

Capital Project for West End Market Expansion and Renovation

JOINT FINANCE AND AUDIT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE

October 8, 2010

The University's Six-Year Capital Plan approved on March 26, 2007 included a project for the Renovation of Owens and West End Market Food Courts. The \$5 million nongeneral fund project was approved by the State during the 2008 General Assembly session in Chapter 879, Item C-90. During the design process, the Dining program determined that the project, as originally conceived, could not adequately satisfy the expectations of students within the approved scope and budget.

The original Owens and West End Market Food Courts project called for 4,725 gross square feet of new construction for additional seating at the West End Market and 9,200 gross square feet of renovation work for program enhancements to Owens and the West End Market. The Dining program has determined the actual scope required to meet student expectations is new construction of approximately 7,400 gross square feet for additional seating, expanding the kitchen and food preparation areas, and increasing the number of restrooms and staff locker rooms. The project also includes approximately 6,000 gross square feet of renovation work for program enhancements and roof repairs. The Owens renovation work will be deferred pending a future preplanning study.

The estimated project cost for the revised West End Market program inclusive of design, construction, and equipment is \$7.31 million. Because the revised scope and costs have substantially changed from the original authorization, a new authorization is required. This request is for a Board authorized project at the necessary scope and budget to replace the State project, which will be closed. As with all self-supporting projects, the University has developed a financing plan to provide assurance regarding the financial feasibility of the project. This funding plan calls for 100 percent nongeneral fund cash from the Dining Program reserves. This funding source is sufficient to cover the proposed project costs without negative impact to the overall Dining program. With the scope, cost, and funding plan established, the University is ready to move the project forward.

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 project authorization to move forward with the West End Market Expansion and Renovation project.

RESOLUTION ON CAPITAL PROJECT FOR WEST END MARKET EXPANSION AND RENOVATION

WHEREAS, the University has determined an expansion and renovation of the West End Market dining hall is necessary to meet student expectations for service; and,

WHEREAS, design of an improvement project is complete under an existing authorization; and,

WHEREAS, the design shows the necessary program to meet student expectations for service includes an addition of 7,400 gross square feet, renovation of 6,000 square feet, and envelope repairs; and,

WHEREAS, the estimated project cost for the program inclusive of design, construction, and equipment is \$7.31 million; and,

WHEREAS, this request is for a Board authorized project to complete the West End Market Expansion and Renovation; and,

WHEREAS, the University has developed a 100 percent nongeneral fund resource plan that can successfully support the \$7.31 million of 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 move forward with the West End Market Expansion and Renovation project at a total project cost not to exceed \$7.31 million.

RECOMMENDATION:

That the resolution authorizing Virginia Tech to complete the West End Market Expansion and Renovation project be approved.

November 8, 2010