million in FY21) in favor of stable costs. Series W retires in FY33, meaning total current debt will decline by \$5 million in FY34.

The D/S Schedule, Appendix 5.C.1, displays UAF's current and proposed debt obligations over the next decade. The FY24 commitment of \$19.3 million is roughly 7.4% of UAF's unrestricted revenues.

Long-Term Capital Leases

UAF opened its new dining facility during fall semester 2014 (FY15), and financed the project through a public-private partnership (P3). UAF's financial obligation on this facility is limited to a 30 year lease agreement, after which time UAF will own the building. Lease payments began in FY15 and are approximately \$1.4 million annually.

UAF is coordinating with the rest of the University of Alaska system on a long-term debt strategy to better meet the deferred maintenance needs of the system's infrastructure. Discussion is ongoing in this area.

D. Facilities Strategy

UAF remains dedicated to employing a variety of methods and funding avenues to preserve and enhance its aging facility portfolio in alignment with UAF's mission and strategic objectives. This is achieved through the implementation of several key strategies:

- **Emphasizing Preventive Maintenance:** UAF places a high priority on its preventive maintenance program. Each year, a portion of the operating budget is allocated to address essential building systems' upkeep and repair, such as roofs, plumbing, lighting, and motors. By actively engaging in preventive maintenance and targeted repair efforts, UAF ensures that its buildings continue to support academic and research activities effectively, notwithstanding their age.
- **Investing in Human Capital:** UAF is committed to nurturing its workforce. This involves a focus on occupational safety and job-specific training, which remains a top priority for the Facilities Services' Administration. With the ongoing challenge of a workforce shortage, the goal is to retain high-quality and skilled staff. UAF encourages its Facilities Service staff to develop and excel in their respective areas of interest.
- **Prioritizing Funding for Critical DM&R Projects:** Every proposed project is carefully evaluated in terms of UAF's Deferred Maintenance and Renewal (DM&R) requirements. Projects are financed through a combination of capital and operational funding. Given the high costs associated with construction, projects often encompass efforts to rejuvenate, revitalize, and eliminate functional obsolescence in addition to the DM&R work, enhancing overall efficiency. As these projects are completed, they are removed from the DM backlog report. In situations where new construction is not feasible, UAF strives to modernize and reduce ongoing operations and maintenance costs by implementing efficiency measures. This includes creating more appealing spaces for students, enhancing accessibility in line with ADA requirements, and adapting services to meet evolving student needs.

UAF also maintains a continuous commitment to exploring opportunities for leveraging its land and assets in innovative and collaborative ways through new or shared arrangements. This exploration includes the possibility of public-private partnerships (P3) or concessions for a hotel, housing, a new community ice rink, or other appropriate projects meeting modern student expectations, which also helps to attract new and retain existing students.