

**Approval of Capital Project for
The Virginia Tech-Carilion Research Institute Third Floor Upfit**

**JOINT FINANCE AND AUDIT COMMITTEE
AND BUILDINGS AND GROUNDS COMMITTEE**

February 28, 2011

The Virginia Tech-Carilion Research Institute (VTCRI) (in Roanoke, Va. is operational and is successfully attracting and hiring renowned research faculty. The existing facility includes 100,000 gross square feet over three floors. The original building plan reserved the third floor as shell space for future upfits to meet specific program and faculty needs at the time of hire. The first two floors of the 100,000 gross square foot research facility are fully programmed and the pace of hiring now requires the third floor to be specialized to support key research activities, including critical National Institutes of Health (NIH) grants. The upfits for the third floor were originally anticipated for the 2012-2014 planning period; however, the advanced pace of hiring calls for implementing the upfits earlier.

The scope of upfits envisioned for the third floor will ensure compatibility with stringent NIH laboratory requirements and Association for Assessment and Accreditation of Laboratory Animal Care International (AAALAC) for animal study. The proposed solution to upfit the shelled 26,000 assignable square foot third floor includes accommodations for wet and dry laboratories, conference space, office space, and a 5,000 cage vivarium with the necessary support spaces and equipment to maintain the cages and animals.

The desired schedule for completion of the laboratory and animal care facilities to meet the expectations of new research faculty is August 2012. A feasibility study has been completed that shows the envisioned scope of work may be installed in the space and completed by the desired time under a design-build delivery method.

The estimated project cost of the proposed upfits to the third floor of the research institute, inclusive of all hard and soft costs, will not exceed \$15 million. As with all self-supporting projects, the University has developed a funding plan to provide assurance regarding the financial feasibility of the overall project. This plan calls for internal financing repaid over time by overhead revenues generated from grants and contracts. With the scope, schedule, cost, and funding plan established, the university is ready to move forward with 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, and funding of nongeneral fund capital outlay projects. This request is for an authorization to move forward with the proposed \$15 million Virginia Tech-Carilion Research Institute Third Floor Upfit project.

**RESOLUTION OF CAPITAL PROJECT FOR THE
VIRGINIA TECH-CARILION RESEARCH INSTITUTE THIRD FLOOR UPFIT**

WHEREAS, the Virginia Tech Carilion Research Institute (VTCRI) is a growing research enterprise that is attracting world class research faculty; and,

WHEREAS, the existing facility includes 100,000 gross square feet over three floors with two floors fully programmed and the third floor reserved as shell space for future upfits to meet specific program and faculty needs; and,

WHEREAS, the pace of hiring now requires the third floor to be specialized to support key research activities, including critical National Institutes of Health (NIH) grants, with a target completion of August 2012; and,

WHEREAS, the scope of upfits envisioned for the third floor will ensure compatibility with stringent NIH laboratory requirements and Association for Assessment and Accreditation of Laboratory Animal Care International (AAALAC) for animal study; and,

WHEREAS, the proposed solution to upfit the shelled 26,000 assignable square foot third floor includes accommodations for wet and dry laboratories, conference space, office space, and a 5,000 cage vivarium with the necessary support spaces and equipment to maintain the cages and animals; and,

WHEREAS, the estimated project cost of the proposed upfits to the third floor of the research institute, inclusive of all hard and soft costs, will not exceed \$15 million; and,

WHEREAS, the university has developed a funding plan that can successfully support the estimated \$15 million total project costs through internal financing with repayment over time through overhead from grants and contracts; 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, 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 the VTCRI Third Floor Upfit project using the most efficient and effective delivery strategies at a cost not to exceed \$15 million and to fund the project with internal financing.

RECOMMENDATION:

That the above resolution authorizing Virginia Tech to construct the VTCRI Third Floor Upfit be approved.

March 28, 2011