

Approval of Planning Project for the VBI Addition Facility

VIRGINIA TECH

May 21, 2007

The Virginia Bioinformatics Institute (VBI) was established in 2000 with the mission to lead the Commonwealth's efforts to become a national and international leader in the field of bioinformatics and to enhance the Commonwealth's overall efforts in the life sciences. Since opening in 2000, VBI has grown from five staff in a small temporary leased space in the Corporate Research Center (CRC) to a major research engine with over 200 employees and with about 130,000 gross square feet of on-campus state-of-the-art laboratory space.

While VBI's growth over the past seven years has been outstanding, it continues to grow and needs more space to accommodate several key functions. The proposed addition is needed to support the relocation of the Network Dynamics and Simulation Science Laboratory (NDSSL) to the main VBI facility from the CRC and to provide for expansion space to support large computationally based research groups. VBI is leasing space in the CRC to house the initial setup of the NDSSL, a critical and growing research unit. This unit has about 25 personnel and is anticipated to reach about 100 employees over the next few years to support several U.S. Department of Defense funded projects. The CRC space is limited and can not accommodate NDSSL's projected growth. Further, collaboration among VBI research groups is a critical part of the success of the overall VBI program, and the dislocation from the main VBI facility hinders collaboration between the NDSSL faculty and other VBI faculty. Beyond the space needs of the NDSSL, other large VBI research groups, like the Cyber Infrastructure Group, need capacity for about 54 additional workstation areas to support ongoing funded projects.

The proposed solution to the space needs is a 50,000 gross square foot addition to the Bioinformatics II facility to accommodate the NDSSL and the Cyber Infrastructure Group with private and open office space for faculty, researchers, research associates, and support personnel, as well as additional conference, meeting, and assembly space of varying sizes for all VBI research groups. This project is placed in the second biennium of the University's 2008-2014 Capital Plan and is being expedited to address the faster than expected growth of NDSSL funded projects.

The estimated project cost of the proposed facility, inclusive of design, construction, and equipment, is \$29.575 million. As with all self-supporting projects, the University has developed a financing plan to provide assurance regarding the financial feasibility of the overall project. This plan calls for a debt issuance serviced by overhead revenues generated from grants and contracts and lease savings from the reallocation of the CRC lease. The estimated annual debt service of the proposed project is \$2.5 million. VBI currently earns between \$4.5 and \$5 million of overhead annually, the lease savings are about \$118,000 annually, and the annual debt service amount for the existing building is about \$1.6 million. The revenue amounts above do not include anticipated growth of the NDSSL group. As a result, the University is confident that the financial plan is sufficient to move forward with a planning authorization.

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 \$2.4 million planning authorization to move forward with design of the proposed \$29.575 million VBI Addition Facility. The University will bring forward a subsequent request to move forward with construction when design is underway and costs and schedule are validated.

Resolution on Planning Project for the VBI Addition Facility

WHEREAS, the Virginia Bioinformatics Institute (VBI) is a dedicated, growing research enterprise that is projected to outgrow its existing on-campus research facilities; and

WHEREAS, the available space does not adequately support projected grant and contract activity and constrains growth; and

WHEREAS, a portion of the existing unmet space demand is being addressed with temporary space in the Corporate Research Center and a permanent space solution is needed that is co-located with the on-campus facilities; and

WHEREAS, the proposed VBI Addition Facility is envisioned as a 50,000 gross square foot building located adjacent to the existing on-campus VBI facilities including space to accommodate the Cyber Infrastructure Group, the Network Dynamics and Simulation Science Laboratory, and conferencing space; and

WHEREAS, this project will address the critical facility needs of the VBI program; and

WHEREAS, the estimated total project cost of the envisioned facility inclusive of design and construction is \$29.575 million with a funding plan that includes a debt issuance serviced by overhead from grant and contract activity; and

WHEREAS, the University has developed a financing plan that can successfully support the estimated \$29.575 million facility; 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, this request is for a \$2.4 million planning authorization to move forward with design of the envisioned VBI Addition Facility; and

WHEREAS, the University will bring forward a subsequent request to move forward with construction when design is underway and costs and schedule are validated;

NOW THEREFORE BE IT RESOLVED, that the University be authorized to move forward with design of a VBI Addition Facility.

RECOMMENDATION:

That the above resolution authorizing Virginia Tech to enter into design of a VBI Addition Facility be approved.

June 4, 2007