

**APPROVAL OF CAPITAL PROJECT FOR THE
PARKING STRUCTURE
VIRGINIA TECH**

May 5, 2008

The University Master Plan includes several parking structures over the course of time to ensure adequate proximal parking to academic activities. Specifically, for some time, the University has forecast the need for a parking structure in the north zone of campus. Recent construction activities in the north section of campus, specifically ICTAS-1, Bishop-Favrao Hall, and the Surge Building, have decreased the number of available spaces resulting from building on parking surfaces and increased the parking demand by shifting activity to this area. The net result is an increasing need for parking capacity in the north area of campus. Based on the parking and transportation master plan and the University Master Plan, the University has determined that a 1,200 space parking structure located on the existing Prices Fork lots is needed to accommodate the parking demand of students, faculty, staff, and visitors. The total project cost estimate for the structure is \$30 million, inclusive of design, construction, and equipment. The estimated project timeline is 30 months with a target opening date by January 2011.

As with all self-supporting projects, the University has developed a financing plan to provide assurance regarding the financial feasibility of the project. This plan includes debt financing serviced by parking services auxiliary revenues. With the scope, schedule, cost, and funding plan established, the University is ready to move the project forward. Parking Services is an auxiliary enterprise operation, thus it covers facility operations and maintenance and maintenance reserve costs through operating revenues. Funding for these costs is included as part of the normal university auxiliary enterprise budget process and coordinated with the completion date of the project.

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, debt issuance, and overall funding of nongeneral fund capital outlay projects. This request is for a project authorization to move forward with the parking structure.

Resolution on Capital Project for the Parking Structure

WHEREAS, adequate parking service for students, faculty, staff, and visitors proximal to the academic enterprise is critical to the operations of the University; and,

WHEREAS, the existing demand for parking spaces on the north side of campus exceeds supply; and, and,

WHEREAS, based on the parking and transportation master plan and the University Master Plan, a parking structure program of a 1,200 space facility located on existing Prices Fork lots with an estimated project cost of \$30 million (inclusive of design, construction, and equipment) will address the parking needs of students faculty, staff, and visitors; and,

WHEREAS, the University has developed a funding plan that includes parking auxiliary revenues sufficient to support the full costs of the project; and,

WHEREAS, funding for operations and maintenance and maintenance reserve are included in the normal auxiliary enterprise budget process and coordinated with the completion date of the facility; and,

WHEREAS, under the 2006 Management Agreement between the Commonwealth of Virginia and the University, the University has the authority to issue bonds, notes or other obligations that do not constitute State tax supported debt; and,

WHEREAS, the Finance and Audit Committee will further review and approve a financing resolution prior to securing permanent financing for the debt component of the project plus amounts needed to fund issuance costs, reserve funds, and other financing expenses; 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, debt issuances, and overall funding of nongeneral funded major capital outlay projects; and,

WHEREAS, the University may address minor cost variances provided sufficient funds are available to support the full project costs;

NOW THEREFORE BE IT RESOLVED, that the University be authorized to move forward with design and construction of a \$30 million parking structure funded with parking auxiliary revenues and to secure temporary short-term financing through any borrowing mechanism that prior to such borrowing has been approved by the Board, as applicable, in an aggregate principal amount not to exceed \$30 million for all or a portion of the costs of the project, plus related issuance costs and financing expenses.

RECOMMENDATION:

That the above resolution authorizing Virginia Tech to enter into the design, construction, and financing of a parking structure be approved.

June 20, 2008