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FOR
FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

Committee Meeting: 8/13/2008

Board Meeting: 8/14/2008
Austin, Texas

James R. Huffines, Chairman
James D. Dannenbaum
Janiece Longoria
Printice L. Gary

1. **U. T. System: Report on Approval Classifications; final approval for Repair and Rehabilitation projects Items 2 through 5; use of Gift Funding on Capital Improvement Program projects; and impact of oil on commodity prices increasing construction costs**

REPORT

Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction, will report on the following four items:

a. Approval classifications

Construction projects are categorized as:

- additions to the Capital Improvement Program (CIP);
- design development approvals; or
- modifications to the CIP.

b. Final Approval by the U. T. System Board of Regents for repair and rehabilitation Agenda Items 2 through 5 on Pages 226 - 229

Repair and rehabilitation projects are authorized for inclusion in the CIP by the U. T. System Board of Regents and funding is appropriated. These projects do not return to the Board for design development approval and authorization of expenditure of funding because the (a) Chancellor has approval authority for the Office of Facilities Planning and Construction (OFPC) managed projects, and (b) the institution President has approval authority for institutionally managed projects.

c. Use of Gift funding for CIP projects

The Capital Expenditure Policy states that projects with Gift funding that has not been received in hand or firmly committed, as evidenced by a signed Gift instrument at the time of final Board of Regents' approval, will require that Revenue Financing System debt or another acceptable source of funding be denoted in lieu of the uncollected and uncommitted Gifts. If Revenue Financing System debt is used in place of Gift funding, there must be capacity for the proposed Revenue Financing System debt.

d. The impact of oil on commodity prices is increasing construction costs

The effects of higher commodity pricing in metals, especially steel, and the ancillary effects from higher oil prices are beginning to impact even isolated markets at U. T. Permian Basin and U. T. El Paso. OFPC will

continue to work closely with all clients through the next several years on estimates until material prices readjust to both the cost of energy and the higher worldwide demand for construction materials.

2. U. T. Austin: Peter T. Flawn Academic Center Renovation - Amendment of the FY 2008-2013 Capital Improvement Program to include project; approval of total project cost; and appropriation of funds (Final Board approval)

RECOMMENDATION

The Chancellor ad interim concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Powers that the U. T. System Board of Regents amend the FY 2008-2013 Capital Improvement Program (CIP) to include the Peter T. Flawn Academic Center Renovation project at The University of Texas at Austin as follows:

Project No.:	102-406	
Project Delivery Method:	Construction Manager at Risk	
Substantial Completion Date:	April 2012	
Total Project Cost:	Source	Proposed
	Interest on Local Funds	$20,000,000

a. approve a total project cost of $20,000,000 with funding from Interest on Local Funds; and

b. appropriate funding.

BACKGROUND INFORMATION

Project Description

The project will improve the critical building systems and upgrade the life safety components as required to comply with current codes to provide a complete renovation/reconstruction of the third and fourth floors of the Peter T. Flawn Academic Center at U. T. Austin. The renovation work includes upgrades to the fire alarm system components, telecommunications and data systems, and repair/replacement of the mechanical, electrical, and plumbing systems to comply with the latest campus design standards, accessibility standards, and environmental regulations. The project will also upgrade and extend the existing fire sprinkler system to serve the entire building.

This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding will be approved by the Chancellor at a later date.

3. U. T. Austin: Law School Renovations - Amendment of the FY 2008-2013 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)

RECOMMENDATION

The Chancellor ad interim concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Powers that the U. T. System Board of Regents amend the FY 2008-2013 Capital Improvement Program (CIP) to include the Law School Renovations project at The University of Texas at Austin as follows:

Project No.:	102-408	
Institutionally Managed:	Yes ☒ No ☐	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	August 2009	
Total Project Cost:	Source	Proposed
	Designated Funds	$6,500,000

a. approve a total project cost of $6,500,000 with funding from designated funds;

b. appropriate funds; and

c. authorize U. T. Austin to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

BACKGROUND INFORMATION

The project will convert 12,500 gross square feet of current law library reference space into approximately 15 additional faculty offices, conference rooms, and administrative assistant space.

The School of Law is in immediate need of additional faculty office space, as it plans to hire as many as 15 new tenured/tenure-track faculty during the next five years, and there currently is not adequate office space for new hires. Appropriate faculty offices and associated administrative space are needed to attract new faculty and to keep

current faculty. The School of Law has not added faculty offices since Jesse H. Jones Hall was built in 1980; however, Law School faculty and staff members have increased substantially. The second floor library space is separate from the rest of the library, is no longer used intensively, and is immediately below the third floor faculty offices. The library space contains books with information that is now primarily accessed online, and few students use it for a study place. The law library has two full floors in addition to this space for stacks and study which are adequate for the library's current needs.

This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be approved by the President at a later date. It has been determined that this project would best be managed by the U. T. Austin Facility Management personnel who have the experience and capability to manage all aspects of the work.

4. U. T. Austin: Lee and Joe Jamail Texas Swimming Center Renovation/Renewal - Amendment of the FY 2008-2013 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)

RECOMMENDATION

The Chancellor ad interim concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Powers that the U. T. System Board of Regents amend the FY 2008-2013 Capital Improvement Program (CIP) to include the Lee and Joe Jamail Texas Swimming Center Renovation/Renewal project at The University of Texas at Austin as follows:

Project No.:	102-409	
Institutionally Managed:	Yes ☒ No ☐	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	September 2009 for Phase I	
Total Project Cost:	Source	Proposed
	Interest on Local Funds	$ 7,500,000
	Auxiliary Enterprise Balances	$ 7,500,000
		$15,000,000

a. approve a total project cost of $15,000,000 with funding of $7,500,000 from Interest on Local Funds and $7,500,000 from Auxiliary Enterprise Balances;

b. appropriate funds; and

c. authorize U. T. Austin to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

BACKGROUND INFORMATION

The project will be a phased renovation to be completed over a five-year period. The first phase of the project will renovate the following major systems: pool mechanical system; building heating, ventilation, and air conditioning (HVAC) system; pool basin and deck; and architectural and structural building systems. The pool mechanical renovation includes replacing existing pool mechanical systems. The building HVAC system renovation includes a complete redesign of existing building mechanical systems to minimize corrosion and replace all existing obsolete, deteriorating HVAC building and electrical distribution systems. The pool basin and deck renovation includes replacing original tile and waterproofing, bulkhead guide rails, and embedded support systems. Architectural and structural building system renovations include the preparation and painting of the roof structural steel, replacing the ceiling grid system, installing an ADA ramp and elevator, and installing perimeter deck drains.

The proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be approved by the President at a later date. It has been determined that this project would best be managed by the U. T. Austin Facility Management personnel who have the experience and capability to manage all aspects of the work.

5. U. T. Health Science Center - San Antonio: Renovate Multipurpose Classrooms in Library - Amendment of the FY 2008-2013 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)

RECOMMENDATION

The Chancellor ad interim concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Cigarroa that the U. T. System Board of Regents amend the FY 2008-2013 Capital Improvement Program (CIP) to include the Renovate Multipurpose Classrooms in Library project at The University of Texas Health Science Center at San Antonio as follows:

Project No.: 402-411

Institutionally Managed: Yes ☒ No ☐

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: August 2009

Total Project Cost:

Source	Proposed
Permanent University Fund Bond Proceeds	$2,500,000
Unexpended Plant Funds	$2,800,000
	$5,300,000

a. approve a total project cost of $5,300,000 with funding of $2,500,000 from Permanent University Fund (PUF) Bond Proceeds and $2,800,000 from Unexpended Plant Funds;

b. appropriate funding; and

c. authorize U. T. Health Science Center - San Antonio to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

BACKGROUND INFORMATION

The project will provide 10 additional classrooms in the Dolph Briscoe, Jr. Library and link them with other classroom space in the Lecture Hall. The renovation includes the relocation of the Multidiscipline Teaching Laboratories from the current location within the School of Medicine to the library. A casual sitting space for students will be included to encourage interactions between students and to establish a 24/7 learning environment for the students.

The $2,500,000 from PUF was allocated in August 2007 to the School of Medicine Transformation Initiative.

The proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be approved by the President at a later date. It has been determined that this project would best be managed by the U. T. Health Science Center - San Antonio Facility Management personnel who have the experience and capability to manage all aspects of the work.

6. U. T. Austin: Darrell K Royal - Texas Memorial Stadium Maintenance and Renovation Project - Amendment of the FY 2008-2013 Capital Improvement Program to increase the total project cost; approval of the transfer of Gifts; reduction of total project cost for the Darrell K Royal - Texas Memorial Stadium Expansion project; approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor ad interim concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Powers that the U. T. System Board of Regents approve the recommendations for the Darrell K Royal - Texas Memorial Stadium Maintenance and Renovation project at The University of Texas at Austin as follows:

Project No.:	102-370		
Project Delivery Method:	Construction Manager at Risk		
Substantial Completion Date:	August 2009		
Total Project Cost: DKR-TMS Maintenance and Renovation (Project No. 102-370)	Source	Current	Proposed
	Revenue Financing System Bond Proceeds	$21,000,000	$21,000,000
	Gifts	$ 4,000,000	$ 8,000,000
		$25,000,000	$29,000,000
Total Project Cost: DKR-TMS Stadium Expansion (Project No. 102-081)	Source	Current	Proposed
	Revenue Financing System Bond Proceeds	$129,560,000	$129,560,000
	Gifts	$ 35,471,000	$ 31,471,000
	Unexpended Plant Funds	$ 11,506,000	$ 11,506,000
		$176,537,000	$172,537,000
Investment Metrics:	• Add 4,000 new seats in South Grandstand by 2009 • Increase revenue from seats and licensing by $2M annually by 2009 • Increase assignable square feet by 48,000 by 2009		

a. amend the FY 2008-2013 Capital Improvement Program to increase the total project cost from $25,000,000 to $29,000,000;

b. approve the transfer of funding of $4,000,000 from Gifts from the Darrell K Royal - Texas Memorial Stadium Expansion project;

c. reduce the total project cost for the Darrell K Royal - Texas Memorial Stadium Expansion project from $176,537,000 to $172,537,000;

d. approve design development plans;

e. appropriate funds and authorize expenditure of funds;

f. approve the evaluation of alternative energy economic feasibility; and

g. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that

- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;

- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and

- U. T. Austin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of $21,000,000.

BACKGROUND INFORMATION

Debt Service

The $21,000,000 in Revenue Financing System debt will be repaid from auxiliary revenues. Annual debt service on the $21,000,000 Revenue Finance System debt is expected to be $1,500,000. The institution's debt service coverage is expected to average 1.3 times over FY 2009-2014.

Previous Board Action

On February 7, 2008, the project was included in the CIP with a preliminary project cost of $25,000,000 with funding of $21,000,000 from Revenue Financing System Bond Proceeds and $4,000,000 from Gifts.

Project Description

The project involves a collection of projects at L. Theo Bellmont Hall, the south end zone, modifications to W. A. "Tex" Moncrief, Jr. - V. F. "Doc" Neuhaus Athletic Center (Center), and the East Grandstand. The increase in total project cost is necessary to add the Football Academic Center, Hall of Fame Museum, and training offices to the

Center. Gift funds of $4,000,000 initially raised for the Darrell K Royal - Texas Memorial Stadium Expansion project will be transferred to this project, thus reducing the total project cost of the Expansion project from $176,537,000 to $172,537,000.

The plans include interior renovations for offices in L. Theo Bellmont Hall; replacement of temporary bleachers in the south end zone with 4,000 seats; addition of a screen device on the back of the scoreboard at the south end zone; replacement of the existing tent structure with a new tent; addition of the Football Academic Center and Hall of Fame Museum; enclosure of the existing covered walk with heating, ventilation, and air conditioning (HVAC) systems at the Center; replacement and additions of exterior gates, driveways, parking, and paving improvements at the east plaza at the entrance to the Center; improved security and site access around Gate 32; addition of a new exterior egress stair at the southwest corner of the Center; replacement of HVAC systems at the east grandstand suites; addition of training offices at the field level of the Center; and waterproofing replacement and concrete repair work at the east grandstands.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: Not applicable
- Building Systems: 25-30 years
- Interior Construction: 10-15 years

This project is primarily renovation of existing space.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building or an addition to an existing building. Therefore, the Project Architect prepared a renewable energy evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

7. U. T. El Paso: College of Health Sciences/School of Nursing - Request for approval of design development; approval to revise the funding sources; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor ad interim concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Natalicio that

the U. T. System Board of Regents approve the recommendations for the College of Health Sciences/School of Nursing project at The University of Texas at El Paso as follows:

Project No.: 201-383

Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: February 2011

Total Project Cost:

Source	Current	Proposed
Permanent University Fund Bond Proceeds	$50,000,000	$50,000,000
Gifts	$10,000,000	----
Revenue Financing System Bond Proceeds	----	$10,000,000
	$60,000,000	$60,000,000

Investment Metrics: By 2015:

- Increased external research funding in health sciences
- Growth in enrollment in master's degree programs in the health professions
- Growth in enrollment in doctoral programs in the health professions
- Growth in enrollment in the undergraduate Nursing programs
- Growth in the number of degrees awarded annually in health-related disciplines
- Growth in endowment funding in the College of Health Sciences and in the School of Nursing

a. approval of design development plans;

b. revise the funding source of $10,000,000 from Gifts to Revenue Financing System Bond Proceeds;

c. appropriate funds and authorize expenditure of $50,000,000 from Permanent University Fund (PUF) Bond Proceeds and $10,000,000 from Revenue Financing System Bond Proceeds;

d. approve the evaluation of alternative energy economic feasibility; and

e. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that

- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;

- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and

- U. T. El Paso, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of $10,000,000.

BACKGROUND INFORMATION

Debt Service

The $10,000,000 in Revenue Financing System debt will be repaid from gift and grant funds. Annual debt service on the $10,000,000 Revenue Financing System debt is expected to be $726,000. The institution's debt service coverage is expected to average 2.8 times over FY 2009-2014.

Previous Board Actions

On August 23, 2007, the Board approved the allocation of $50,000,000 from PUF Bond Proceeds and $10,000,000 from Gifts for the project. On November 9, 2007, the project was included in the Capital Improvement Program (CIP) with a total project cost of $60,000,000 with funding of $50,000,000 from PUF and $10,000,000 from Gifts.

Project Description

The project consists of construction of a new building of approximately 137,898 gross square feet to house a new health science complex to replace the existing College of Health Sciences and School of Nursing facilities. This building will be Phase 1 of a two-stage project to address the growing space deficit and improve the quality of teaching, learning, research, and public service for the nearly 2,500 undergraduate and graduate students in the health-related programs. The facility will include classrooms, faculty offices, research laboratories, and a state-of-the-art simulation lab as well as student study areas. Phase II will complete the relocation of all remaining programs to the health sciences complex.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 40-50 years
- Building Systems: 25-30 years
- Interior Construction: 15-20 years

The exterior appearance and finish are consistent with existing campus buildings and with the existing Campus Master Plan. The mechanical and electrical building systems

are designed with sufficient flexibility and space for future capacity to allow for changes without significant disruption to ongoing activities. The interior appearance and finish are consistent with existing campus buildings.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building or addition to an existing building. Therefore, the Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

8. U. T. El Paso: Physical Sciences/Engineering Core Facility - Amendment of the FY 2008-2013 Capital Improvement Program to increase the total project cost; approval to revise the funding sources; approval of design development for the new portion of the project; designation of the building as the Chemistry and Computer Science Building; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor ad interim concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Natalicio that the U. T. System Board of Regents approve the recommendations for the new portion of the Physical Sciences/Engineering Core Facility project at The University of Texas at El Paso as follows:

Project No.: 201-268

Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: April 2011

Total Project Cost:	Source	Current	Proposed
	Permanent University Fund Bond Proceeds	$ 8,500,000	$ 8,500,000
	Tuition Revenue Bond Proceeds	$76,500,000	$76,500,000
	Revenue Financing System Bond Proceeds	----	$ 400,000
		$85,000,000	$85,400,000

Total Project Cost for the Repair and Rehabilitation Portion:	Source	Current	Proposed
	Tuition Revenue Bond Proceeds	$21,000,000	$14,800,000
	Revenue Financing System Bond Proceeds		$ 400,000
			$15,200,000

Total Project Cost for the Chemistry and Computer Science Building:	Source	Current	Proposed
	Permanent University Fund Bond Proceeds	$ 8,500,000	$ 8,500,000
	Tuition Revenue Bond Proceeds	$55,500,000	$61,700,000
		$64,000,000	$70,200,000

Investment Metrics:

- Increase Chemistry and Computer Science faculty retention and recruitment efforts by 2012
- Facilitate efforts to enhance the stature of the Chemistry and Computer Science department
- Improve facilities to encourage interdisciplinary interaction and research opportunities among faculty and students
- Increase extramural funding by 2012
- Provide increased space for research laboratories, teaching and learning facilities and faculty offices in the departments of Chemistry and Computer Science

a. amend the FY 2008-2013 Capital Improvement Program (CIP) to increase the total project cost from $85,000,000 to $85,400,000;

b. revise the funding sources from $76,500,000 from Tuition Revenue Bond Proceeds and $8,500,000 from Permanent University Fund (PUF) Bond Proceeds to $76,500,000 from Tuition Revenue Bond Proceeds, $8,500,000 from Permanent University Fund (PUF) Bond Proceeds; and $400,000 from Revenue Financing System Bond Proceeds;

c. approve design development plans for the new portion;

d. approve the designation of the new building portion of the project as the Chemistry and Computer Science Building;

e. appropriate remaining funds and authorize expenditure of funds in the amount of $55,500,000 from Tuition Revenue Bond Proceeds and $8,500,000 from Permanent University Fund (PUF) Bond Proceeds, and $400,000 from Revenue Financing System Bond Proceeds;

f. approve the evaluation of alternative energy economic feasibility; and

g. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that

- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;

- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and

- U. T. El Paso, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of $55,900,000.

BACKGROUND INFORMATION

Debt Service

The 79th Legislature authorized $55,500,000 of Tuition Revenue Bonds for a physical science and engineering core facility. While the debt service is payable from pledged revenues, it is expected that the State will reimburse debt service on Tuition Revenue Bonds through general revenue appropriations. The $400,000 in Revenue Financing System debt will be repaid from institutional funds. Annual debt service on the $400,000 Revenue Financing System debt is expected to be $35,000. The institution's debt service coverage is expected to average 2.8 times over FY 2009-2014.

Previous Board Actions

On August 11, 2006, the project was included in the CIP with a preliminary project cost of $85,000,000 with funding of $76,500,000 from Tuition Revenue Bond Proceeds and $8,500,000 from PUF Bond Proceeds. In September 2006, the Chancellor approved the design development plans for the renovation portion of the project. On November 16, 2006, the Board approved the appropriation of the funding in the amount of $21,000,000 from Tuition Revenue Bonds for the repair and rehabilitation portion of the project. On November 16, 2006, the Board approved reducing the total project cost from $85,000,000 to $83,800,000 with funding of $1,200,000 from PUF allocated to allow for the purchase of a commercial building property located at 3401 North Mesa Street. On February 7, 2008, the Board approved moving the $1,200,000 in PUF funding back into the project for construction since the property purchase transaction was not completed.

Project Description

U. T. El Paso proposes to designate the new building to be constructed as the Chemistry and Computer Science Building to be located at the southeast corner of the Engineering Annex Building. A large forum space will be located within the new building serving as a welcoming space to the Hawthorne Street entry. The forum will provide the interaction among students and faculty that is so important to the concept of the new building. The new facility will be approximately 145,827 gross square feet to include research space, teaching laboratories, support spaces for the laboratories, classrooms, department and faculty offices, and shell space for future expansion.

The increase in total project cost is the unexpended balance of Revenue Financing System Bond Proceed funding previously approved by the U. T. System Board of Regents on November 9, 2007, for the acquisition of the Schuster property. The increase will be used for the asbestos abatement, demolition, and parking lot paving for improvements to the property that will house the child care center.

The funding for the repair and rehabilitation portion of the Physical Sciences/ Engineering Core Facility project will be reduced from $21,000,000 to $14,800,000 and the appropriated balance in the amount of $6,200,000 will be transferred to the new construction for the project. The increase of $400,000 will remain in the repair and rehabilitation portion of the project. The Chemistry and Computer Science Building has a total project cost of $70,200,000.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50-75 years
- Building Systems: 25-30 years
- Interior Construction: 15-20 years

The exterior appearance and finish are consistent with existing campus buildings and with the existing Campus Master Plan. The mechanical and electrical building systems are designed with sufficient flexibility and space for future capacity to allow for changes without significant disruption to ongoing activities. The interior appearance and finish are consistent with existing campus buildings.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building or an addition to an existing building. Therefore, the Project Architect prepared a renewable energy evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

9. U. T. Permian Basin: Student Multipurpose Center - Request for approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor ad interim concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Watts that the

U. T. System Board of Regents approve the recommendations for the Student Multipurpose Center project at The University of Texas of the Permian Basin as follows:

Project No.: 501-340

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: July 2010

Total Project Cost:

Source	Current
Revenue Financing System Bond Proceeds	$12,000,000

Investment Metrics:

- The number of meals served to students will increase by 15% during FY 2011
- The number of students utilizing the new fitness area will increase 10% during FY 2011
- Enrollment in classes for FY 2011 will increase by 5% because of the available on-campus child care
- Student retention will increase by approximately 4% with the new Student Multipurpose Center providing more of a traditional campus environment

a. approve design development plans;

b. appropriate funds and authorize expenditure of funds;

c. approve the evaluation of alternative energy economic feasibility; and

d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that

- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;

- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and

- U. T. Permian Basin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of $12,000,000.

BACKGROUND INFORMATION

Debt Service

The $12,000,000 in Revenue Financing System debt will be repaid from student fees. Annual debt service on the $12,000,000 Revenue Financing System debt is expected to be $872,000. The project's debt service coverage is expected to average at least 1.3 times over FY 2011-2015. The student fee that is expected to support the Revenue Financing System debt was approved by the U. T. Permian Basin student body on January 24, 2007. The fee was subsequently approved by the 80th Texas Legislature, effective June 15, 2007.

Previous Board Action

On May 10, 2006, the project was included in the Capital Improvement Program (CIP) with a total project cost of $12,000,000 with funding from Revenue Financing System Bond Proceeds.

Project Description

The building will be approximately 28,698 gross square feet located south of and adjacent to the Mesa Building. The multipurpose facility will offer food service, coffee shop, convenience store, fitness area, child care, student senate and student life offices, game rooms, study areas, and an outdoor shaded pavilion.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50-75 years
- Building Systems: 25-30 years
- Interior Construction: 15-20 years

The exterior appearance and finish are consistent with existing campus buildings and with the existing Campus Master Plan. The mechanical and electrical building systems are designed with sufficient flexibility and space for future capacity to allow for changes without significant disruption to ongoing activities. The interior appearance and finish are consistent with existing campus buildings.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building or an addition to an existing building. Therefore, the Project Architect prepared a renewable energy evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

10. U. T. Permian Basin: The Wagner Noël Performing Arts Center - Amendment of the FY 2008-2013 Capital Improvement Program to increase the total project cost; approval to revise the funding sources; approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor ad interim concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Watts that the U. T. System Board of Regents approve the recommendations for The Wagner Noël Performing Arts Center project at The University of Texas of the Permian Basin as follows:

Project No.: 501-262

Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: September 2011

Total Project Cost:

Source	Current	Proposed
Permanent University Fund Bond Proceeds	$ 6,500,000	$12,500,000
Gifts	$14,500,000	$16,000,000
Tuition Revenue Bond Proceeds	$45,000,000	$45,000,000
Grants	---	$ 7,500,000
	$66,000,000	$81,000,000

Investment Metrics:

- Visibility of music and fine arts programs within the community and the region will increase by more than 5% from FY 2011 to FY 2012
- Enrollment in the music and fine arts programs will increase by more than 10% with additional classroom and recital hall space from FY 2011 to FY 2012
- Attendance at major performances will increase by 10% after opening year
- Use of the facility/number of performances, recitals, and other functions will increase by 10% from FY 2011 to FY 2012

a. amend the FY 2008-2013 Capital Improvement Program to increase the total project cost from $66,000,000 to $81,000,000;

b. revise the funding sources from $45,000,000 from Tuition Revenue Bond Proceeds, $14,500,000 from Gifts, and $6,500,000 from Permanent University Fund Bond Proceeds to $45,000,000 from Tuition Revenue Bond Proceeds, $16,000,000 from Gifts, $12,500,000 from Permanent University Fund Bond Proceeds, and $7,500,000 from Grants;

c. approve design development plans;

d. appropriate funds and authorize expenditure of funds;

e. approve the evaluation of alternative energy economic feasibility; and

f. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that

- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;

- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and

- U. T. Permian Basin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of $45,000,000.

BACKGROUND INFORMATION

Debt Service

The 79th Legislature authorized $45,000,000 of Tuition Revenue Bonds for an arts, convocation, and classroom center. While the debt service is payable from pledged revenues, it is expected that the State will reimburse debt service on Tuition Revenue Bonds through general revenue appropriations.

Previous Board Actions

On June 20, 2006, the project was included in the Capital Improvement Program (CIP) as the Arts, Convocation, and Classroom Facility at the Center for Energy and Economic Diversification (CEED) with a total project cost of $45,000,000 with funding from Tuition Revenue Bond Proceeds. On August 10, 2006, the Board approved the increase in the total project cost to $51,000,000 with funding of $45,000,000 from Tuition Revenue Bond Proceeds, $3,000,000 from Permanent University Fund (PUF) Bond Proceeds, and $3,000,000 from Gifts. On April 20, 2007, the project was redesignated as The Wagner Noël Performing Arts Center. On August 23, 2007, the Board approved increasing the total project cost to $66,000,000 with funding of

$45,000,000 from TRB, $6,500,000 from PUF, and $14,500,000 from Gifts. On June 20, 2008, the Board approved the additional allocation of up to $6,000,000 from PUF and a $7,500,000 Grant acquired from the Texas Department of Transportation.

The additional $6,000,000 of PUF funding being requested is intended to provide matching funds to assist U. T. Permian Basin in its efforts to raise an additional $4,000,000 of Gifts for an endowment to fund operating expenses for the project. Therefore, the additional PUF funding being requested will be released on a 60/40 pro rata basis as the $4,000,000 of additional Gifts are raised.

Project Description

The project to be located at the CEED consists of 97,700 gross square feet to provide a performing arts center with supporting spaces. The main auditorium seats 1,800 and will also serve as a convocation center for various functions. The center will also feature a separate 200 seat recital hall with retractable seating for multiple use functions. The site will contain parking for approximately 1,000 vehicles.

The oil and gas production industry has significantly impacted the Midland/Odessa construction climate. The price of oil has essentially doubled over the past eight months to an all time high exceeding $130 per barrel. As a result, oil field activity has boomed in the area. Construction labor and project management expertise remains in very short supply in this small, relatively isolated market with oil companies paying significantly more than area construction companies. Unemployment is down below 3%. The net result is that labor rates have risen significantly in the last year in the region indicating wage increases for critical craft labor of between 30%-100% over the affected period.

The geographic isolation of Midland/Odessa makes it difficult to draw on the construction communities of other metropolitan areas. The nearest market, Lubbock, is two hours away and shares some of the same limitations and cost drivers as Midland/Odessa. The nearest large markets (the Dallas/Fort Worth metroplex, Amarillo, El Paso, and San Antonio) are approximately 300 miles away. Contractors working in this area from these markets must factor per diem expenses into their cost of work, as well as hourly wage premiums to attract craft labor away from their "home market" for the duration of the project. Trades currently being imported into the area include concrete formwork, drywall installation, electrical, steel erection, complex heating/ventilation/air conditioning, external/internal finishes and specialty trades.

Regional manpower shortages began to affect local bids in a significant way in 2007. The combined effect of higher oil prices, commodity escalation, and increased construction activity resulted in proposals on local projects that vary significantly from existing pricing models of contractors, consultants, and Office of Facilities Planning and Construction (OFPC). The Wagner Noël Performing Arts Center project will require sophisticated subcontractors from outside the region, attracted by higher hourly salaries and per diem allowances for temporary accommodations. While OFPC believes that the

contractor's contingencies are somewhat high, considering the early stage of design, they are an appropriate way to mitigate risk. Should the market prove more competitive during subcontract buy-out, the project will be well positioned to add desired elements back into the project in a cost-effective way and achieve overall savings.

In December 2007, the Construction Manager-at-Risk, Hunt Construction Group, as part of their pre-construction services, provided OFPC with a construction cost estimate at Schematic Design that was 50% over target budget. OFPC has worked with the project stakeholders to refine needs and scope and challenged the project team to develop cost reduction strategies that maintain the programmatic intent of this facility. While some reductions were achieved, labor contingencies continue to drive the early Construction Manager's estimates for this project. Accordingly, the initial CIP conceptual estimate of $66 million will need to be increased approximately 22% to $81,000,000. This represents a not-to-exceed amount for the total project cost of the facility.

Fundraising efforts to date for this project have been successful with approximately $20 million in pledges received. An additional fundraising effort is about to be undertaken to raise $4 to $6 million of additional local funds to accommodate increased construction costs and associated facility operating expenses.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50-75 years
- Building Systems: 25-30 years
- Interior Construction: 15-20 years

The exterior appearance and finish are consistent with similar metropolitan performing arts centers. The mechanical and electrical building systems are designed to ensure an appropriate audience experience. The interior appearance and finish are consistent with metropolitan performance spaces.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building or an addition to an existing building. Therefore, the Project Architect prepared a renewable energy evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

11. U. T. Medical Branch - Galveston: Student Housing - Request for approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor ad interim concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Callender that the U. T. System Board of Regents approve the recommendations for the Student Housing project at The University of Texas Medical Branch at Galveston as follows:

Project No.: 601-360

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: December 2009

Total Project Cost:

Source	Current
Revenue Financing System Bond Proceeds	$10,000,000

Investment Metrics:

- Project completed to allow demolition of existing buildings and site availability to construct the University Boulevard Research Building, start 4/2010
- Improve student favorable responses to the UTMB dormitory questions by no less than 25% in the Student Satisfaction Survey that occurs following occupancy of the new Student Housing in 2010

a. approve design development plans;

b. appropriate funds and authorize expenditure of funds;

c. approve the evaluation of alternative energy economic feasibility; and

d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that

- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;

- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and

- U. T. Medical Branch - Galveston, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of $10,000,000.

BACKGROUND INFORMATION

Debt Service

The $10,000,000 in Revenue Financing System debt will be repaid from student housing revenue and other auxiliary income. Annual debt service on the $10,000,000 Revenue Financing System debt is expected to be $726,000. The institution's debt service coverage is expected to average 3.1 times over FY 2009-2014.

Previous Board Action

On August 9, 2001, the project was included in the Capital Improvement Program (CIP) with a total project cost of $10,000,000 with funding from Revenue Financing System Bond Proceeds.

Project Description

The student housing project consists of the construction of approximately 95 single occupancy, one bedroom, studio housing units located on the northwest area of campus convenient to academic resources. The four-story building will include a floor lobby, study lounges, and an administrative suite. The new facility will replace the existing campus housing constructed in the mid-1950s that will be decommissioned and demolished.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 25-35 years
- Building Systems: 25-35 years
- Interior Construction: 10-15 years

The exterior appearance and finish are consistent with commercial apartment facilities and with the existing Campus Master Plan. The interior appearance and finish are consistent with other U. T. System student housing facilities.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building or an addition to an existing building.

Therefore, the Project Architect prepared a renewable energy evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

12. U. T. Austin: Art Building and Museum Renovation - Amendment of the FY 2008-2013 Capital Improvement Program to increase the total project cost; revise the funding source; appropriation of funds; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor ad interim concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Powers that the U. T. System Board of Regents approve the recommendations for the Art Building and Museum Renovation project at The University of Texas at Austin as follows:

Project No.:	102-273		
Project Delivery Method:	Construction Manager at Risk		
Substantial Completion Date:	December 2009		
Total Project Cost:	Source	Current	Proposed
	Gifts	$3,500,000	
	Revenue Financing System Bond Proceeds		$7,000,000

a. amend the FY 2008-2013 Capital Improvement Program (CIP) to increase the total project cost from $3,500,000 to $7,000,000;

b. revise the funding source from $3,500,000 from Gifts to $7,000,000 from Revenue Financing System Bond Proceeds;

c. appropriation of funds; and

d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that

- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;

- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and

- U. T. Austin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of $7,000,000.

BACKGROUND INFORMATION

Debt Service

The $7,000,000 in Revenue Financing System debt will be repaid from Designated Funds. Annual debt service on the $7,000,000 Revenue Financing System debt is expected to be $509,000. The institution's debt service coverage is expected to average 2.2 times over FY 2009-2014.

Previous Board Action

On June 20, 2006, the project was included in the CIP with a total project cost of $3,500,000 with funding from Gifts.

Project Description

The project includes renovation of existing administrative and gallery spaces in the Art Building and Museum currently occupied by the Jack S. Blanton Museum of Art. The Department of Art and Art History will occupy the renovated space to become studio labs for graduate students in the art program. Space will also be used for administrative offices. The increase to the total project cost is needed to allow for the new main entry on the east side of the existing Art Building and significant renovation to the existing gallery for the display of faculty and student work. Within the renovated area, the project will also address fire and life safety systems.

The Art Building and Museum, located at the corner of San Jacinto Boulevard and 23rd Street, was originally constructed in 1962. Two later additions were constructed on the north side of the original building.

Approval of design development plans and authorization of expenditure of funds will be approved by the Chancellor at a later date.

13. U. T. Austin: Utility Infrastructure Project - Phase II - Amendment of the FY 2008-2013 Capital Improvement Program to increase the total project cost; appropriation of additional funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor ad interim concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Powers that the U. T. System Board of Regents approve the recommendations for the Utility Infrastructure Project - Phase II at The University of Texas at Austin as follows:

Project No.:	102-322		
Institutionally Managed:	Yes ☒ No ☐		
Project Delivery Method:	Construction Manager at Risk		
Substantial Completion Date:	August 2009		
Total Project Cost:	Source	Current	Proposed
	Revenue Financing System Bond Proceeds	$54,050,000	$57,750,000

a. amend the FY 2008-2013 Capital Improvement Program (CIP) to increase the total project cost from $54,050,000 to $57,750,000;

b. appropriate and authorize expenditure of additional funds of $3,700,000 from Revenue Financing System Bond Proceeds; and

c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that

- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
- U. T. Austin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of $3,700,000.

BACKGROUND INFORMATION

Debt Service

The $3,700,000 in Revenue Financing System debt will be repaid from designated funds. Annual debt service on the $3,700,000 Revenue Financing System debt is expected to be $269,000. The institution's debt service coverage is expected to average 2.2 times over FY 2009-2014.

Previous Board Action

On November 16, 2006, the project was included in the CIP with a total project cost of $49,500,000 and funding was appropriated from Revenue Financing System Bond Proceeds. On October 19, 2007, the Chancellor approved the increase in total project cost from $49,500,000 to $54,050,000 with additional funding of $4,550,000 appropriated from Revenue Financing System Bond Proceeds.

Project Description

The institutionally managed repair and rehabilitation project includes a series of phased projects to replace a gas turbine generator and waste heat boiler, upgrade cooling systems in Chilling Stations 3 and 4, and construct a new thermal energy storage tank (TES) for chilled water. The increased cost is for the expanded scope of the TES project to meet the larger-than-anticipated cooling requirements of the Experimental Science Building as well as the central area of the main campus. The installation of larger pumps and related piping systems as well as a connection to chilled water lines leading to the central campus will be required to meet the utility needs.

14. U. T. Pan American: Old Computer Center Renovation - Amendment of the FY 2008-2013 Capital Improvement Program to increase the total project cost and appropriation and authorization of expenditure of additional funds (Final Board approval)

RECOMMENDATION

The Chancellor ad interim concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Cárdenas that the U. T. System Board of Regents approve the recommendations for the Old Computer Center Renovation project at The University of Texas - Pan American as follows:

Institutional Managed: Yes ☒ No ☐

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date:	December 2008		
Total Project Cost:	Source	Current	Proposed
	Higher Education Assistance Funds	$2,000,000	$3,000,000

a. amend the FY 2008-2013 Capital Improvement Program (CIP) to increase the total project cost from $2,000,000 to $3,000,000; and

b. appropriate funds and authorize expenditure of additional funds in the amount of $1,000,000 from Higher Education Assistance Funds (HEAF).

BACKGROUND INFORMATION

Previous Board Action

On August 23, 2007, the project was included in the CIP with a total project cost of $2,000,000 with funding from HEAF.

Project Description

The institutionally managed project involves the upgrades for mechanical, electrical, and plumbing components in the building to accommodate technological capacity for the next five years. The increase in total project cost is necessary for the renovation of offices to house the expanding Office of Research and Sponsored Programs.