



**TABLE OF CONTENTS
FOR
FACILITIES PLANNING AND CONSTRUCTION
COMMITTEE**

Committee Meeting: 11/18/2020

Board Meeting: 11/19/2020
Austin, Texas

*David J. Beck, Chairman
Christina Melton Crain
R. Steven Hicks
Nolan Perez
Kelcy L. Warren
Rad Weaver*

	Committee Meeting	Board Meeting	Page
Convene	<i>10:15 a.m. Chairman Beck</i>		
1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	61
<u>Addition to the CIP</u>			
2. U. T. Austin: Hogg Memorial Auditorium Renovation - Amendment of the current Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and resolution regarding parity debt	Action <i>President Hartzell</i>	Action	62
3. U. T. Austin: Peter T. Flawn Academic Center Student Success Outcomes Renovation - Amendment of the current Capital Improvement Program to include project; approval of total project cost; and appropriation of funds	Action <i>President Hartzell</i>	Action	65
<u>Modification to the CIP</u>			
4. U. T. Austin: Red River Street Realignment - Amendment of the current Capital Improvement Program to increase total project cost; approval to revise funding sources; and appropriation of funds and authorization of expenditure	Action <i>President Hartzell</i>	Action	67
<u>Design Development Approval</u>			
5. U. T. Arlington: Academic Building for School of Social Work and College of Nursing and Health Innovation - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	Action <i>President ad interim Lim</i>	Action	70

	Committee Meeting	Board Meeting	Page
6. U. T. San Antonio: School of Data Science and National Security Collaboration Center - Approval of design development; and appropriation of funds and authorization of expenditure	Action <i>President Eighmy</i>	Action	74
7. U. T. Health Science Center - San Antonio: Inpatient Facility - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	Action <i>President Henrich</i>	Action	78
Adjourn	<i>11:00 a.m.</i>		

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. Austin: Hogg Memorial Auditorium Renovation - Amendment of the current Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and resolution regarding parity debt

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 Hogg Memorial Auditorium Renovation project at The University of Texas at Austin as follows:

- a. amend the current CIP and approve a total project cost of \$27,800,000;
- b. appropriate funds of \$27,800,000 with funding of \$20,000,000 from the Revenue Financing System (RFS) Bond Proceeds and \$7,800,000 from the Available University Fund; 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 \$20,000,000.

BACKGROUND INFORMATION

Debt Service

The \$20,000,000 in RFS debt will be repaid from Designated Tuition. Annual debt service on the \$20,000,000 in RFS debt is expected to be \$1.15 million. The institution's Scorecard Rating of 2.0 at fiscal year-end 2019 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt.

Previous Action

On August 22, 2019, the Chancellor approved this project for Definition Phase.

Project Description

Hogg Memorial Auditorium (HMA) serves as a venue for registered student organization programs as well as other larger University functions, including new student orientation, final exams, and graduation ceremonies. The building represents one of the first impressions students have on campus as HMA is utilized for new student orientation every year.

The proposed renovation to HMA includes the replacement and upgrade of major building infrastructure systems including mechanical, electrical, and plumbing systems. Additionally, the renovation will address the building envelope by replacing the existing roof, and updating aesthetic elements such as seating, and finishes. The renovation will include restroom, life safety, and accessibility upgrades for compliance with the National Fire Protection Association Life Safety Code and Americans with Disabilities Act (ADA), and Texas Department of Licensing and Regulation requirements. Exterior site improvements, adjacent to the front-door entrance, include ADA parking spaces, and sidewalk modifications for a more cohesive space. The project will improve the safety and extend the lifetime of the building.

This proposed Repair and Renovation 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 May 10, 2017 Board of Regents approval, effective September 1, 2017, U. T. Austin has delegated authority for institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas at Austin
Hogg Memorial Auditorium Renovation**

Project Information

Project Number	102-1283
CIP Project Type	Repair and Renovation
Facility Type	Auditorium/Theater
Management Type	Institutional Management
Institution's Project Advocate	Soncia Reagins-Lilly, Vice President for Student Affairs and Dean of Students
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	24,992

Project Funding

	<u>Proposed</u>
Revenue Financing System Bond Proceeds ¹	\$20,000,000
Available University Fund	<u>\$7,800,000</u>
Total Project Cost	\$27,800,000

¹RFS proposed to be repaid from Designated Tuition

Project Cost Detail

Building Cost	\$14,672,000
Fixed Equipment	2,675,000
Site Development	120,000
Furniture and Moveable Equipment	70,000
Institutionally Managed Work	51,000
Architectural/Design Services	1,320,000
Project Management Fees	767,000
Insurance	-
Other Professional Fees	80,000
Project Contingency	8,045,000
Other Costs	-
Total Project Cost	<u>\$27,800,000</u>

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 2019
Addition to CIP	November 2020
Design Development Approval	March 2021
Construction Notice to Proceed	December 2021
Substantial Completion	March 2023

3. U. T. Austin: Peter T. Flawn Academic Center Student Success Outcomes Renovation - 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 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 Peter T. Flawn Academic Center Student Success Outcomes Renovation project at The University of Texas at Austin as follows:

- a. amend the current CIP and approve a total project cost of \$11,100,000; and
- b. appropriate funds of \$11,100,000 from the Available University Fund.

BACKGROUND INFORMATION

Previous Action

On September 30, 2020, the Chancellor approved this project for Definition Phase.

Project Description

The proposed renovation of the second floor in the Flawn Academic Center will provide Student Success Outcomes (SSO) to advance equitable access to career education, experiences, opportunities, and success. This centrally located, student-centric space will provide a variety of spaces for students to interact with recruiters in one-on-one and group settings, including interview rooms, advising offices, meeting rooms, classrooms, and a hospitality area. Space efficiency will improve as multiple departments will consolidate into more appropriately sized and organized space and share resources.

The proposed renovation includes a complete demolition of interior walls, doors, ceilings, light fixtures, and finishes and addition of new walls, doors, ceilings, light fixtures, and finishes. Mechanical, electrical, and plumbing systems distribution will also be upgraded to meet the new program layout and requirements. The project will include the addition of restroom facilities to comply with required fixture counts per the International Building Code. In general, the renovation will comply with the National Fire Protection Association Life Safety Code, Americans with Disabilities Act, and Texas Department of Licensing and Regulation requirements.

This proposed Repair and Renovation 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 May 10, 2017 Board of Regents approval, effective September 1, 2017, U. T. Austin has delegated authority for institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas at Austin
Peter T. Flawn Academic Center Student Success Outcomes Renovation**

Project Information

Project Number	102-1339
CIP Project Type	Repair and Renovation
Facility Type	Office, General
Management Type	Institutional Management
Institution's Project Advocate	Ross Johnson, Director of Academic Space Planning
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	36,533

Project Funding

Available University Fund	<u>Proposed</u> <u>\$11,100,000</u>
Total Project Cost	\$11,100,000

Project Cost Detail

Building Cost	\$7,868,000
Fixed Equipment	-
Site Development	-
Furniture and Moveable Equipment	1,150,000
Institutionally Managed Work	821,000
Architectural/Design Services	841,000
Project Management Fees	360,000
Insurance	-
Other Professional Fees	60,000
Project Contingency	-
Other Costs	-
Total Project Cost	<u>\$11,100,000</u>

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	September 2020
Addition to CIP	November 2020
Design Development Approval	January 2021
Construction Notice to Proceed	March 2021
Substantial Completion	November 2021

4. U. T. Austin: Red River Street Realignment - Amendment of the current Capital Improvement Program to increase total project cost; approval to revise funding sources; 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 Red River Street Realignment project at The University of Texas at Austin as follows:

- a. amend the current CIP to increase the total project cost from \$38,500,000 to \$46,600,000;
- b. revise funding sources to include Unexpended Plant Funds and Auxiliary Enterprises Balances, and
- c. appropriate funds and authorize expenditure of \$8,100,000 with additional funding of \$5,600,000 from the Available University Fund, \$1,500,000 from Unexpended Plant Funds, and \$1,000,000 from Auxiliary Enterprises Balances.

BACKGROUND INFORMATION

Previous Actions

On May 17, 2019, the Chancellor approved this project for Definition Phase. On November 14, 2019, the project was included in the CIP with a total project cost of \$38,500,000 with funding from the Available University Fund. On December 4, 2019, the president approved the design development plans and authorized expenditure of funds.

Project Description

The original project consisted of the realignment of Red River Street from approximately the intersection at 18th Street to 32nd Street, generally along the route of the existing Robert Dedman Drive, vacating the existing Red River Street right of way from approximately the intersection at Martin Luther King, Jr. Boulevard to the intersection at Clyde Littlefield Drive. The original project included the design and construction of new paving, curb and gutter, street lighting, pedestrian lighting, landscaping, and other amenities. Additionally, this project is in support of a new 15,000-seat arena to host the University Men's and Women's Basketball games and is necessary for the proposed location.

The proposed increase in cost will support the additional scope of work as required to protect the existing Recreational Sports Center from impact to its existing structure and provide safer emergency access and egress. Additional scopes of work are required to provide safe access for pedestrians along and across this road relocation project, storm water runoff controls, replacement of aging and deteriorated critical infrastructure discovered during construction,

and new requirements by the City of Austin and the Texas Department of Transportation with the abandonment of the existing Red River route.

Pursuant to a May 10, 2017 Board of Regents approval, effective September 1, 2017, U. T. Austin has delegated authority for institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas at Austin
Red River Street Realignment**

Project Information

Project Number 102-1233
 CIP Project Type Repair and Renovation
 Facility Type Utilities/Infrastructure
 Management Type Institutional Management
 Institution's Project Advocate Bobby Stone, Director, Parking and Transportation Services
 Project Delivery Method Construction Manager-at-Risk
 Gross Square Feet (GSF) N/A

Project Funding

	<u>Current</u>	<u>Proposed</u>
Available University Fund	\$38,500,000	\$44,100,000
Unexpended Plant Funds		1,500,000
Auxiliary Enterprises Balances ¹		<u>1,000,000</u>
Total Project Cost	<u>\$38,500,000</u>	<u>\$46,600,000</u>

¹Auxiliary Enterprises Balances from parking revenues

Project Cost Detail

Building Cost	-
Fixed Equipment	-
Site Development	\$38,315,400
Furniture and Moveable Equipment	-
Institutionally Managed Work	700,000
Architectural/Design Services	3,030,300
Project Management Fees	1,281,500
Insurance	686,000
Other Professional Fees	1,324,300
Project Contingency	778,000
Other Costs	<u>484,500</u>
Total Project Cost	<u>\$46,600,000</u>

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 May 2019
 Addition to CIP November 2019
 Design Development Approval December 2019
 Construction Notice to Proceed April 2020
 Substantial Completion July 2022

5. U. T. Arlington: Academic Building for School of Social Work and College of Nursing and Health Innovation - 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 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 Academic Building for School of Social Work and College of Nursing and Health Innovation project at The University of Texas at Arlington as follows:

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$76,000,000 with \$60,000,000 from Permanent University Fund (PUF) Bond Proceeds, \$11,000,000 from Revenue Financing System (RFS) Bond Proceeds, \$314,000 from Gifts; and \$4,686,000 from Unexpended Plant 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. Arlington, 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 \$11,000,000.

BACKGROUND INFORMATION

Debt Service

The \$11,000,000 in RFS debt will be repaid from Designated Tuition. Annual debt service on the \$11,000,000 in RFS debt is expected to be \$631,000. The institution's Scorecard Rating of 2.7 at fiscal year-end 2019 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt.

Previous Actions

On November 14, 2019, the Board approved \$60,000,000 in PUF Bond Proceeds for this project. On December 11, 2019, the Chancellor approved the project for Definition Phase. On August 20, 2020, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$76,000,000 with funding of \$60,000,000 from PUF Bond Proceeds, \$11,000,000 from RFS Bond Proceeds, \$3,800,000 from Gifts, and \$1,200,000 from Unexpended Plant Funds.

Project Description

The University of Texas at Arlington seeks to construct a new academic building to serve the School of Social Work (SSW) and the College of Nursing and Health Innovation (CoNHI). The new building will be a mixture of flexible, state-of-the-art technology classrooms, teaching and dry research labs, faculty and staff offices, student engagement space, study and support spaces, and infrastructure support space.

While the SSW program has had significant success, it is severely restricted given the current facility space. The CoNHI Smart Hospital is over-subscribed given the growth in the university's nursing programs. The proposed facility will contribute to the advancement of the SSW program's national ranking and will support the continued growth of both programs.

**The University of Texas at Arlington
Academic Building for School of Social Work and College of Nursing and Health
Innovation**

Project Information

Project Number	301-1295
CIP Project Type	New Construction
Facility Type	Classroom, General
Management Type	Institutional Management
Institution's Project Advocates	Scott Ryan, Dean and Jenkins Garrett Professor for the School of Social Work
Project Delivery Method	Design-Build
Gross Square Feet (GSF)	150,000

Project Funding

	<u>Current</u>	<u>Proposed</u>
Permanent University Fund Bond Proceeds	\$60,000,000	\$60,000,000
Revenue Financing System Bond Proceeds ¹	11,000,000	11,000,000
Gifts ²	3,800,000	314,000
Unexpended Plant Funds	<u>1,200,000</u>	<u>4,686,000</u>
Total Project Cost	\$76,000,000	\$76,000,000

¹RFS Bond Proceeds to be repaid by Designated Tuition

²Gifts in hand

Project Cost Detail

Building Cost	\$55,783,443
Fixed Equipment	1,700,000
Site Development	1,907,634
Furniture and Moveable Equipment	4,000,000
Institutionally Managed Work	1,575,000
Architectural/Design Services	4,808,923
Project Management Fees	1,520,000
Insurance	1,192,876
Other Professional Fees	2,242,120
Project Contingency	1,270,004
Other Costs	-
Total Project Cost	\$76,000,000

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

Academic Building for School of Social Work and College of Nursing and Health Innovation	\$372
The Texas Higher Education Coordinating Board Average for Classroom, General	\$479

	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$359	\$376	\$414
Other National Projects	\$345	\$425	\$589

**The University of Texas at Arlington
Academic Building for School of Social Work and College of Nursing and Health
Innovation**

(continued)

Investment Metric

- Increase enrollment in each program by 5% per year, by 2025
- Increase research expenditures in each program by 5%-10% per year, by 2030

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	December 2019
Addition to CIP	August 2020
Design Development Approval	November 2020
Construction Notice to Proceed	January 2021
Substantial Completion	November 2022

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50 years
- Building Systems: 30 years
- Interior Construction: 20 years

6. U. T. San Antonio: School of Data Science and National Security Collaboration Center - 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 Data Science and National Security Collaboration Center project at The University of Texas at San Antonio as follows:

- a. approve design development plans; and
- b. appropriate funds and authorize expenditure of \$90,000,000 with funding of \$75,000,000 from Permanent University Fund (PUF) Bond Proceeds and \$15,000,000 from Gifts.

BACKGROUND INFORMATION

Previous Actions

On September 6, 2018, the Board approved the National Security Collaboration Center project with a total project cost of \$33,000,000 and appropriated \$30,000,000 in PUF Bond Proceeds and the School of Data Science project with a total project cost of \$57,000,000 and appropriated \$40,000,000 in PUF Bond Proceeds. During design the projects were combined into one project, the National Security Collaboration Center and School of Data Science project with a total project cost of \$90,000,000 with funding of \$70,000,000 from PUF Bond Proceeds, \$15,000,000 from Gifts, \$3,800,000 from Texas Research Incentive Program (TRIP) funds, and \$1,200,000 from Interest on Local Funds.

On August 20, 2020, the Board approved an additional \$5,000,000 in PUF Bond Proceeds and revised funding to \$75,000,000 from PUF Bond Proceeds and \$15,000,000 from Gifts. On September 28, 2020, the President requested the project be renamed to the School of Data Science and National Security Collaboration Center.

Project Description

The School of Data Science and National Security Collaboration Center (SDS/NSCC) will unify UTSA's talent and resources in cybersecurity, data science, data management, cloud computing and machine learning/artificial intelligence into one cohesive and impactful business model for computational related academic and research programs. The project will co-locate the university's 70-plus faculty members in cybersecurity, cloud computing, data and analytics, and artificial intelligence under one highly collaborative roof. With a new six-floor facility housing classrooms, laboratories and research space, the school will support bachelor's, master's, and doctoral degrees, as well as certificate programs and other professional credential educational opportunities. A focus on connected classrooms and cutting-edge instructional technology will provide flexibility for course content delivery.

The SDS/NSCC will also advance collaborative research and development, education, and workforce development in the areas of cybersecurity, data analytics and cloud computing. The School of Data Science will become home to the departments of Computer Science, Computer Engineering, Statistics and Data Sciences, Information Systems and Cyber Security, and the Open Cloud Institute. The NSCC will specifically build a collaborative and impactful government, university, and industry ecosystem engaging federal agencies, contractor and industry leaders, and academia to solve the nation's greatest issues surrounding cybersecurity. The SDS/NSCC will be equipped with a Secure Compartmentalized Information Facility (SCIF) capable of safeguarding matters of national security.

Pursuant to a Memorandum of Understanding effective September 1, 2019, U. T. San Antonio has delegated authority of institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas at San Antonio
School of Data Science and National Security Collaboration Center (SDS/NSCC)**

Project Information

Project Number	401-1222
CIP Project Type	New Construction
Facility Type	Office, Technology
Management Type	Institutional Management
Institution's Project Advocate	Corrina Green, Director of Major Capital Projects and Real Estate
Project Delivery Method	Design-Build
Gross Square Feet (GSF)	167,158
Shell Space (GSF)	7,445

Project Funding

	<u>Current</u>
Permanent University Fund Bond Proceeds	75,000,000
Gifts ¹	<u>15,000,000</u>
Total Project Cost	\$90,000,000

¹Gifts are fully collected or committed at this time; U. T. System Finance has confirmed institution has sufficient local funds to cover any shortfalls

Project Cost Detail

Building Cost	
SDS/NSCC	\$62,615,128
Fixed Equipment	1,253,239
Site Development	3,463,038
Furniture and Moveable Equipment	4,038,545
Institutionally Managed Work	3,000,000
Architectural/Design Services	5,519,679
Project Management Fees	2,758,500
CIP Support Fee	500,000
Insurance	1,400,000
Other Professional Fees	1,490,000
Project Contingency	2,361,500
Other Costs	<u>1,600,371</u>
Total Project Cost	\$90,000,000

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

SDS/NSCC (with 5% Shell Space)	\$375
SDS/NSCC (Estimated Total Finish-Out)	\$377
Texas Higher Education Coordinating Board Average – Office, Technology	\$489

	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$394	\$468	\$637
Other National Projects	\$472	\$909	\$1,105

The University of Texas at San Antonio
School of Data Science/National Security Collaboration Center (SDS/NSCC)
(continued)

Investment Metric

- Increase student enrollment by 5,997 from 3,427 to 9,424 by 2028
- Increase faculty members from 79 to 216 and staff from 15 to 42 by 2028
- Increase research funding through external partners, industry, and government, co-located in the building utilizing sponsored research agreements by 2023

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	N/A
Addition to CIP	September 2018
Design Development Approval	November 2020
Construction Notice to Proceed	December 2020
Substantial Completion	July 2022

Basis of Design

The planned building life expectancy includes the following elements:

Enclosure: 75 years
Building Systems: 50 years
Interior Construction: 25 years

7. U. T. Health Science Center - San Antonio: Inpatient Facility - 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 Inpatient Facility project at The University of Texas Health Science Center at San Antonio as follows:

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$398,851,000 with funding of \$268,851,000 from Revenue Financing System (RFS) Bond Proceeds, \$80,000,000 from Permanent University Fund (PUF) Bond Proceeds, and \$50,000,000 from Gifts; 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. Health Science Center - San Antonio, 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 \$268,851,000.

BACKGROUND INFORMATION

Debt Service

The \$268,851,000 in RFS debt will be repaid from Hospital Revenues. Annual debt service on the \$268,851,000 in RFS debt is expected to be \$15.4 million. The institution's Scorecard Rating of 5.7 at fiscal year-end 2019 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt.

Previous Actions

On September 17, 2019, the Chancellor approved this project for Definition Phase. On November 14, 2019, the Board approved \$80,000,000 in PUF Bond Proceeds for this project. On August 20, 2020, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$398,851,000 with funding of \$268,851,000 from RFS Bond Proceeds, \$80,000,000 from PUF Bond Proceeds, and \$50,000,000 from Gifts.

Project Description

The proposed project will build an eight-story high-acuity hospital to be comprised of several specialties including cancer, neurosciences, orthopedics, urology, thoracic surgery, and bariatrics. A distinct competitive advantage of the hospital will be the unique leading-edge therapies and early-phase clinical trials in the many disciplines in which the university has expertise, including immunologic and stem cell therapies in oncology. The top two floors will be shell space intended for future use to house 24-bed Medical/Surgical Nursing Units on each floor. A seven-level, 650-space parking garage is included in the project.

The hospital will be located on 12 acres of land in the South Texas Medical Center gifted to U. T. Health Science Center at San Antonio (UTHSCSA) by the San Antonio Medical Foundation. The proposed hospital's proximity to UTHSCSA's major medical and research facilities provides close physical and intellectual connectivity between the teams in these buildings, and is a key component to the overall success of the hospital by creating programmatic synergy needed to bring laboratory discoveries into the clinic to serve the region's health needs. This location will also allow for a bridge connecting the hospital to the Mays Cancer Center, a National Cancer Institute-Designated facility, to allow for seamless flow of outpatient and inpatient cancer care.

Pursuant to a Memorandum of Understanding effective July 1, 2019, U. T. Health Science Center - San Antonio has delegated authority of institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas Health Science Center at San Antonio
Inpatient Facility**

Project Information

Project Number	402-1287
CIP Project Type	New Construction
Facility Type	Healthcare Facility, Hospital
Management Type	Institutional Management
Institution's Project Advocate	James D. Kazen, Executive Vice President Facility Planning and Operations
Project Delivery Method	Construction Manager at Risk
Gross Square Feet (GSF)	413,502 GSF - Hospital 650 Spaces - Parking Garage
Shell Space (GSF)	65,338 GSF - Hospital Build-Out

Project Funding

	<u>Current</u>
Revenue Financing System Bond Proceeds ¹	\$268,851,000
Permanent University Fund Bond Proceeds	80,000,000
Gifts ²	<u>50,000,000</u>
Total Project Cost	\$398,851,000

¹RFS Bond Proceeds to be repaid by Hospital Revenues

²Gifts are not fully collected or committed at this time; U. T. System Finance has determined that the institution has sufficient local funds to cover any shortfall.

Project Cost Detail

Building Cost	
- Hospital	\$203,740,655
- Parking Garage	12,913,207
- Pedestrian Bridge/Elevator Tower	10,935,394
Fixed Equipment	7,103,221
Site Development	21,313,760
Furniture and Moveable Equipment	7,652,340
Institutionally Managed Work	72,770,000
Architectural/Design Services	25,365,374
Project Management Fees	2,494,000
Insurance	4,742,590
Other Professional Fees	4,565,601
Project Contingency	23,254,858
Other Costs	<u>2,000,000</u>
Total Project Cost	\$398,851,000

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

Inpatient Facility (with 16% Shell Space - 144 beds)	\$1,414,866
Inpatient Facility (Estimated Total Finish-Out - 144 beds)	\$1,542,296

	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$1,022,497	\$1,221,099	\$1,540,998
Other National Projects	\$1,036,375	\$1,581,245	\$2,454,793

**The University of Texas Health Science Center at San Antonio
Inpatient Facility**
(continued)

Investment Metric

- Create 130 new residency training slots by 2029
- Increase the average daily census by at least 15% by 2026

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	September 2019
Addition to CIP	August 2020
Design Development Approval	November 2020
Construction Notice to Proceed	February 2021
Substantial Completion	March 2024

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 35 years
- Building Systems: 25 years
- Interior Construction: 20 years