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Board Meeting: 11/13/2008
El Paso, Texas

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

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Adjourn	10:30 a.m.		

1. **U. T. System Board of Regents: Amendments to Regents' Rules and Regulations, Rule 80402 (Major Construction and Repair and Rehabilitation Projects), Section 6, regarding Contract Management**

RECOMMENDATION

Dr. Kenneth I. Shine, in his roles as Chancellor ad interim and Executive Vice Chancellor for Health Affairs, concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel that the Regents' *Rules and Regulations*, Rule 80402 (Major Construction and Repair and Rehabilitation Projects), Section 6, regarding Contract Management, be amended as set forth below in congressional style:

- Sec. 6 Contract Management. The Associate Vice Chancellor for Facilities Planning and Construction is authorized to implement and manage all professional service, construction, and construction-related contracts executed by the Executive Vice Chancellor for Business Affairs pursuant to Sections 1 and 2 of this Rule and Rule 80403, Section 1. The Associate Vice Chancellor for Facilities Planning and Construction's authority includes, but is not limited to, extending the term of existing contracts to the extent such extensions are contemplated in the contract; approving additional work requests; ~~shall approve the~~ approving a construction contractor's, design-build contractor's, or construction manager's estimates, guaranteed maximum price, or stipulated sum proposals; ~~sign~~ approving change orders; and ~~provide~~ providing general supervision of all Major and Minor Projects.

BACKGROUND INFORMATION

The proposed amendments clarify the authority of the Associate Vice Chancellor for Facilities Planning and Construction to manage major and minor project contracts executed by the Executive Vice Chancellor for Business Affairs.

2. **U. T. System: Report on Owner's Project Requirement**

REPORT

Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction, will report on the best practice of project front-end loading known as Owner's Project Requirement (OPR).

Effective planning is required to assure project success to provide a basis for action for the U. T. System institution and the Office of Facilities Planning and Construction (OFPC). While the planning process considers many alternatives, its goal is a specific project plan of actions and activities that will be carried out in the future. Part of OFPC's strategic objective to improve overall project cost, scope, and schedule includes the introduction of OPR to its core project delivery process. The OPR is key to efficient and effective project management. The written plan is referred to as the OPR document, which details project needs and functional requirements, and expectations of how it will be used and operated. The plan includes project goals, measurable performance criteria, and supporting information. Its preparation requires that:

- Adequate project information is documented and approved by the institution, including the institution's project-specific Statement of Need;
- OFPC assess the project needs at an early date and establish a basis for project execution;
- OPR becomes the basic reference and briefing document for those who are involved in the project's execution; and
- OPR allows the project team to provide assistance, guidance, review, and support to the plan through project execution.

OFPC's initial version of the OPR has been crafted primarily from the American Society of Heating, Refrigerating and Air-Conditioning Engineers Guideline 0, which is considered by most in the industry to be the closest to "best practice," and the U. T. System Capital Expenditure Policy. Other similar processes are published by the National Institute of Building Sciences and the Building and Construction Institute of the Southeast.

OFPC has implemented a series of "beta-test" projects with U. T. Austin, the results of which appear to be immediately evident regarding project definition and alignment of campus expectations and supported by all those involved, but will not be accurately known until the project(s) are completed over the next several years.

3. U. T. System: Report on major investment impact metrics

REPORT

Dr. Geri H. Malandra, Vice Chancellor for Strategic Management, will report on the purpose and process to identify and track investment impact metrics for capital projects.

The U. T. System has established a process to assess and communicate to the Board of Regents the specific results and impact of major capital and talent investments.

Supplemental Materials:

- **Implementation of Investment Impact Metrics Process on Pages 153 - 156 of Volume 2.**
- **PowerPoint presentation on Pages 157 - 161 of Volume 2.**

4. U. T. System: Fiscal Year 2008 Energy Utility Task Force Report

REPORT

Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction, will provide the annual report on the progress of the Energy Utility Task Force for Fiscal Year 2008. The Task Force was created in February 2001 to evaluate and recommend strategies for U. T. System institutions to reduce energy consumption, better manage commodity price risk, and leverage their purchasing power to reduce energy costs.

Initial recommendations and energy consumption reduction goals were presented to, and previously endorsed by, the Board in November 2001 and a 10%-15% reduction in energy usage was targeted for Fiscal Year 2011. The estimated reduction in energy usage for Fiscal Year 2008 from baseline levels is 6.9%. Since Fiscal Year 2001, reductions in energy consumption per square foot by U. T. System institutions have resulted in cumulative savings of \$89 million.

5. U. T. Medical Branch – Galveston, U. T. Health Science Center – Houston, and U. T. M. D. Anderson Cancer Center: Hurricane Ike Recovery Projects - Amendment of the Capital Improvement Program to include projects; authorization of institutional management; approval of emergency interim financing; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

Dr. Kenneth I. Shine, in his roles as Chancellor ad interim and Executive Vice Chancellor for Health Affairs, concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, President Callender, President Kaiser, and President Mendelsohn that the U. T. System Board of Regents approve the recommendations for the Hurricane Ike Recovery Projects at U. T. Medical Branch – Galveston, U. T. Health Science Center – Houston, and U. T. M. D. Anderson Cancer Center, respectively, as follows:

Project Nos.: 601-475 UTMB
701-476 UTHSC-H
703-477 UTMDACC

Institutionally Managed: Yes No

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: August 2012

U. T. Medical Branch – Galveston	<u>Source</u>	<u>Proposed</u>
Total Project Cost:	Revenue Financing System Bond Proceeds	\$47,710,000

U. T. Health Science Center – Houston	<u>Source</u>	<u>Proposed</u>
Total Project Cost:	Revenue Financing System Bond Proceeds	\$ 740,000

U. T. M. D. Anderson Cancer Center	<u>Source</u>	<u>Proposed</u>
Total Project Cost:	Revenue Financing System Bond Proceeds	\$ 1,550,000

- a. amend the Capital Improvement Program (CIP) to include the projects;
- b. authorize U. T. Medical Branch – Galveston, U. T. Health Science Center – Houston, and U. T. M. D. Anderson Cancer Center to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts;
- c. approve emergency interim financing pending receipt of Federal Emergency Management Agency (FEMA) reimbursement;
- d. appropriate funds and authorize expenditure of funds; 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
 - the institutions and U. T. System Administration, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their 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 \$50,000,000 for emergency interim financing related to Hurricane Ike recovery;
 - 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
 - this resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations*.

BACKGROUND INFORMATION

Project Description

The projects will provide emergency interim funding for expenditures related to campuswide repair and renovation capital improvements resulting from Hurricane Ike recovery efforts at U. T. System's three Houston-Galveston area institutions. The proposed projects have been approved by U. T. System staff and meet the criteria for inclusion in the CIP. It has been determined that these projects would best be managed by the Facilities Management personnel who have the experience and capability to manage all aspects of the work.

Debt Service

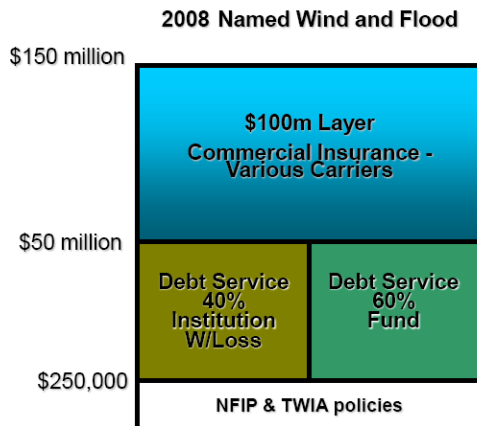
FEMA is expected to reimburse U. T. Medical Branch – Galveston, U. T. Health Science Center – Houston, and U. T. M. D. Anderson Cancer Center for a portion of the emergency capital expenditures related to cleanup and recovery efforts resulting from Hurricane Ike. Out of the total FEMA reimbursement, at least \$50,000,000 is expected to be recovered within 6-12 months. These FEMA funds will be used to retire \$50,000,000 of emergency interim Revenue Financing System debt issued to fund the institutions' recovery efforts. In the event that the \$50,000,000 FEMA reimbursement is not recovered in full and/or delayed, the debt service on the Revenue Financing System debt will be paid by U. T. System's Comprehensive Property Protection Plan (CPPP). Interest expense on the interim financing is not expected to exceed \$2,000,000 per year.

The CPPP is a catastrophic damage self-insurance fund established and maintained by the Office of Risk Management. The CPPP consists of two programs: a Fire and All Other Perils Program and a Named Windstorm and Flood Program, which are subject to the terms, exclusions, limits, and conditions of the commercial insurance policy.

Physical damage caused by Hurricane Ike is covered under the CPPP Named Windstorm and Flood Program. This program includes primary underlying National Flood Insurance Program (NFIP) and Texas Windstorm Insurance Association (TWIA) policies, an institutional deductible within a funded reserve supported by a mechanism to issue up to \$50,000,000 in debt for physical loss, and a process for replenishment of the fund when claims are paid with funded reserves. Commercial insurance including a \$100,000,000 limit for Named Windstorm and Flood was purchased in April 2008. Using a \$50,000,000 Named Windstorm deductible allowed U. T. System to attract primary carriers at reasonably competitive pricing.

In accordance with the CPPP, 60 percent of the debt service on \$50,000,000 of emergency interim Revenue Financing System debt will be paid by the CPPP fund. Annual contributions will continue to be made by all institutions to the CPPP fund. The remaining 40 percent of the debt service will be paid by the CPPP fund using

proportionate contributions from U. T. Medical Branch – Galveston, U. T. Health Science Center – Houston, and U. T. M. D. Anderson Cancer. The CPPP structure for the Named Windstorm and Flood Program is exhibited in the chart below.



(See Item 4 on Page 58 in the Finance and Planning Committee related to authorization to apply for public assistance grants with FEMA and to dispose of salvageable property.)

6. U. T. San Antonio: Athletics Complex - Phase I - Amendment of the FY 2008-2013 Capital Improvement Program and the FY 2008-2009 Capital Budget to include project (Preliminary 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 Romo that the U. T. System Board of Regents amend the FY 2008-2013 Capital Improvement Program (CIP) to include the Athletics Complex - Phase I project at The University of Texas at San Antonio as follows:

- Project No.:** 401-456
- Project Delivery Method:** Construction Manager at Risk
- Substantial Completion Date:** March 2012
- Total Project Cost:**
- | | |
|---------------|-----------------|
| <u>Source</u> | <u>Proposed</u> |
| Grants | \$22,050,000 |
- Investment Metrics:** By 2012:
- Increased reputation of the athletic program
 - Increased student involvement in athletic events
 - Increased overall student satisfaction with the university
 - Greater alumni involvement in attending sport events
 - Increased alumni giving

BACKGROUND INFORMATION

The project will construct a combined soccer and track field stadium plus the utilities, road, and parking infrastructure needed for Phase I of the planned Athletics Complex to be located at the 1604 Campus expansion site on the Hausman Road property. Included in the project scope is the stadium structure, a two-lane road extending from Hausman Road to the edge of the creek bed running through the center of the campus, a 500-space surface parking lot, electric power service to the road and parking area, and city utility connections.

Later phases of the Athletics Complex development will add intercollegiate facilities such as baseball and softball fields, tennis courts, and multipurpose practice fields. A multipurpose team and administration building is also planned for the site.

U. T. San Antonio will collaborate with the City of San Antonio to sponsor athletic competitions. In addition to U. T. San Antonio athletic events, the Complex is expected to host University Interscholastic League (UIL) championships, coach/athlete clinics, National Collegiate Athletics Association (NCAA) and conference tournaments, national youth championships, Senior Games, Para Olympics, Special Olympics, international track and soccer events, and professional exhibition matches.

This proposed 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 presented to the Board for approval at a later date.

7. **U. T. Southwestern Medical Center – Dallas: Paul M. Bass Administrative and Clinical Center Renovation - Amendment of the FY 2008-2013 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; appropriation of funds; and resolution regarding parity debt (Final Board approval)**

RECOMMENDATION

Dr. Kenneth I. Shine, in his roles as Chancellor ad interim and Executive Vice Chancellor for Health Affairs, concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Podolsky that the U. T. System Board of Regents amend the FY 2008-2013 Capital Improvement Program (CIP) to include the Paul M. Bass Administrative and Clinical Center Renovation project at The University of Texas Southwestern Medical Center at Dallas as follows:

Project No.: 303-366
Institutionally Managed: Yes No

Project Delivery Method:	Design/Build	
Substantial Completion Date:	May 2010	
Total Project Cost:	<u>Source</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds	\$22,000,000

- a. approve a total project cost of \$22,000,000 with funding from Revenue Financing System Bond Proceeds;
- b. authorize U. T. Southwestern Medical Center – Dallas to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts;
- c. appropriate 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. Southwestern Medical Center – Dallas, 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 \$22,000,000.

BACKGROUND INFORMATION

Debt Service

The \$22,000,000 in Revenue Financing System debt will be repaid from new rental income and lease savings. Annual debt service on the \$22,000,000 Revenue Financing System debt is expected to be \$1,765,000. The institution's debt service coverage is expected to average 2.5 times over FY 2009-2014.

Project Description

The proposed project will renovate and upgrade the building for office space to allow staff to move out of currently leased space. The Paul M. Bass Administrative and Clinical Center is the building complex recently purchased as the Exchange Park property located between Harry Hines Boulevard and Forrest Park Road. There is one building involved in the remodeling work located in the center of the property. The area to be remodeled is 150,000 gross square feet. The project will address upgrades to the infrastructure, network and telecommunication systems, building and roof structural improvements, and mechanical and electrical system improvements.

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. Southwestern Medical Center – Dallas Facility Management personnel who have the experience and capability to manage all aspects of the work.

8. **U. T. Arlington: FY 09 High Priority Fire and Life Safety Corrections Phase 2 - 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 Spaniolo that the U. T. System Board of Regents amend the FY 2008-2013 Capital Improvement Program (CIP) to include the FY 09 High Priority Fire and Life Safety Corrections Phase 2 project at The University of Texas at Arlington as follows:

Project No.: 301-452
Institutionally Managed: Yes No
Project Delivery Method: Competitive Sealed Proposals
Substantial Completion Date: February 2010
Total Project Cost:

<u>Source</u>	<u>Proposed</u>
Permanent University Fund Bond Proceeds	\$1,400,000

- a. approve a total project cost of \$1,400,000 with funding from Permanent University Fund (PUF) Bond Proceeds;
- b. appropriate funds; and

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

BACKGROUND INFORMATION

Previous Board Action

On August 14, 2008, the Board approved the allocation of \$1,400,000 from PUF Bond Proceeds for the project.

Project Description

The project addresses various fire and life safety deficiencies identified as high priority items including fire protection systems in the Library and Texas Hall Auditorium, means of egress deficiencies in the Physical Education Building, emergency egress lighting systems, fire door retrofits in the Library, Pickard Hall, and Carlisle Hall, and the survey of campus buildings for design of handrail corrections. The major focus for this phase will be the Library. The entire building will ultimately be retrofitted with a sprinkler system with two floors included in this portion of the work. Other specific areas being addressed include handrails and fire doors in certain buildings, and upgrading the fire protection water line on South Oak Street.

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. Arlington Facility Management personnel who have the experience and capability to manage all aspects of the work.

9. **U. T. Medical Branch – Galveston: FY 09 High Priority Fire and Life Safety Projects - University Hospital Clinics Building - 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

Dr. Kenneth I. Shine, in his roles as Chancellor ad interim and Executive Vice Chancellor for Health Affairs, 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 amend the FY 2008-2013 Capital Improvement Program (CIP) to include the FY 09 High Priority Fire and Life Safety

Projects - University Hospital Clinics Building at The University of Texas Medical Branch at Galveston as follows.

Project No.: 601-454
Institutionally Managed: Yes No
Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: May 2009

Total Project Cost:	<u>Source</u>	<u>Proposed</u>
	Permanent University Fund Bond Proceeds	\$ 600,000
	Hospital Revenues	\$ 600,000
		<u>\$1,200,000</u>

- a. approve a total project cost of \$1,200,000 with funding of \$600,000 from Permanent University Fund (PUF) Bond Proceeds and \$600,000 from Hospital Revenues;
- b. appropriate funds; and
- c. authorize U. T. Medical Branch – Galveston to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

BACKGROUND INFORMATION

Previous Board Action

On August 14, 2008, the Board approved the allocation of \$600,000 from PUF Bond Proceeds for the project.

Project Description

The project will address installation of fire sprinklers on all floors of the University Hospital Clinics Building except the ground level and will complete the repairs and renovations needed to upgrade the building to current life safety codes.

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. Medical Branch – Galveston Facility Management personnel who have the experience and capability to manage all aspects of the work.

10. U. T. Health Science Center – San Antonio: FY 09 High Priority Fire and Life Safety Projects - 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

Dr. Kenneth I. Shine, in his roles as Chancellor ad interim and Executive Vice Chancellor for Health Affairs, 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 FY 09 High Priority Fire and Life Safety Projects at The University of Texas Health Science Center at San Antonio as follows:

Project No.: 402-455
Institutionally Managed: Yes No
Project Delivery Method: Competitive Sealed Proposals
Substantial Completion Date: May 2009
Total Project Cost:

<u>Source</u>	<u>Proposed</u>
Permanent University Fund Bond Proceeds	\$1,700,000

- a. approve a total project cost of \$1,700,000 with funding from Permanent University Fund (PUF) Bond Proceeds;
- b. appropriate funds; 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

Previous Board Action

On August 14, 2008, the Board approved the allocation of \$1,700,000 from PUF Bond Proceeds for the project.

Project Description

The project will extend the fire sprinkler system in the Auditorium and Basic Science Buildings in the Medical School Building and design a fire alarm and sprinkler system in the Lecture Hall Building.

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.

11. U. T. El Paso: Swimming and Fitness Center - Phase II - 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 Natalicio that the U. T. System Board of Regents approve the recommendations for the Swimming and Fitness Center - Phase II project at The University of Texas at El Paso as follows:

Project No.:	201-348	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	September 2010	
Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$32,000,000
Investment Metrics:	By 2010:	
	<ul style="list-style-type: none"> • Increase student participation in wellness/fitness activities by providing state-of-the-art exercise equipment and recreational facilities • Increased teaching and learning facilities for the Kinesiology and Recreational Sports Departments • Increase in organized fitness class offerings, both credit and non-credit, for students, faculty, and staff 	

- 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. 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 \$32,000,000.

BACKGROUND INFORMATION

Debt Service

The \$32,000,000 in Revenue Financing System debt will be repaid from student fees. The 80th Legislature passed House Bill 868 authorizing the student fees, and the bill was subsequently supported by a student referendum approving the fee. Annual debt service on the \$32,000,000 Revenue Financing System debt is expected to be \$2,201,000. The project's debt service coverage is expected to average 2.3 times over FY 2009-2038.

Previous Board Action

On August 23, 2007, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$32,000,000 with funding from Revenue Financing System Bond Proceeds.

Project Description

The new addition to be located at the south end of the existing Swimming and Fitness Center will be approximately 87,427 gross square feet. The facility will include a multipurpose gymnasium, an enlarged weight room with cardiovascular exercise areas, two court gymnasiums, expanded locker and dressing facilities, instructional space, and administrative offices for the Recreational Sports Department.

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.

12. **U. T. Austin: Battle Hall Complex, Renovation - Amendment of the FY 2008-2013 Capital Improvement Program to redefine the project as a study; redesignation of study as the Battle Hall Complex/West Mall Office Building Renovation; approval to decrease the total project cost; approval to revise the funding sources; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Preliminary 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 Battle Hall Complex, Renovation project at The University of Texas at Austin as follows:

Project No.: 102-357
Architecturally Significant: Yes No
Project Delivery Method: Construction Manager at Risk
Substantial Completion Date: December 2009

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Gifts	\$15,000,000	
	Unexpended Plant Funds		\$1,000,000
	Revenue Financing System Bond Proceeds		<u>\$1,000,000</u>
			\$2,000,000

- a. amend the FY 2008-2013 Capital Improvement Program (CIP) to redefine the project as a study;
- b. redesignate the study as Battle Hall Complex/West Mall Office Building Renovation;

- c. reduce the total project cost from \$15,000,000 to \$2,000,000;
- d. revise the funding sources from \$15,000,000 from Gifts to \$2,000,000 with funding of \$1,000,000 from Revenue Financing System Bond Proceeds and \$1,000,000 from Unexpended Plant Funds;
- e. appropriate funds and authorize expenditure of funds; 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. 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 \$1,000,000.

BACKGROUND INFORMATION

Debt Service

The \$1,000,000 in Revenue Financing System debt will be repaid from Gifts, as received. Annual debt service on the \$1,000,000 Revenue Financing System debt is expected to be \$87,000. The institution's debt service coverage is expected to average 2.4 times over FY 2009-2014.

Previous Board Action

On August 23, 2007, the project was included in the CIP with a total project cost of \$15,000,000 with funding from Gifts.

Project Description

Battle Hall is perhaps the most architecturally significant building on the U. T. Austin campus. Designed in 1911 by renowned Beaux-Arts architect Cass Gilbert of New York, it is the first building on campus to employ the Spanish Renaissance architectural style that defines the character of the U. T. Austin campus. The study will better define the scope of the work for the first major renovation since the existing air conditioning system was installed in 1966. The building does not have a public elevator or accessible restrooms. Several life safety modifications are required to protect the valuable occupants, contents, and architectural fabric of the building.

The scope of the study will include the development of a Historic Structures Report, facilities programming that includes library services upgrades and stack/archive reorganization, facility fire and life safety analysis, and necessary building surveys including building envelope, forensic, hazardous material, topographic, and geotechnical. The study will also include input on requirements for building commissioning and Leadership in Energy and Environmental Design (LEED) certification. An Owner's Project Requirements (OPR) document will also be prepared as part of the study.

13. U. T. System: Report on construction projects completed in 2008

REPORT

Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction, will report on the construction projects completed in 2008.