

Capital Project for Construction of Rector Field House Improvements

JOINT FINANCE AND AUDIT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE

October 19, 2016

The Board of Visitors approved a \$3.5 million blanket planning project in November 2015 for various Athletics facilities improvements including an expansion and refurbishment to Rector Field House to support softball, track, and field throwing events. Planning and design work for Rector Field House is progressing with improvements to the restrooms, fire suppression, mechanical systems, and roof of the existing building and approximately 44,000 gross square feet of new construction for two building additions.

The project schedule includes an occupancy of date of February 2018 for a portion of the facility to meet the Athletics' program obligation to host the Atlantic Coast Conference Indoor Track and Field Championships. The occupancy date for the remainder of the project is scheduled for fall 2018. At its August 2016 meeting, the Board of Visitors approved a \$2.4 million early site package as part of a two-phase implementation plan to ensure a timely occupancy of the project. The implementation plan is on track for entering phase two, a construction package for the remainder of the project, in January 2017. This timing will ensure a February 2018 occupancy of the field throwing events area, entrance, and restrooms which are necessary to host the event.

At this time Athletics and the university are requesting authorization to move forward with a construction contract to complete the project. The total project budget for Rector Field House Improvements is \$18.6 million inclusive of the \$2.6 million for planning work and the \$2.4 million early site package previously authorized. The supplemental budget to complete the Rector Field House improvements project is \$13.6 million.

As with all self-supporting projects, the university has developed a financing plan to support the entire \$18.6 million of costs inclusive of the supplemental \$13.6 million necessary to complete the project. This funding plan calls for the use of Athletics self-generated revenue with internal financing by the university to amortize payments. With the scope, schedule, cost, and funding plan established, the university is ready to move forward with a construction contract to complete the Rector Field House 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 a \$13.6 million supplement authorization for construction of the Rector Field House Improvements project.

RESOLUTION ON CAPITAL PROJECT FOR CONSTRUCTION OF RECTOR FIELD HOUSE IMPROVEMENTS

WHEREAS, an Athletics master plan has identified improvements for the softball program, track program, and field throwing events program as top priorities; and,

WHEREAS, plans and specifications have been development to expand and improve Rector Field House to meet the needs and expectations of players and coaches; and,

WHEREAS, the scope of the project includes approximately 44,000 gross square feet of building additions to Rector Field House and improvements to the existing facility including improvements to the roof, restrooms, fire suppression, and mechanical systems; and,

WHEREAS, the schedule calls for occupancy of the field events throwing area in February 2018 to host the Atlantic Coast Conference Indoor Track and Field Championships; and,

WHEREAS, the project implementation plan calls for building construction start in January 2017 to meet a February 2018 occupancy; and,

WHEREAS, the total project budget is \$18.6 million inclusive of previously authorized and funded planning work (\$2.6 million) and an early site package (\$2.4 million); and,

WHEREAS, the university has worked conjointly with Athletics to develop a 100 percent nongeneral fund resource plan to support the entire \$18.6 million of project costs inclusive of the \$13.6 million of supplemental funding 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 a \$13.6 million supplement to complete the Rector Field House Improvements project and a not-to-exceed total project cost of \$18.6 million.

RECOMMENDATION:

That the resolution authorizing Virginia Tech to move forward with the construction of Rector Field House Improvement project be approved.

November 7, 2016