

Capital Project for Construction of Baseball Improvements

JOINT FINANCE AND AUDIT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE

July 23, 2016

The Board of Visitors approved a \$3.5 million blanket planning project in November 2015 for Athletic facilities improvements for baseball, softball, track, field throwing events, nutrition, and tennis. Under this blanket planning authorization, improvements for each program are being planned independently. At such time as Athletics is ready to move forward with construction of a specific component, the university will bring forward a supplemental request for funding with a firm scope, cost, and schedule for a specific component.

Planning work to improve the baseball stadium to meet the needs and expectations of players, fans, and coaches has been underway. The proposed project will modernize and expand all aspects of the baseball stadium including demolishing and replacing the existing press box, restrooms, and concessions; enhancing seating with four new suites, premium seating areas, a rooftop canopy, and canopy wings; and other major improvements for new entrances, clubhouse, and locker rooms. A design-build delivery method will be used for the baseball stadium project and designs and specifications are sufficiently developed to enter a design-build agreement. At this time Athletics is ready to move forward with improvements for the Baseball program. The supplemental project costs to complete the Baseball improvements is \$18 million for a total project cost of \$18.5 million, inclusive of \$500 thousand of planning work already completed.

As with all self-supporting projects, the university has developed a financing plan to support the supplemental \$18 million of construction and equipment costs for the Baseball Improvements. The funding plan calls for a combination of private gifts and athletics self-generated revenue. The university will arrange internal financing to carry the timing of pledge payments and redirected revenue streams previously committed to debt that has been retired. With the scope, schedule, cost, and funding plan established, the university is ready to move forward with the construction of a Baseball Improvements 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 overall funding of nongeneral fund capital outlay projects. This request is for approval of an \$18 million supplement authorization for construction of the Baseball Improvements project.

RESOLUTION ON CAPITAL PROJECT FOR CONSTRUCTION OF BASEBALL IMPROVEMENTS

WHEREAS, an Athletics master plan has identified improvements to the Baseball facilities as a top priority; and,

WHEREAS, plans and specifications have been developed sufficient to enter into a design-build agreement for a modernized and expanded baseball stadium to meet the needs and expectations of players, fans, and coaches; and,

WHEREAS, the scope of the project includes replacing the existing press box, restrooms, and concessions; enhancing seating with four new suites, premium seating areas, a rooftop canopy, and canopy wings; and new entrances, a scoreboard, clubhouse, and locker rooms.

WHEREAS, the supplemental cost to complete the project is \$18 million for a total cost of \$18.5 million inclusive of \$500 thousand of planning work that is complete; and,

WHEREAS, the university has developed a 100 percent nongeneral fund resource plan to support the \$18 million of supplemental costs to complete the project; 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 issuance, and overall funding of nongeneral funded major capital outlay projects; and,

NOW, THEREFORE BE IT RESOLVED, that the university be authorized to move forward with an \$18 million supplement to complete the Baseball Improvements project and a not-to-exceed total project cost of \$18.5 million.

RECOMMENDATION:

That the resolution authorizing Virginia Tech move forward with the construction of Baseball Improvements project be approved.

August 29, 2016