

Capital Project for Planning the South Recreation Field Surface Replacement

JOINT FINANCE AND AUDIT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE

February 12, 2014

Intramural and club sports are high demand programs with approximately 10,000 of the university's students participating in various programs. Of the 10,000, approximately 6,300 participate in programs conducted on the south recreation field area which is located off Tech Center Drive. The existing field area is approximately nine acres of natural turf arranged into four softball fields and four multi-purpose fields that may accommodate flag football, soccer, or ultimate Frisbee.

The natural turf is subject to deterioration with intensive use. Recreational Sports rotates field use in an effort to preserve the fields for a full season of play; however, this practice constrains available schedule time which curtails the number of teams that may be accommodated for a season. The natural turf can sustain a limit of approximately 2,000 games per year. The Recreation program currently turns away up to 100 requests for teams for flag football and soccer because of the amount of use the natural turf fields may sustain during a season. Intensifying normal deterioration from sports use, inclement weather significantly advances deterioration and causes game cancellations and shortened seasons because of wet fields. The Recreational Sports program cancelled 160 games in 2013 because of weather-related field conditions, including much of the championship game series. Beyond the normal limitations of natural turf described above, the anticipated extension of the airport runway will consume a portion of the existing fields which will limit the opportunity to rotate fields, further reducing the amount of students and teams that may participate in intramural programs.

In 2009, to address the impacts of deterioration, weather, and the loss of field space to the runway and meet the expectations of the students, the Recreational Sports program proposed a capital project solution to replace the remaining natural turf with a synthetic turf. The proposal is to create a multi-purpose area that may be arranged as six flag football fields, or six soccer fields, or four 300-foot softball fields. The south recreation field area would be fenced and lit. A nine foot asphalt path would be constructed around the field to allow for maintenance vehicle traffic and to create a jogging/walking path. Converting the south recreation field to artificial turf would allow Recreational Sports to meet current student expectations. More teams could participate in intramural and club sports, fewer games would be lost because of inclement weather, and full sports seasons would be completed. Further, students will have a place to practice during the beginning of spring semester which is currently not possible because of the effects of winter weather on the natural turf fields. Finally, Recreational Sports may be able to meet demand for additional sports requested by students that currently cannot be met because of the usage limit of the natural turf.

The 2009 project proposal was included in the Six-Year Capital Outlay Plan approved by the Board of Visitors in June 2011 and has been carried into the current plan approved by the Board in September 2013. As with all self-supporting projects, the university has developed

a financing plan to support the project and provide assurance regarding its financial feasibility. The target total project budget is \$4.6 million and annual debt service is estimated to be \$380,000. The timing of the project request has been coordinated with the 2016 retirement of debt for the original construction of McComas Hall. The funding plan for debt service calls for the redirection of existing Recreational Sports student fee revenues when debt on the original McComas Hall project retires. Thus, student fees will not be increased for this project and the revenue source is sufficient to cover this amount.

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. The university's 2014-2020 Six-Year Capital Outlay Plan approved by the Board of Visitors at its September 9, 2013 meeting includes a nongeneral fund project for the South Recreation Field Replacement. This request is for a \$230,000 planning authorization for the South Recreation Field Replacement 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 SOUTH RECREATION FIELD SURFACE REPLACEMENT**

WHEREAS, approximately 6,300 students participate in intramural and club sports annually on the South Recreation Field area; and,

WHEREAS, the existing South Recreation Field area is nine-acres of natural turf that cannot support student demand for teams of existing sports and is subject to inclement weather that results in cancelled games and shortened seasons; and,

WHEREAS, the anticipated extension of the airport runway will consume a portion of the existing fields which will further reduce the number of students that may participate in recreation programs; and,

WHEREAS, the proposed project would replace the natural turf field with a synthetic turf field, install lighting and fencing around the fields, and install an asphalt path around the field area to allow for maintenance vehicle traffic and to provide a jogging/walking path; and,

WHEREAS, the university has developed a 100 percent nongeneral fund resource plan for the project, including this \$230,000 of planning work; and,

WHEREAS, under the 2006 Management Agreement between the Commonwealth of Virginia and the university, the university has the authority to issue bonds, notes or other obligations that do not constitute State tax supported debt; and,

WHEREAS, the Finance and Audit Committee will further review and approve a financing resolution prior to securing permanent financing for the debt component of the project plus amounts needed to fund issuance costs, reserve funds, and other financing expenses; 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,

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 a \$230,000 planning authorization for the South Recreation Field Surface Replacement project and to secure temporary short-term financing through any borrowing mechanism that prior to such borrowing has been approved by the Board, as applicable, in an aggregate principal amount not to exceed the \$230,000 authorization, plus related issuance costs and financing expenses.

RECOMMENDATION:

That the resolution authorizing Virginia Tech to design the South Recreation Field Surface Replacement project be approved.

March 24, 2014