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FOR
FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

Committee Meeting: 11/14/2018

Board Meeting: 11/15/2018
Richardson, Texas

R. Steven Hicks, Chairman
Ernest Aliseda
David J. Beck
Kevin P. Eltife
Jeffery D. Hildebrand
Rad Weaver

1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration

RECOMMENDATION

No Consent Agenda items are assigned for review by this Committee.

2. U. T. M. D. Anderson Cancer Center: Renovate Head and Neck Center - Main Building - Floor 10 - Amendment of the current Capital Improvement Program to include project; approval of total project cost; and appropriation of funds

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) to include the Renovate Head and Neck Center - Main Building - Floor 10 project at The University of Texas M. D. Anderson Cancer Center as follows:

a. approve a total project cost of $11,500,000 with funding from Hospital Revenues; and

b. appropriate funds.

BACKGROUND INFORMATION

Previous Actions

On March 14, 2018, the Chancellor approved this project for Definition Phase.

Project Description

The project involves the renovation of ambulatory clinical space to include the relocation of the sterile processing function, expansion of audiology space, and centralization of the patient waiting, check-in, and check-out areas. The project will involve architectural renovations as well as modifications and upgrades to mechanical, electrical, plumbing, and information technology infrastructure systems. The renovations are needed to increase clinical capacity, improve the overall patient experience, and bring the sterile processing area into compliance with accreditation requirements promulgated by The Joint Commission.

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 presented to the President for approval at a later date. Pursuant to a Memorandum of Understanding effective September 1, 2007, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Facilities Planning and Construction.

The University of Texas M. D. Anderson Cancer Center
Renovate Head and Neck Center - Main Building - Floor 10

Project Information

Project Number	703-1175
CIP Project Type	Repair and Renovation
Facility Type	Healthcare Facility, Clinic
Management Type	Institutional Management
Institution's Project Advocates	Ehab Hanna, Medical Director for Head and Neck Center Judy Moore, Clinical Administrative Director for Head and Neck Center
Project Delivery Method	Competitive Sealed Proposal
Gross Square Feet (GSF)	32,800

Project Funding

	Proposed
Hospital Revenues	$11,500,000
Total Project Cost	$11,500,000

Project Cost Detail

Building Cost	$7,271,200
Fixed Equipment	126,200
Site Development	-
Furniture and Moveable Equipment	1,975,000
Institutionally Managed Work	407,700
Architectural/Design Services	484,700
Project Management Fees	-
Insurance	117,700
Other Professional Fees	223,800
Project Contingency	655,500
Other Costs	238,200
Total Project Cost	$11,500,000

Project Planning

Definition Phase Completed	Yes
Owner's Project Requirements	Yes
Basis of Design	Yes
Schematic Design	Yes
Detailed Cost Estimate	Yes

Project Milestones

Definition Phase Approval	March 2018
Addition to CIP	November 2018
Design Development Approval	November 2018
Construction Notice to Proceed	April 2019
Substantial Completion	October 2020

3. U. T. Austin: Applied Research Laboratories New Office Building - Amendment of the current Capital Improvement Program to include project

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) to include the Applied Research Laboratories New Office Building project at The University of Texas at Austin.

BACKGROUND INFORMATION

Previous Actions

On January 9, 2018, the Chancellor approved this project for Definition Phase.

Project Description

The Applied Research Laboratories complex located at the J. J. Pickle Research Campus is at capacity and limits anticipated workload and growth. The proposed project will provide needed additional office and work space in a three-story building located adjacent to and connected with the existing building. This project will also include replacement and expansion of existing utility equipment and infrastructure necessary to support the new building and provide reliable service to the rest of the campus.

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. Pursuant to Board of Regents' approval on May 10, 2017, U. T. Austin has delegated authority for institutional management of construction projects under the continued oversight of the Office of Facilities Planning and Construction.

The University of Texas at Austin
Applied Research Laboratories New Office Building

Project Information

Project Number	102-1049
CIP Project Type	New Construction
Facility Type	Office, General
Management Type	Institutional Management
Institution's Project Advocate	Timothy W. Hawkins, Deputy Executive Director, Applied Research Laboratories, Vice-President for Research
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	75,000
Shell Space (GSF)	16,600

Project Funding

	Proposed
Revenue Financing System Bond Proceeds[1]	$40,400,000
Total Project Cost	$40,400,000

[1] RFS to be repaid with ongoing research contract with the U.S. Armed Forces

Project Cost Detail

Building Cost	$23,500,000
Fixed Equipment	500,000
Site Development	6,500,000
Furniture and Moveable Equipment	750,000
Institutionally Managed Work	1,000,000
Architectural/Design Services	2,900,000
Project Management Fees	950,000
Insurance	1,160,000
Other Professional Fees	1,650,000
Project Contingency	1,490,000
Other Costs	-
Total Project Cost	$40,400,000

Building Cost per GSF Benchmarks (escalated to midpoint of construction)

Applied Research Laboratories New Office Building (with 22% Shell Space)	$313
Applied Research Laboratories New Office Building (Estimated Total Finish-Out)	$358
Texas Higher Education Coordinating Board Average - Office, General	$350

	Low Quartile	Median	High Quartile
Other U. T. System Projects	$244	$362	$418
Other National Projects	$375	$553	$579

The University of Texas at Austin
Applied Research Laboratories New Office Building
(continued)

Investment Metric

- Add 160 offices allowing for 100 additional staff by 2025

Project Planning

Definition Phase Completed	Yes
Owner's Project Requirements	Yes
Basis of Design	Yes
Schematic Design	Yes
Detailed Cost Estimate	Yes

Project Milestones

Definition Phase Approval	January 2018
Addition to CIP	November 2018
Design Development Approval	February 2019
Construction Notice to Proceed	April 2019
Substantial Completion	May 2021

Basis of Design

The planned building life expectancy includes the following elements:

Enclosure: 75 years
Building Systems: 25 years
Interior Construction: 25 years

4. U. T. Austin: Energy Engineering Building - Amendment of the current Capital Improvement Program to increase the total project cost; approval of design development; and appropriation of funds and authorization of expenditure

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents approve the recommendations for the Energy Engineering Building project at The University of Texas at Austin as follows:

a. amend the current Capital Improvement Program (CIP) to increase the total project cost from $165,000,000 to $168,000,000;

b. approve design development plans; and

c. appropriate funds and authorize expenditure of $168,000,000 with funding of $100,000,000 from Permanent University Fund (PUF) Bond Proceeds, $60,000,000 from Gifts, and $8,000,000 from Unexpended Plant Funds.

BACKGROUND INFORMATION

Previous Actions

On August 1, 2016, the Chancellor approved this project for Definition Phase. On November 10, 2016, the Board approved $100 million in PUF Bond Proceeds for this project. On May 1, 2018, the project was included in the CIP with a total project cost of $165,000,000 with funding of $100,000,000 from PUF Bond Proceeds, $60,000,000 from Gifts, and $5,000,000 from Unexpended Plant Funds.

Project Description

The Energy Engineering Building will provide critically needed education and research space for the Cockrell School of Engineering. The project is central to achieving the Cockrell School of Engineering's vision to be a globally recognized leader in multidisciplinary innovation dedicated to solving the pressing societal problems of the 21st century and beyond, driving future economic progress, and improving the quality of life. This project will address both the insufficiency of space for energy research and the dated nature of the current space, allow hiring of future faculty with an energy focus, and allow for more collaboration with industrial partners.

Significant flexibility is planned into the building to allow interdisciplinary teams to occupy a space for a definite period of time with the space subsequently modified for other programs or projects. New teaching laboratories and classrooms will allow innovations in the curriculum that are not possible with the current facilities, thereby improving the ability to attract top undergraduate students and enhance student learning outcomes.

The increase in the total project cost will support air quality improvements to the J. T. Patterson Laboratories Building adjacent to the project site.

The University of Texas at Austin
Energy Engineering Building

Project Information

Project Number	102-853
CIP Project Type	New Construction
Facility Type	Laboratory, General
Management Type	Institutional Management
Institution's Project Advocate	John Ekerdt, Associate Dean for Research, Cockrell School of Engineering
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	184,300

Project Funding

	Current	Proposed
Permanent University Fund Bond Proceeds	$100,000,000	$100,000,000
Gifts[1]	$ 60,000,000	$ 60,000,000
Unexpended Plant Funds	$ 5,000,000	$ 8,000,000
Total Project Cost	$165,000,000	$168,000,000

[1] Gift funding authorized for expenditure not fully collected or committed at this time; U. T. System Finance has confirmed institution has sufficient local funds to cover any shortfalls; Institution anticipates committed Gift funding no later than 11/3/2018

Project Cost Detail

Building Cost	
Energy Engineering Building	$ 93,996,846
J. T. Patterson Labs	1,744,397
Fixed Equipment	4,895,249
Site Development	8,163,849
Furniture and Moveable Equipment	12,053,564
Institutionally Managed Work	4,925,000
Architectural/Design Services	17,203,034
Project Management Fees	7,371,095
Insurance	3,363,250
Other Professional Fees	9,025,983
Project Contingency	5,207,733
Other Costs	50,000
Total Project Cost	$168,000,000

Building Cost per GSF Benchmarks (escalated to midpoint of construction)

Energy Engineering Building	$510
Texas Higher Education Coordinating Board Average - Laboratory, General	$521

	Low Quartile	Median	High Quartile
Other U. T. System Projects	$446	$492	$545
Other National Projects	$419	$621	$736

The University of Texas at Austin
Energy Engineering Building
(continued)

Investment Metrics

- Increase research expenditures incrementally $2,000,000 per year by 2026
- Six-year graduation rates for engineering students entering as freshmen to exceed 75% by 2023-2024 academic year

Project Planning

Definition Phase Completed	Yes
Owner's Project Requirements	Yes
Basis of Design	Yes
Schematic Design	Yes
Detailed Cost Estimate	Yes

Project Milestones

Definition Phase Approval	August 2016
Addition to CIP	May 2018
Design Development Approval	November 2018
Construction Notice to Proceed	November 2018
Substantial Completion	May 2021

Basis of Design

The planned building life expectancy includes the following elements:

Enclosure: 50 years
Building Systems: 25 years
Interior Construction: 25 years

5. U. T. Rio Grande Valley: School of Medicine Team Based Learning Center - Amendment of the current Capital Improvement Program to increase total project cost; approval of design development; and appropriation of funds and authorization of expenditure

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents approve the recommendations for the School of Medicine Team Based Learning Center project at The University of Texas Rio Grande Valley as follows:

a. amend the current Capital Improvement Program (CIP) to increase the total project cost from $12,200,000 to $13,700,000;

b. approve design development plans; and

c. appropriate funds and authorize expenditure of $13,700,000 from Permanent University Fund (PUF) Bond Proceeds.

BACKGROUND INFORMATION

Previous Actions

On November 19, 2017, the Chancellor approved this project for Definition Phase in the amount of $12,200,000. On December 6, 2012, the Board approved $100 million over the next 10 years of unspecified resources to be used for start-up costs for the School of Medicine. To date, the Board has fulfilled this commitment through multiple appropriations of PUF Bond Proceeds totaling $50 million.

On February 6, 2014, the Board authorized construction of the South Texas Medical Academic Building (STMAB) with funding of $54,000,000 from PUF Bond Proceeds. On October 2, 2017, the Chancellor approved a transfer of $5,002,268 of unspent PUF Bond Proceeds from the STMAB project to this proposed project. On August 20, 2015, the Board approved $10,000,000 in PUF Bond Proceeds to be used in support of eligible capital expenses associated with the start-up of the Medical School, of which $7,197,732 will be transferred to this proposed project.

On February 27, 2018, the project was included in the CIP with a total project cost of $12,200,000 with funding from PUF Bond Proceeds.

Project Description

The proposed project will be an extension of the existing Medical Education Building (formerly the South Texas Medical Academic Building) located on the Edinburg Campus. This facility is necessary to accommodate current and expected growth in the School of Medicine (SOM) while maintaining the mission of the school as a catalyst for education in health care. The building will

house faculty and administrative offices, small group study spaces for the growing medical student population, flexible and general-purpose classrooms, conference rooms, and support spaces.

The facility will provide additional teaching space to help the SOM meet its expected enrollment growth. Existing classrooms, offices, and study spaces are currently at full capacity. The design will feature flexible classrooms with modern technology needed to provide the educational experience mandated for accreditation by The Joint Commission. This facility will continue to support innovative pedagogies including problem-based instruction and critical thinking exercises. The new building will strengthen and expand the distance learning program. This facility will allow the institution to efficiently and effectively serve the needs of the South Texas medical students.

The request for increase in the total project cost is due to the SOM's continued growth and subsequent need for additional square footage and to provide additional offices and work areas to support the academic programs.

The University of Texas Rio Grande Valley
School of Medicine Team Based Learning Center

Project Information

Project Number	903-1159
CIP Project Type	New Construction
Facility Type	Office, General
Management Type	Office of Facilities Planning and Construction
Institution's Project Advocates	Marta Salinas-Hovar, AIA, Associate Vice President for Facilities Planning and Operations Michael Patriarca, Senior Associate Vice President of Finance and Administration for Health Affairs and Executive Vice Dean School of Medicine Sofia Hernandez, Chief of Staff for the School of Medicine
Project Delivery Method	Competitive Sealed Proposals
Gross Square Feet (GSF)	26,652

Project Funding

	Current	Proposed
Permanent University Fund Bond Proceeds[1]	$12,200,000	$13,700,000
Total Project Cost	$12,200,000	$13,700,000

[1] Permanent University Fund (PUF) Bond Proceeds include $5,002,268 transferred from previously approved funding for the Medical Education Building and $8,697,732 committed to the project from the Board's previously awarded PUF support for the School of Medicine

Project Cost Detail

Building Cost	$ 9,531,106
Fixed Equipment	-
Site Development	523,667
Furniture and Moveable Equipment	787,746
Institutionally Managed Work	418,000
Architectural/Design Services	773,494
Project Management Fees	511,765
Insurance	286,561
Other Professional Fees	343,403
Project Contingency	500,000
Other Costs	24,258
Total Project Cost	$13,700,000

Building Cost per GSF Benchmarks (escalated to midpoint of construction)

School of Medicine Team Based Learning Center	$358
Texas Higher Education Coordinating Board Average - Office, General	$349

	Low Quartile	Median	High Quartile
Other U. T. System Projects	$234	$348	$402
Other National Projects	$361	$532	$558

The University of Texas Rio Grande Valley
School of Medicine Team Based Learning Center
(Continued)

Investment Metric

- Increase enrollment from 100 to 110 students per year by 2021

Project Planning

Definition Phase Completed	Yes
Owner's Project Requirements	Yes
Basis of Design	Yes
Schematic Design	Yes
Detailed Cost Estimate	Yes

Project Milestones

Definition Phase Approval	November 2017
Addition to CIP	February 2018
Design Development Approval	November 2018
Construction Notice to Proceed	January 2019
Substantial Completion	March 2020

Basis of Design

The planned building life expectancy includes the following elements:

Enclosure: 50 years
Building Systems: 50 years
Interior Construction: 25 years

6. U. T. Southwestern Medical Center: North Campus Phase VI - Brain Institute and Cancer Center - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents approve the recommendations for the North Campus Phase VI - Brain Institute and Cancer Center project at The University of Texas Southwestern Medical Center as follows:

a. approve design development plans;

b. appropriate funds and authorize expenditure of $453,757,000 with funding of $313,757,000 from Revenue Financing System (RFS) Bond Proceeds, $39,000,000 from Permanent University Fund (PUF) Bond Proceeds, $51,000,000 from Gifts, and $50,000,000 from Designated Funds; 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. Southwestern Medical Center, 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 $313,757,000.

BACKGROUND INFORMATION

Debt Service

The $313,757,000 in RFS debt will be repaid from Hospital Revenues. Annual debt service on the $313,757,000 in RFS debt is expected to be $18.7 million. The institution's debt service coverage is expected to be at least 2.2 times and average 2.4 times over FY 2019-2024.

Previous Actions

On November 10, 2016, the Board approved $39,000,000 in PUF Bond Proceeds for this project. On August 3, 2017, the Chancellor approved this project for Definition Phase. On August 9, 2018, the project was included in the Capital Improvement Program (CIP) with a total project cost of $453,757,000 with funding of $313,757,000 from RFS Bond Proceeds, $39,000,000 from PUF Bond Proceeds, $51,000,000 from Gifts, and $50,000,000 from Designated Funds.

Project Description

The Harold C. Simmons Comprehensive Cancer Center builds on the research strengths of U. T. Southwestern and a broad network of scientific and clinical partners to develop new cancer insights and treatments. The Simmons Cancer Center's scientific programs and disease-oriented teams work hand-in-hand to advance cancer research and patient care by focusing on a major type or area of cancer and are instrumental in shaping and conveying basic and translational findings for use in the clinic.

The Peter O'Donnell Jr. Brain Institute encompasses both research and clinical programs including brain health in sports, the military, and the aging population. The Brain Institute provides advanced diagnostic capabilities and treatment options for brain, spine, muscle, nerve, and psychiatric disorders.

The proposed North Campus Phase VI - Brain Institute and Cancer Center project is essential to the growth of patient care and research for both the Cancer Center and the Brain Institute. The project will add a nine-floor tower to provide clinic and research space and shared support space. The major cost drivers include infusion bays, exam rooms, research labs, and imaging facilities. The project will also include a parking structure with approximately 1,200 parking spaces.

The University of Texas Southwestern Medical Center
North Campus Phase VI - Brain Institute and Cancer Center

Project Information

Project Number	303-1099
CIP Project Type	New Construction
Facility Type	Healthcare Facility, Clinic
Management Type	Institutional Management
Institution's Project Advocate	Dwain Thiele, M.D., Interim Executive Vice President for Academic Affairs, Provost and Dean of U. T. Southwestern Medical School
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	590,342
Shell Space (GSF)	241,928

Project Funding

	Current
Revenue Financing System Bond Proceeds[1]	$313,757,000
Permanent University Fund Bond Proceeds	$39,000,000
Gifts[2]	$51,000,000
Designated Funds	$50,000,000
Total Project Cost	$453,757,000

[1] Revenue Financing System (RFS) Bond Proceeds to be repaid from Hospital Revenues

[2] Gift funding authorized for expenditure not fully collected or committed at this time; U. T. System Finance has confirmed institution has sufficient local funds to cover any shortfalls; Institution anticipates committed Gift funding no later than 12/1/20

Project Cost Detail

Building Cost	
North Campus Phase VI - Brain Institute and Cancer Center	$301,027,326
Parking Garage	30,188,152
Fixed Equipment	34,698,160
Site Development	-
Furniture and Moveable Equipment	7,153,480
Institutionally Managed Work	-
Architectural/Design Services	22,845,754
Project Management Fees	8,590,000
Insurance	5,609,647
Other Professional Fees	-
Project Contingency	33,250,000
Other Costs	10,394,481
Total Project Cost	$453,757,000

The University of Texas Southwestern Medical Center
North Campus Phase VI - Brain Institute and Cancer Center
(continued)

Building Cost per GSF Benchmarks (escalated to midpoint of construction)

North Campus Phase VI - Brain Institute and Cancer Center (with 41% Shell Space)	$510
North Campus Phase VI - Brain Institute and Cancer Center (Estimated Total Finish-Out)	$686
Texas Higher Education Coordinating Board Average - Healthcare Facility, Clinic	$426

	Low Quartile	Median	High Quartile
Other U. T. System Projects	$443	$487	$590
Other National Projects	$440	$635	$836

Investment Metrics

- Provide best-in-class facility to improve patient care and save lives through treatment
- Expand basic molecular brain research to provide prevention and treatment of brain, spine, nerve, and muscle disorders

Project Planning

Definition Phase Completed	Yes
Owner's Project Requirements	Yes
Basis of Design	Yes
Schematic Design	Yes
Detailed Cost Estimate	Yes

Project Milestones

Definition Phase Approval	August 2017
Addition to CIP	August 2018
Design Development Approval	November 2018
Construction Notice to Proceed	January 2019
Substantial Completion	June 2022

Basis of Design

The planned building life expectancy includes the following elements:

Enclosure: 30 years
Building Systems: 30 years
Interior Construction: 30 years