Capital Planning
at The Ohio State University
Capital Planning Process
Integrated Capital Planning at The Ohio State University

**Units/Departments**

**Planning and Real Estate**
- **PARE**: Gather, Compile
- **Capital Needs Inventory (CNI)**

**Integrated Physical Planning Liaison Group**
- **IPPLG**: Filter, Analyze
- **Strategic Plan**, **Framework Plan**, **Funding Plan**, **Risk Mitigation**

**Integrated Capital Planning Group**
- **ICPG**: Prioritize
- **Establish Spending Capacity**, **Prioritization of Projects**, **Capital Plan Development**

**Chief Fiscal Officer and Provost**
- **Evaluate**: Evaluation and Recommendation of Plan

**President’s Cabinet**
- **Cabinet**: Endorse
- **Review and Endorsement of Plan**

**Board of Trustees**
- **BoT**: Approve
- **Final Capital Investment Plan (CIP)**

More information at [ap.osu.edu/ppare/cp.aspx](ap.osu.edu/ppare/cp.aspx)
Capital Planning at
The Ohio State University

The Ohio State University Capital Improvement Plan is a five-year rolling capital plan, with budget commitments for the first year for projects with funding fully identified and approved. The Capital Plan is set in the context of a ten-year capital forecast for the University. The forecast is less detailed than the capital plan, as the needs and funding sources that will emerge are difficult to anticipate. The forecast anticipates the University’s priorities, however plans will evolve as projects prove their feasibility.

GUIDING PRINCIPLES

The capital planning process is guided by ten key principles.

1. The Ohio State University Framework Plan is the basis for capital planning at the University. The Capital Investment Plan shall execute the goals and objectives of the Framework Plan.

2. The Capital Investment Plan shall include campus buildings, outdoor spaces between the buildings, and required infrastructure to serve the campus, as well as capital equipment to support the operations of the University.

3. The Integrated Capital Planning Group (ICPG) shall develop the five-year rolling University’s Capital Investment Plan for consideration by the Chief Financial Officer and Provost, President’s Cabinet and Board of Trustees.

4. Each potential capital project will be evaluated based on its consistency with the 1) Framework Plan; and 2) Strategic Plan. Each project will also be evaluated based on 3) availability of funds; and 4) the extent to which it mitigates risk and addresses deferred maintenance. Selection and prioritization within the Capital Investment Plan will be based on consistency with these four criteria.

5. Life Cycle Planning shall be used to ensure that long-term maintenance, renewal and replacement requirements are addressed to protect the University’s investment and maximize the useful life of capital assets. Particular attention shall be given to stewardship of the University’s historically significant facilities, campus sustainability and energy conservation.

6. The Capital Investment Plan shall anticipate resource requirements and financial capacity constraints, recognizing the revenue generating and/or cost avoiding value of capital investments.

7. The Capital Investment Plan should encourage the development of effective multi-use facilities, where feasible.

8. The Capital Investment Plan should provide facilities that are cost effective, consistent with best practices and expectations of useful life.

9. The Capital Investment Plan shall develop “complete” projects. It will include all enabling projects, infrastructure, and civic infrastructure necessary to implement the primary project.

10. The Capital Investment Plan shall support the university and region’s efforts to promote economic vitality and quality of life.
STRATEGIC INITIATIVES

The Capital Investment Plan is critical to implementation of University strategic initiatives. Approximately 50% of the capital funds to be expended in the five-year capital plan are dedicated to three key University strategic initiatives including:

- Arts District
- Discovery Themes
- Wexner Medical Center Expansion

Arts District: The University will enhance the arts at The Ohio State University and our connections with the Columbus arts community. This will be achieved through the renovation of three buildings, the construction of a new building, and investment in civic space and infrastructure. These projects are part of the Arts District Master Plan, which reenvisioned the arts district and its connection with the larger Columbus arts community.

- Sullivant Hall, housing Dance; Arts Administration, Education and Policy; Advanced Computing Center for the Arts and Design; Barnett Center for Integrated Arts and Enterprise; and Billy Ireland Cartoon Library and Museum (completed in 2014)
- Weigel Hall, housing the School of Music (starting in FY 15)
- Hughes Hall, housing the School of Music (planned)
- New Theater and Film Studies Building (planned) and Demolition of Drake Union (planned)
- Plaza for the Arts (planned)
- Phase 3 East Regional Chiller (planned)

Discovery Themes Initiative: The University is undertaking major faculty expansion through the launch of the Discovery Themes Initiative. This substantial investment in faculty necessitates the creation of collaborative space uniting faculty across disciplines in tackling global grand challenges.

- Pomerene and Oxley Halls, housing data analytics (starting in FY 15)
- Koffolt, Fontana, MacQuigg Laboratories, housing materials for a sustainable world (planned)
- Integrated Discovery Themes Building North, housing food production and security (planned)
- St. John Arena Infrastructure (planned)
- Biomedical Research Tower 2, housing health and wellness (forecast)
- Rebuild 19th Avenue (forecast)

Wexner Medical Center Expansion: The Wexner Medical Center (WMC) is transforming its medical facilities to revolutionize the delivery of health care, research and education. This strategic investment has created the third largest cancer hospital in the country.

- James Cancer Hospital and Solove Research Institute (completed in 2014)
- McCampbell Hall Modernization (completed in 2014)
- Hamilton Hall Renovation (starting in FY 15)
- West Rhodes Modernization (starting in FY 15)
- Cannon Drive Relocation, Phase I (starting in FY 15)
- Cannon Drive Relocation, Phase II (planned)

Beyond these University strategic priorities, the remaining 50% of the capital investment plan addresses unit level priorities, for example, adding housing at the regional campuses, modernizing athletic facilities, and expanding academic facilities.
CAPITAL PLANNING GOALS FOR FY 15

The Capital Investment Plan has evolved from a one-year capital budget into a mid-range capital program, with aspirations to evolve into a truly integrated capital plan. An integrated capital plan requires a disciplined approach to project prioritization, that balances creation of new capital assets with the maintenance of the existing campuses. In order to attain an integrated capital plan, the Integrated Capital Planning Group set three key goals for the fiscal year.

**Goal 1: Define the strategy for the capital investment plan**
- Create a district level investment strategy that allows for individual projects to be set within a district plan.
- Create decision packages that reveal the true costs associated with a project investment, including principal building investment, enabling projects, infrastructure, and civic spaces.
- Better integrate the WMC into the capital planning process, allowing for alignment of decision timelines, leverage health sciences district investments, and coordinate investment in shared buildings.
- Integrate capital equipment consistently across the University. This goal relies on the creation of capital equipment tracking processes and software upgrades.

**Goal 2: Simplify the capital planning process**
- Use best practices to guide the development of the capital plan. This includes undertaking studies of peer institutions, as well as generating unique best practices suitable to this institution.
- Develop policy recommendations on the process for project approval and delivery, such as expectations about fundraising and access to University resources.
- Streamline approval processes. When projects emerge throughout the year, create an approval process that allows routine projects to proceed in the minimum time possible.
- Create clear communications materials, making it easy for capital planning stakeholders to understand the capital planning process.

**Goal 3: Fund the capital plan**
- Identify a funding model to support investment in academic buildings. Given the shift in resources availability from the state, new models for funding the renewal and investment in academic space will be developed.
- Expand resources available to support civic infrastructure. Currently civic spaces are supported by state investment. Shifting to a diversified funding stream, would ensure that resources are available to support the University’s civic structure.
- Enhance the role of development in supporting the capital investment plan. By integrating the capital campaign and capital plan, fundraising can be maximized to meet the capital plan goals.
- Set criteria for the use of university resources, including bonds, internal loans, and strategic capital reserves.
- Finalize the deferred maintenance fund, ensuring future needs can be met through investments today.