

Capital Project for Planning the O'Shaughnessy Hall Renovation

JOINT FINANCE AND AUDIT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE

February 3, 2016

The overall instructional mission of Virginia Tech is the "education of the whole person" which recognizes that a significant and important part of student education happens outside of the classroom. O'Shaughnessy Hall was built in 1966 and is approximately 69,200 gross square feet with housing capacity for about 341 students. The facility has received few improvements since its original construction, does not meet student expectations, and carries a significant deferred maintenance backlog. Attracting high quality students in higher education is competitive, and the Housing program is often a critical factor for students because of its link to quality of life and academic support. The Board of Visitors approved the University's 2016-2022 Capital Plan on June 1, 2015, including a nongeneral fund project to renovate O'Shaughnessy Hall.

Residence halls are a robust and foundational component of Virginia Tech's culture where students build relationships, share ideas, and further their skills in communication and conflict resolution. With the guidance of the professional and live-in staffs, each resident develops experience and skills in environmental management, community living, negotiation, mediation, time management, self-discipline, independence, assertiveness, and a variety of other life skills. The inclusion of academic programming and offices helps to provide a supplement and enhancement to traditional classroom learning. Converting O'Shaughnessy Hall into a living-learning/residential college format will modernize the program space within the building with minimal loss of beds. The programmatic changes include the creation of a faculty principal apartment, five to seven faculty/staff offices, a classroom, and common meeting rooms for student activities. The project scope includes updating the building's interior; residential rooms; bathrooms; mechanical, electrical, and plumbing systems; elevators; addressing other deferred maintenance items as needed; and installing air conditioning.

At this time, the university is requesting a planning authorization to prepare design documents for the project. The costs to complete planning work through the working drawing phase is \$1.75 million. As with all self-supporting projects, the university has developed a financing plan to provide assurance regarding the financial feasibility of this planning project. This funding plan calls for the temporary use of internal cash resources derived from Residential Programs auxiliary revenues. Depending on the financing package for the entire project the planning costs may be reimbursed with a future debt issuance or made permanent.

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 \$1.75 million planning authorization to complete working drawing documents for the O'Shaughnessy Hall Renovation project. A subsequent request for construction funding may be submitted after designs are underway and a firm scope and cost are determined.

RESOLUTION ON CAPITAL PROJECT FOR PLANNING THE O'SHAUGHNESSY HALL RENOVATION PROJECT

WHEREAS, O'Shaughnessy Hall was built in 1966 with a scope of about 69,200 gross square feet and housing capacity for about 341 students; and,

WHEREAS, the facility has received few improvements since its original construction, does not meet student expectations, and carries a significant deferred maintenance backlog; and,

WHEREAS, converting O'Shaughnessy Hall into a living-learning/residential college format modernizes the program space with minimal loss of beds by creating of a faculty principal apartment, five to seven faculty/staff offices, a classroom, and common meeting rooms for student activities; and,

WHEREAS, renovating O'Shaughnessy Hall will update the building's interior; residential rooms; bathrooms; mechanical, electrical, and plumbing systems; elevators; addressing other deferred maintenance items as needed; and installing air conditioning; and,

WHEREAS, the university is requesting a \$1.75 million planning authorization to complete design documents and to fund the planning project with 100 percent nongeneral fund resources derived from Residential Programs auxiliary revenues; and,

WHEREAS, the university may submit a subsequent request for construction funding after designs are underway and a firm scope and cost are determined; and,

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

NOW, THEREFORE, BE IT RESOLVED, that the university be authorized to move forward with a \$1.75 million planning authorization for the O'Shaughnessy Hall renovation project.

RECOMMENDATION:

That the resolution authorizing Virginia Tech to plan the O'Shaughnessy Hall renovation project be approved.

March 21, 2016