Creating a Common Vocabulary

**Annual Stewardship**
The annual investment needed to ensure buildings will properly perform and reach their useful life “Keep-Up Costs”.

**Asset Reinvestment**
The accumulation of repair and modernization needs and the definition of resource capacity to correct them “Catch-Up Costs”.

**Operational Effectiveness**
The effectiveness of the facilities operating budget, staffing, supervision, and energy management.

**Service**
The measure of service process, the maintenance quality of space and systems, and the customers opinion of service delivery.

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Asset Value Change

Operations Success
### Peer Benchmark Group

#### ROPA Peer Institutions

<table>
<thead>
<tr>
<th>Institution</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loyola University Maryland</td>
<td>Baltimore, Maryland</td>
</tr>
<tr>
<td>Boston College</td>
<td>Boston, Massachusetts</td>
</tr>
<tr>
<td>Gonzaga University</td>
<td>Spokane, Washington</td>
</tr>
<tr>
<td>Seattle University</td>
<td>Seattle, Washington</td>
</tr>
<tr>
<td>The University of Chicago</td>
<td>Chicago, Illinois</td>
</tr>
<tr>
<td>Washington University in St. Louis</td>
<td>St. Louis, Missouri</td>
</tr>
<tr>
<td>Vanderbilt University</td>
<td>Nashville, Tennessee</td>
</tr>
<tr>
<td>Creighton University</td>
<td>Omaha, Nebraska</td>
</tr>
<tr>
<td><strong>Northwestern University</strong></td>
<td><strong>Evanston, Illinois</strong></td>
</tr>
<tr>
<td><strong>Boston University</strong></td>
<td><strong>Boston, Massachusetts</strong></td>
</tr>
</tbody>
</table>

*New for FY19*

#### Jesuit Peer Institutions

<table>
<thead>
<tr>
<th>Institution</th>
<th>Location</th>
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<tr>
<td>Loyola University Maryland</td>
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<td>Spokane, Washington</td>
</tr>
<tr>
<td>Seattle University</td>
<td>Seattle, Washington</td>
</tr>
<tr>
<td><em>Saint Joseph’s University</em></td>
<td><em>Philadelphia, Pennsylvania</em></td>
</tr>
<tr>
<td>University of San Francisco</td>
<td>San Francisco, California</td>
</tr>
<tr>
<td><em>Fairfield University</em></td>
<td><em>Fairfield, Connecticut</em></td>
</tr>
<tr>
<td>Creighton University</td>
<td>Omaha, Nebraska</td>
</tr>
</tbody>
</table>

#### Comparative Considerations

Size, technical complexity, region, geographic location, and setting are all factors included in the selection of peer institutions.
Core Themes

Disconnect Between Institutional Identity and Financial Reality

Allocations to Facilities Have Not Been a Priority for the Institution

Pre-War Construction Creates Space Inefficiencies

Juggling Future & Existing Facilities Demands: Discovering the True Cost of Ownership
Theme #1: Disconnect Between Institutional Identity and Financial Reality
Space Growth with Declining Enrollment is an Exposure

Master’s universities show the largest divergence

Space Growth vs. Enrollment Growth

- Baccalaureate
- Master’s
- Research

Space Growth with Declining Enrollment is an Exposure

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SLU, Jesuit’s Feature Similar Enrollment Trends

ROPA Peers’ enrollment, space growing concurrently

Space Growth vs. Enrollment Growth (7 Years)

SLU, Jesuit Peers

ROPA Peers

Percent Growth Since 2012

Space Growth  Enrollment Growth
Gross Tuition Outpaces Scholarship Allowances

Although in line with peers, SLU’s tuition discount continues to rise annually

Percent Change (Enrollment vs. Tuition)

FY18 Tuition Discount Rate vs. Peers (in order of Wealth per Student)

*Denotes Jesuit Institution
Saint Louis University

Students FTEs: 11,970
Endowment from SLU website: $1,100,000,000 (12/2018)
Space: 6,589,922 – All Occupied Space- Does Not Include Parking Garages – Includes Biology Extension and STEM Buildings

Less Resources

More Resources

Wealthiest Institutions

GSF/Student

Wealth per Student

Saint Louis University

ROPA Peers

Jesuit Peers

*FY18 peer data

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Misalignment Between Financials, Physical Assets

Although space is on par with ROPA peers, SLU’s wealth profile is more in line with Jesuit institutions.

- **Wealth per Student vs. Peers**
  - SLU: $100,000
  - Jesuit Peers: $50,000
  - ROPA Peers: $250,000

- **Space per Student vs. Peers**
  - SLU: 500 GSF/student
  - Jesuit Peers: 600 GSF/student
  - ROPA Peers: 600 GSF/student

### Additional Information

- **Students FTEs:** 11,970
- **Endowment 2018 from SLU website:** $1,100,000,000 (12/2018)
- **Space:** 6,589,922 – All Occupied Space - Does Not Include Parking
  - Includes Biology Extension and new STEM buildings

*denotes Jesuit institution
Theme #2: Allocations to Facilities Have Not Been a Priority for the Institution
Facilities Resources At A Lower Priority Compared to Peers

SLU is allocated resources at a similar percentage as some of the wealthiest institutions in the country.
SLU Shares New Space Commitment, Lags In Existing Space Spending

Recent new space investment brings new Residence Halls, STEM Building online

Total Capital Investment into Existing Space ($/GSF)

SLU

Grand, Spring Halls, New STEM Building

Chaifetz Arena, DRC

ROPAPeers

Existing Space Investment
New Space Investment
Existing Space Average


$0.0 $2.0 $4.0 $6.0 $8.0 $10.0 $12.0 $14.0 $16.0 $18.0

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Similar to wealth profile, SLU’s facilities expenditures more in line with Jesuit institutions

Facilities Operating Actuals vs. ROPA Peers (FY18) ($/GSF)

- In order of increasing Facilities Operating Expenditures
- *denotes Jesuit institution

**Daily Service**

**PM**

**Utilities**

**Peer Average**
Further Look: Facilities Operating Resources

Rise in overall facilities expenditures driven by increased contract work, electricity

People vs. Expenses vs. Utility Costs (% Change Over Time)

People vs. Expenses vs. Utility Costs: Further Detail (% Change Over Time)
MEP Contracted Repairs Increasing Significantly

With steady maintenance staffing coverage, MEP repair work is falling more on contractors.
Adjusting Allocations to Match Peer Institutional Priorities

Allocating resources to Facilities at peer levels would bring operating actuals above the peer average.

The chart on the left displays total regionally adjusted Facilities Operating Expenditures, (inclusive of People, Expenses and Utilities costs), arrayed in order of increasing Wealth per Student. The additional amount for SLU represents what SLU’s Facilities Operating Expenditures would be if the department was allocated at the peer average percentage of institution-wide operating expenses (5.84%), equating to just under $10M.
Theme #3:
Pre-War Construction Creates Space Inefficiencies
Putting Your Campus Building Age in Context

ROPA Peers, Jesuit’s, Sightlines Database possess similar distribution of constructed space

% of GSF by Construction Year

**Pre-War**
- Built pre-1951
- Durable construction
- Older but lasts longer

**Post-War**
- Built 1951 - 1975
- Lower quality
- Needs more repairs & renovation

**Modern**
- Built 1975 - 1990
- Quick flash construction
- Low quality components

**Complex**
- Built post-1991
- Technically complex
- Higher quality
- More expensive to maintain or repair

Sightlines Database- Construction Age
- Jesuit Peers
- ROPA Peers
- SLU
Putting Your Campus Building Age in Context

Peers able to reset the clock of Pre-War buildings at a faster rate compared to SLU

% of GSF by Construction Year

<table>
<thead>
<tr>
<th>Peer Group</th>
<th>% GSF Renovated</th>
</tr>
</thead>
<tbody>
<tr>
<td>SLU</td>
<td>12%</td>
</tr>
<tr>
<td>ROPA Peers</td>
<td>49%</td>
</tr>
<tr>
<td>Jesuit Peers</td>
<td>69%</td>
</tr>
</tbody>
</table>

Pre-War: Built pre-1951
- Durable construction
- Older but lasts longer

Post-War: Built 1951-1975
- Lower quality
- Needs more repairs & renovation

Modern: 1975-1990
- Quick flash construction
- Low quality components

Complex: Built post-1991
- Technically complex
- Higher quality
- More expensive to maintain or repair

Sightlines Database - Construction Age

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Pre-War Construction Dominates SLU’s Campus Footprint

SLU
- Pre-War: 30%
- Post-War: 28%
- Modern: 14%
- Complex: 28%

Jesuit Peers
- Pre-War: 31%
- Post-War: 14%
- Modern: 16%
- Complex: 39%

ROPA Peers
- Pre-War: 34%
- Post-War: 10%
- Modern: 28%
- Complex: 28%

Pre-War | Post-War | Modern | Complex

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a GORDIAN company

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Further Look: Pre-War Construction by Building Function

Older Construction increases the risk of inefficient space utilization

Program Space: Percent Pre-War Construction (FY18)

Science Research Space: Percent Pre-War Construction (FY18)

Student Life Space: Percent Pre-War Construction (FY18)
Excess Space Leads to Additional Operating Costs

Program Space/Student FTE

More Program Space

(Academic, Administrative functions) Strong correlation between program space and wealth

Science Research Space/Student FTE

More Science Research Space

Strong correlation between Science Research space and wealth

Student Life Space/Student FTE

More Student Life Space

SLU more in line with peer average when removing Manresa, museum space. Excludes Athletic Space.

*Denotes Jesuit Institution

All graphs are arranged in order of increasing Wealth/Student FTE

Annual Add’l Costs
Operations: $4.13M
Capital: $4.83M

Annual Add’l Costs
Operations: $836k
Capital: $1.19M

Annual Add’l Costs
Operations: $1.20M
Capital: $1.50M

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Theme #4:
Juggling Future & Existing Facilities Demands: Discovering True Cost of Ownership
New Construction Drives Decreasing Campus Age

New space and gut renovations together lower the overall age of campus

Campus Age Over Time

- 2004 Campus Age
- 2018 Campus Age (No Investment in New Space)
- 2018 Campus Age (Actual)

Impact of New Construction: 10.6
Impact of Renovations: 5.8
Residence Halls, Athletics Focus of New Space Spend

Recent new space investment brings new Residence Halls online

Total Capital Investment into Existing Space (in Millions)

- **Chaifetz Arena, DRC**
- **Grand, Spring Halls, New STEM Building**

Total Dollars Spent (in Millions)

- $\text{Existing Space Investment}
- $\text{New Space Investment}$
- $\text{Existing Space Average}$
Add’l Annual Investment Will Be Required to Maintain New Space

New buildings will require annual operational and capital attention to keep up to the demand of the space.

Total Cost of Ownership
(New Construction since FY17)

<table>
<thead>
<tr>
<th>Building</th>
<th>Total Dollars (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spring Hall</td>
<td>$0.29</td>
</tr>
<tr>
<td></td>
<td>$0.63</td>
</tr>
<tr>
<td></td>
<td>$1.20</td>
</tr>
<tr>
<td>Grand Hall</td>
<td>$0.44</td>
</tr>
<tr>
<td></td>
<td>$0.94</td>
</tr>
<tr>
<td></td>
<td>$1.79</td>
</tr>
<tr>
<td>Biology Extension</td>
<td>$0.38</td>
</tr>
<tr>
<td></td>
<td>$0.82</td>
</tr>
<tr>
<td></td>
<td>$1.80</td>
</tr>
<tr>
<td>New STEM Building</td>
<td>$0.22</td>
</tr>
<tr>
<td></td>
<td>$0.49</td>
</tr>
<tr>
<td></td>
<td>$1.06</td>
</tr>
</tbody>
</table>

*dollars shown in present day value

Adding 4 new buildings to the existing campus footprint demands an additional $4.4M operationally, $5.8M capitally on an annual basis.

Total Cost of Ownership
Focusing On Investment Into Existing Facilities

Existing space investment projected to fall in near future

Total Capital Investment into Existing Space (in Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Dollars Spent (in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>15</td>
</tr>
<tr>
<td>2005</td>
<td>10</td>
</tr>
<tr>
<td>2006</td>
<td>30</td>
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<tr>
<td>2007</td>
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<td>2015</td>
<td>20</td>
</tr>
<tr>
<td>2016</td>
<td>30</td>
</tr>
<tr>
<td>2017</td>
<td>70</td>
</tr>
<tr>
<td>2018</td>
<td>50</td>
</tr>
</tbody>
</table>

- Existing Space Investment
- New Space Investment
- Existing Space Average
Deferral Remains Despite Increased Investment

Increased commitment to existing space limits deferral and reaches towards target levels

Total Capital Investment vs. Funding Target

**Spending does not include new space, non-facilities, or infrastructure

*Based on conversations around future capital funding allocations

**Spend does not include new space, non-facilities, or infrastructure

*Based on conversations around future capital funding allocations

New Space for FY07-08:
- Chaifetz Arena
- Doisy Research Center

New Space for FY19-20:
- Biology Extension Building
- New STEM Building

Increasing Net Asset Value

Lowering Risk Profile

Increasing Backlog & Risk

Annual Stewardship
Asset Reinvestment
Annual Investment Target
Life Cycle Need

With Changing Campus Landscape, Existing Building Needs Remain

Asset Reinvestment Need vs. ROPA Peers Over Time

SLU

ROPA Peers

Asset Reinvestment Need vs. ROPA Peers (FY18)

AR Need

Peer Average

AR Need

Peer Average

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Key Takeaways
Hanging In The Balance

- Jesuit Institution
- Capital Projects
- Existing Space
- Institutional Identity
- Funding Allocation
- Building Priorities
- Large, Research Institution
- Daily Operations
- New Construction
Key Takeaway: Institutional Identity

- SLU’s Space vs. Wealth relationship, in conjunction with daily operating and capital expenditure data, shows an institution more in line with other Jesuit institutions compared to the larger research institutions.

![Wealth per Student vs. Peers](chart1)

![Space per Student vs. Peers](chart2)
A disconnect between Institutional Identity and Financial Reality leads to misaligned funding allocation. Increases to either Recurring Capital Funding or Facilities Daily Operating Allocations will be necessary in order to meet the current and future building demands of campus.

Cutting money from Facilities within either funding stream can create short term Institutional savings, but will end up being more costly in the long run.

Key Takeaway: Funding Allocation

Facilities Expenditures as a Percentage of Total Institutional Operating Expenditures (FY18)
Pre-War constructed space dominates campus footprint, driving up operational and capital demands. This space places strain on campus utilization and does not support current and future programmatic aspirations. New costly and complex buildings are then brought on line to offset these space inefficiencies and to meet Institutional goals.

### Key Takeaway: Building Priorities

#### Existing Space

- **Pre-War**: 30%
- **Post-War**: 28%
- **Modern**: 14%
- **Complex**: 28%

#### New Construction

<table>
<thead>
<tr>
<th>Building</th>
<th>Total Cost of Ownership of Added Buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biology Extension Building</td>
<td>$0.38</td>
</tr>
<tr>
<td>New STEM Building</td>
<td>$1.80</td>
</tr>
</tbody>
</table>

#### Total Dollars (Millions)

- **People + Expenses Costs**
  - Biology Extension Building: $0.38
  - New STEM Building: $0.49

- **Preventive Maintenance Costs**
  - Biology Extension Building: $0.22
  - New STEM Building: $0.22

- **Total Utility Costs**
  - Biology Extension Building: $1.80
  - New STEM Building: $1.06

- **Future Capital Costs**
  - Biology Extension Building: $0.80
  - New STEM Building: $1.20
Questions & Discussion