

APPROVAL OF PLANNING PROJECT FOR ACADEMIC AND STUDENT AFFAIRS BUILDING

VIRGINIA TECH

April 27, 2007

This project has been on the University's plan since 2005 and is included in the first biennium as a high priority to provide instructional space, dining services, and student union services on the north side of campus. The proposed project is envisioned as a 91,200 gross square foot, five story building. The building plan includes two floors of instructional space, two floors of dining service space, and one floor of student union space. The two lower floors will be dining services, the third floor will be student union space, and the top two floors will be instructional space with shared student union programming in the evenings.

Overall, the University does not have adequate instructional support space for students seeking individual and group work space and group seminar space. The new problem-based curricula requirements for students to work in teams to research and develop cross-disciplinary solutions have evolved after the construction of virtually all of the academic space on the Virginia Tech campus. These informal work areas are not available in sufficient quantities on the University campus. This project will include instructional space to address the most pressing of these requirements for the University's students.

The north side of campus includes outdated dining and limited student union space. The existing dining facility, Shultz Hall (constructed in 1962), is obsolete for dining service and its structure prohibits adequate renovations to meet student expectations. Shultz Hall will be vacated by the dining program and turned over to the academic program for conversion to a fitting instruction program, the Cyber Arts and Creative Technologies Laboratory. The existing student union facilities, Squires and G. Burke Johnston (constructed in 1990), are overcrowded and can not meet increasing student demand for study, group meeting, and student organization space and address the changing needs and expectations of today's college students. This project will help address the need for these auxiliary enterprise services.

This project will provide undergraduate and graduate students a convenient facility with an array of needed spaces and services. The instructional space will provide needed class and seminar space during the class day, which will double as student activity space, tutorial space, and student group-work space after hours. Several offices that serve students, for example, Services to Students with Disabilities, likely will be housed in the facility where students can gain easy access throughout the class day. The opportunity to share space with student auxiliary services will be an innovation for Virginia Tech as it works to meet student expectations.

The dining and student union spaces are auxiliary enterprises. These programs are essential from the student perspective, particularly for undergraduates. The dining space will include multiple, modern food service venues. The student union space will include an information desk, office space, study and lounge areas, student meeting rooms, and student organization and group spaces that are in high demand on the academic core of campus.

The project total cost is \$42.25 million and the funding plan calls for \$8.45 million of General Fund support and \$33.8 million of nongeneral fund support. The nongeneral fund component is

planned as debt that will be repaid by revenue generated from the dining program operations and student fees related to the university unions and student activities.

To expedite the project and avoid a year of inflation associated with the state budget process, the University requests Board of Visitors' approval to initiate planning under restructuring as a 100 percent nongeneral fund activity. The University may move forward with this strategy at some risk to the potential future General Fund support for the instructional component. If General Fund support is approved for the project, the planning may convert to the state funded project, and the construction component will be managed as a state activity. The benefit of this strategy is saving about 12 months of inflation, which is estimated at approximately \$2.0 million. If General Fund support is not approved for the project in 2008, the University may move forward with only the auxiliary enterprise components and the instructional program would be deferred; on the other hand, the instructional component may proceed through the use of other nongeneral fund revenue.

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 a \$2.72 million planning authorization to move forward with design of the proposed \$42.25 million Academic and Student Affairs Building. The University will bring forward a subsequent request to move forward with construction when design is underway and costs and schedule are validated.

Resolution on Planning Project for the Academic and Student Affairs Building

WHEREAS, this project has been on the University's plan since 2005 and is included in the first biennium of the 2008-2014 capital outlay plan as a high priority to provide instructional space, dining services, and student union services on the north side of campus; and

WHEREAS, the University does not have adequate instructional support space for students seeking individual and group work space and group seminar space; and

WHEREAS, on the north side of campus, existing dining facilities are outdated and student union space is limited; and

WHEREAS, the proposed project is envisioned as a 91,200 gross square foot, five story building including two floors of dining services, a floor of student union space, and two floors of instructional space with shared student union programming in the evenings; and

WHEREAS, this project will provide undergraduate and graduate students a convenient facility with an array of needed spaces and services; and

WHEREAS, the estimated project cost inclusive of design and construction is \$42.25 million and the funding plan calls for \$8.45 million of General Fund support and \$33.8 million of nongeneral fund support; and

WHEREAS, the nongeneral fund component is planned as debt that will be repaid by revenue generated from the dining program operations and student fees related to the university unions and student activities; 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, to expedite the project and avoid about a year of inflation associated with the state budget process, the University requests Board of Visitors approval to initiate planning under restructuring as a 100 percent nongeneral fund activity in anticipation of state approval; and

WHEREAS, this request is for a \$2.72 million nongeneral fund planning authorization to move forward with design of the estimated \$42.25 million Academic and Student Affairs Building;

NOW THEREFORE BE IT RESOLVED, that the University be authorized to move forward with design of an Academic and Student Affairs Building.

RECOMMENDATION:

That the resolution authorizing Virginia Tech to enter into design of an Academic and Student Affairs Building be approved.

June 4, 2007