

REPAIR McCOMAS HALL EXTERIOR WALL STRUCTURE PROJECT (PHASE II)

VIRGINIA TECH

OCTOBER 2008

McComas Hall was constructed in 1998 as a combined use recreational sports, student health, and student counseling services building. The building has experienced ongoing leaks and problems with door and window operations for several years. Structural evaluation and facilities condition studies completed in 2006 identified numerous problems with structural supports and connections of precast panels that support the exterior walls. Specifically, the studies identified multiple wide spread failures in masonry flashings, sealants, mortar joints, and material connections that are resulting in progressive and extreme moisture penetration (leaks), masonry veneer failure, and damage to interior building components, finishes, and equipment. The estimated costs to repair the entire exterior wall system are \$6 million.

In June 2007, the Board of Visitors approved a \$1.5 million capital project to initiate repairs while the University pursued a state authorization for the entire project to issue debt through the Virginia College Building Authority (VCBA) for favorable financing rates. Subsequently, the University requested and the state authorized a \$6 million debt authorization to finance repairs of the exterior walls which became effective July 1, 2008. The initial \$1.5 million phase of work is nearly complete and repair work may now proceed to the remainder of the building. The Board's June 2007 approval included an expectation that the University return for a second approval to complete repairs on the remainder of the building when the initial work was complete. Thus, this request is to complete the remaining envelope repairs for the \$4.5 million balance of the total \$6 million project. Prior to the issuance of permanent, long-term debt financing for this project, a VCBA financing resolution will be submitted to the Board of Visitors for approval.

McComas Hall houses three auxiliary enterprise units, and the project funding plan calls for 100 percent nongeneral fund support. The funding plan includes debt financing with repayment from student fees related to auxiliary enterprises. This debt issuance is included in the current Debt Capacity Report, and the debt service is included in the auxiliary's budget plan.

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 issuances, and funding of nongeneral fund capital outlay projects. This request is for approval to complete the remaining \$4.5 million of repairs needed to correct McComas Hall's exterior wall system.

Resolution on Repair McComas Hall Exterior Wall Structure (Phase II)

WHEREAS, McComas Hall was constructed in 1998 as a combined use recreational sports, student health, and student counseling services building; and,

WHEREAS, the building requires repairs to the entire exterior with estimated costs of \$6 million; and,

WHEREAS, in June 2007, the Board of Visitors approved a \$1.5 million capital project to initiate repairs while the University pursued a state authorization to finance the entire \$6 million project through the Virginia College Building Authority (VCBA) for favorable financing rates; and,

WHEREAS, the state authorized a \$6 million debt project to repair the exterior wall system of McComas Hall effective July 1, 2008; and,

WHEREAS, the initial \$1.5 million phase of repair work is nearly complete and the remaining \$4.5 million of repair work may now proceed; and,

WHEREAS, the University has developed a financing plan that can successfully support the full \$6 million project costs; 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 issuances, and overall 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 complete the remaining \$4.5 million of envelope repairs to McComas Hall for a total project cost of \$6 million financed through the state VCBA program.

RECOMMENDATION:

That the above resolution authorizing Virginia Tech to complete repairs to McComas Hall for a total project costs of \$6 million be approved.

November 3, 2008