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**UNIVERSITY OF MASSACHUSETTS
CAPITAL PLANNING, LAND AND FACILITIES USE POLICY**

PURPOSE

This *Capital Policy* provides specific criteria relating to capital planning, land and facilities use and other related topics such as ongoing maintenance, the leasing and use of land and/or facilities, and the acquisition or disposition of real estate by the University of Massachusetts (University or the System).

I. INTRODUCTION

Capital planning is an integral part of the University's long-range and strategic planning processes, as it affects all aspects of the University's programs and operations. The President's Office facilitates the implementation of this policy and manages the processes set forth in the associated administrative standards. Any work done by the University of Massachusetts Building Authority (UMBA) related to capital and facilities for the University must be done at the direction of the President's Office and not initiated by a campus. Participants in this process should include, but may not be limited to, the strategic planning committees, facilities managers, physical plant directors, the Offices of Administration and Finance, and UMBA. While specific assumptions and criteria may vary for short-term and long-term projects, the long-range objectives of the University must underlie all. The goals and priorities in the campus master plans shall form the basis for all facilities planning and land use decisions, regardless of whether the University is contemplating changes to existing uses of facilities, the development of unused land, the acquisition of new property, the construction or renovation of facilities, or the transfer of property to another party.

II. POLICY STATEMENT

**A. CAMPUS LAND AND FACILITIES USE MASTER PLANS, CAPITAL PLANNING,
PROJECT REVIEW AND APPROVAL**

1. Each campus shall prepare and maintain a land and facilities use master plan (campus master plan). The campus master plan is for the purpose of establishing a framework for orderly growth and development of capital improvements that is responsive to a campus' current and projected needs and sufficiently flexible to accommodate changes that can be expected to occur in a dynamic environment. The campus master plan describes

the optimal development of available space consistent with the approved mission statement of the campus. The campus master plan is a working document that will require evaluation and updating periodically to ensure its consistency with revised mission statements and with other circumstances. The campus master plan does not constitute a commitment to a specific timetable for the completion of projects, and is a component of the overall planning responsibility of the campus. The University President will work with Chancellors and the Board of Trustees (Board) to ensure consistency with this policy and with other University policies and standards and with the System-wide strategic priorities established by the University President and the Board of Trustees.

2. Each campus shall develop and maintain a five-year capital plan (capital plan), which shall be informed by the campus master plan and be submitted to the University President and the Board of Trustees for review and approval. The University President shall establish and maintain administrative standards to be followed by campuses in preparing the capital plan and will issue specific instructions and make additional requests as needed. The standards shall include but may not be limited to requirements for describing how a new project fits with the 5-year financial forecast, the campus master plan, plans for construction and operating funding, and sources of revenue, including detailed debt service schedules, if necessary. Approvals for such projects will be subject to the capital approval process and be contingent on the general requirements that any new building must be consistent with the strategic plans and priorities of the University and the campus, and projects requiring new borrowing should be in compliance with the University's debt policy.
3. For purposes of this policy, a capital project includes the total value of any acquisition, disposition, lease (whether as lessee or lessor) of land and/or facilities; and any construction or capital maintenance project. Before a campus may proceed with a capital project it must receive certain approvals as specified below:
 - a. Capital projects with a total cost between \$2 million and \$10 million will require the approval of the University President.
 - b. Capital projects greater than \$10 million will require the approval of the Board of Trustees.
 - c. Capital projects with a total estimated cost greater than \$2 million that also require University borrowing will require the approval of the Board of Trustees.
 - d. Capital projects that have an increase in cost of 10% or more will require an additional approval from the University President or Board of Trustees prior to the campus and/or UMBA continuing work on the project.
 - e. The University President shall issue administrative standards detailing the approval process and the criteria that will be used for a project to receive approval. The University President may request additional information as needed.

B. FUNDING DEFERRED MAINTENANCE: "KEEP UP" and "CATCH UP" TARGETS AND MAINTENANCE OF FACILITIES

1. The University President shall define "Keep up" and "Catch up" targets and promulgate standards to ensure that campuses are making progress toward meeting the deferred maintenance needs of University facilities.

C. DISPOSITION & ACQUISITION OF UNIVERSITY REAL ESTATE

1. Real estate, which include, but may not be limited to land, buildings, air rights, water rights and mineral rights owned by the University is the property of the Commonwealth of Massachusetts which has been entrusted to the University for stewardship. The University's role as steward of this property is crucial, since the prudent use of our limited resources is key to our ability to provide for our future needs and to meet our long-range commitments to the citizens of the Commonwealth.
2. The purchase and sale of real estate from entities or to entities must support the University's educational research, and/or community outreach mission and must have received all applicable internal approvals in writing prior to any documentation being signed.

D. AGREEMENTS FOR THE USE OF REAL ESTATE

1. The execution of any agreement for the use of real estate from entities or to entities must support the University's educational research, and/or community outreach mission and must have received all applicable internal approvals in writing prior to any documentation being signed.

E. PRIVATE USE

Any facilities of the campuses that are purchased, constructed, renovated, rehabilitated, improved or otherwise funded from a tax-exempt bond issue are subject to private business use limitations as described in the federal tax law. When proposing a substantive change in the existing use of a facility financed with tax-exempt debt, campuses should consider the private use implications of such a change. A change in existing use must not cause the University to be in violation of the private business use regulations.

F. DELEGATION

The University President and Chancellors may delegate all or any part of their authority set forth in this Policy, in accordance with the University's delegation policy.

G. STANDARDS

The University President, in consultation with the Vice President(s) and Chancellors, will issue administrative standards to implement this policy which may be revised from time-to-time.