

APPROVAL OF PLANNING PROJECT FOR PUBLIC SAFETY BUILDING

VIRGINIA TECH

August 3, 2007

This project is a new request in response to needed facility enhancements for public safety programs, including police, rescue squad, and emergency management. This project is not included on the University's 2008-2014 Capital Outlay Plan and has recently been identified as a high priority. The University needs enhanced space for these essential public safety programs, and existing public safety program space may not accommodate the needed enhancements. The proposed project is envisioned as a 35,000 gross square foot, two-story building with necessary accommodations for personnel, storage, training, vehicles, and a command center.

The estimated project total cost is approximately \$20 million and the funding plan calls for full state General Fund support. To expedite the project and avoid a year of inflation associated with the state budget process, the University requests Board of Visitors' approval to initiate planning under restructuring as a 100 percent nongeneral fund (NGF) activity and to request full state funding as part of the 2008 budget process. The benefit of this strategy is saving about 12 months of inflation, which is estimated at approximately \$1.0 million. The University takes on some funding risk with this strategy since the Commonwealth has indicated that initiation of a NGF project by a Covered Institution will not create a funding obligation by the Commonwealth. Thus, there is a risk that the planned future General Fund support for the project may not be realized in 2008-2010. If sufficient General Fund support is approved for the project, the NGF planning costs may convert to the state funded project. If General Fund support is not approved for the project in 2008, the University will review its funding options, including the options of identifying other NGF revenues or deferring the project to a future budget cycle.

Under the 2006 Management Agreement between the Commonwealth of Virginia and the University, the Board of Visitors has the authority to approve the budget, size, scope, and funding of nongeneral fund capital outlay projects. This request is for a \$1.6 million planning authorization to move forward with design of the proposed Public Safety Building.

Resolution on Planning Project for the Public Safety Building

WHEREAS, this project is a new request in response to needed facility enhancements for public safety programs, including police, rescue squad, and emergency management; and,

WHEREAS, this project is not included on the University's 2008-2014 capital outlay plan and has recently been identified as a high priority; and,

WHEREAS, the University needs enhanced space for these essential public safety programs; and,

WHEREAS, existing public safety program space may not accommodate the needed enhancements; and,

WHEREAS, the proposed solution is envisioned as a 35,000 gross square foot, two-story building with necessary accommodations for personnel, storage, training, vehicles, and a command center; and,

WHEREAS, the estimated project cost inclusive of design and construction is approximately \$20 million and the funding plan calls for full state General Fund support; and,

WHEREAS, under the 2006 Management Agreement between the Commonwealth of Virginia and the University, the Board of Visitors has authority to approve the budget, size, scope, and funding of nongeneral funded major capital outlay projects; and,

WHEREAS, to expedite the project and avoid about a year of inflation associated with the state budget process, the University requests Board of Visitors' approval to initiate planning under restructuring as a 100 percent nongeneral fund activity in anticipation of future state approval; and,

WHEREAS, this request is for a \$1.6 million nongeneral fund planning authorization to move forward with design of the Public Safety Building; and,

WHEREAS, the University plans to reimburse the \$1.6 million nongeneral fund resources with state General Fund if the project is appropriated by the state;

NOW, THEREFORE BE IT RESOLVED, that the University be authorized to move forward with design of a Public Safety Building.

RECOMMENDATION:

That the resolution authorizing Virginia Tech to enter into design of a Public Safety Building be approved.

August 27, 2007