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## Facilities Planning and Construction Committee

**Committee Meeting:** 2/23/2022  
**Board Meeting:** 2/24/2022  
Austin, Texas

R. Steven Hicks, Chairman  
Christina Melton Crain  
Nolan Perez  
Stuart W. Stedman  
Kelcy L. Warren  
Rad Weaver

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**Convene**

**5:00 p.m.**  
Chairman Hicks

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1. **U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration**  
   - Discussion  
   - Action  
   - Page 253

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## Addition to CIP

2. **U. T. Austin: Boiler Replacement - Amendment of the current Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and resolution regarding parity debt**  
   - Action  
   - President Hartzell  
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3. **U. T. El Paso: Advanced Manufacturing and Aerospace Center - Amendment of the current Capital Improvement Program to include project**  
   - Action  
   - President Wilson  
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4. **U. T. Rio Grande Valley: Interdisciplinary Academic Building B - Amendment of the current Capital Improvement Program to include project; approval of total project cost; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**  
   - Action  
   - President Bailey  
   - Page 260

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5. **U. T. M. D. Anderson Cancer Center: Expand Rotary House International Hotel - Amendment of the current Capital Improvement Program to include project**  
   - Action  
   - President Pisters  
   - Page 264

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6. **U. T. M. D. Anderson Cancer Center: Renovate ioMRI Suites and Robot Row - Main Building - Floor 5 - Amendment of the current Capital Improvement Program to include project; approval of total project cost; and appropriation of funds**  
   - Action  
   - President Pisters  
   - Page 267

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Agenda Book - 251
Design Development Approval

7. **U. T. Dallas: Arts and Performance Complex - Athenaeum, Phase I** - Amendment of the current Capital Improvement Program to increase total project cost; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt
   
   Action  
   President Benson

Modification to the CIP

8. **U. T. Medical Branch - Galveston: John Sealy Hospital Modernization Phase III** - Amendment of the current Capital Improvement Program to increase total project cost; approval to revise funding sources; appropriation of funds; and resolution regarding parity debt
   
   Action  
   President Raimer

Adjourn  

5:30 p.m.
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: Boiler Replacement - 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 Interim 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 Boiler Replacement project at The University of Texas at Austin as follows:

a. amend the current CIP and approve a total project cost of $43,900,000;

b. appropriate funds of $43,900,000 with funding from the Revenue Financing System (RFS) Bond Proceeds; and

c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Austin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of $43,900,000.

**BACKGROUND INFORMATION**

**Debt Service**

The $43,900,000 in RFS debt will be recovered from generated utility rates. Annual debt service on the $43,900,000 in RFS debt is expected to be $2.44 million. The institution's Scorecard Rating of 2.3 at fiscal year-end 2021 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 April 8, 2021, the Chancellor approved this project for Definition Phase.

**Project Description**

U. T. Austin operates a cogeneration system that is considered the most efficient, reliable, resilient, and cost-effective campus utility system in the United States. The proposed project will demolish two existing 1945 vintage, 75,000 pounds/hour steam boilers and replace them with
two new 175,000 pounds/hour steam boilers inside the Carl J. Eckhardt Heating and Power Plant on the main campus. The scope will include all necessary electrical gear, controls, instrumentation, controls programming, and emissions monitoring and control systems required to comply with air emissions requirements. The planned boiler system replacement will renew the steam system with the same or improved design principles and efficiencies of the existing system.

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 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
Boiler Replacement

Project Information

Project Number 102-1352
CIP Project Type Repair & Rehabilitation
Facility Type Utilities/Infrastructure
Management Type Institutional Management
Institution’s Project Advocate Ryan Thompson, Associate Director, Power Plant and Chilling Station Operations
Project Delivery Method Construction Manager-at-Risk
Gross Square Feet (GSF) N/A

Project Funding

Proposed
Revenue System Financing Bond Proceeds $43,900,000
Total Project Cost $43,900,000

1 Revenue System Financing (RFS) Bond Proceeds are expected to be recovered from generated utility rates.

Project Cost Detail

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<tr>
<th>Description</th>
<th>Cost</th>
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<tr>
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<td>Fixed Equipment</td>
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<td>Insurance</td>
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<td>Other Professional Fees</td>
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<td>Project Contingency</td>
<td>9,500,000</td>
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<tr>
<td>Other Costs – Interim Interest</td>
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<td>Total Project Cost</td>
<td>$43,900,000</td>
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</table>

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 April 2021
Addition to CIP February 2022
Design Development Approval September 2022
Construction Notice to Proceed October 2022
Substantial/Final Completion October 2023
3. **U. T. El Paso: Advanced Manufacturing and Aerospace Center - 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 Interim 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 Advanced Manufacturing and Aerospace Center project at The University of Texas at El Paso.

**BACKGROUND INFORMATION**

**Previous Actions**

On July 20, 2020, the Chancellor approved this project for Definition Phase.

**Project Description**

The proposed Advanced Manufacturing and Aerospace Center (AMAC) project will construct a four-story building on the main campus in the Bhutanese style of the university. The facility will house two of the University's institutes, W.M. Keck Center for 3D Innovation and Aerospace Center. The project will provide usable program space for institute specific research and fabrication laboratories, administrative spaces, as well as shared core analytical laboratories and support laboratories. Providing state-of-the-art laboratories and industry engaging facilities will bring under one roof facilities and additional laboratory space to support future research and educational opportunities for each institute.

The AMAC will house growing research and teaching program in additive manufacturing and aerospace. The AMAC's on-campus facility will substantially increase the advanced manufacturing and aerospace research and teaching space, with plans to train more than 600 graduate and undergraduate students annually. The AMAC will augment test facilities for rocket engines and drones currently located in East El Paso County. UTEP is a national leader in additive manufacturing using specialty materials and embedding electronics in 3D-printed materials.

This 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.
The University of Texas at El Paso
Advanced Manufacturing and Aerospace Center

Project Information

Project Number 201-1312
CIP Project Type New Construction
Facility Type Classroom, General
Management Type Office of Capital Projects
Institution's Project Advocate Mark McGurk, Vice President for Business Affairs
Project Delivery Method Construction Manager-at-Risk
Gross Square Feet (GSF) 85,613

Project Funding

Proposed Permanent University Fund Bond Proceeds $70,000,000
Total Project Cost $70,000,000

1 Permanent University Fund (PUF) Bond Proceeds were approved by the Board on November 14, 2019.

Project Cost Detail

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The University of Texas at El Paso
Advanced Manufacturing and Aerospace Center
(continued)

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

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<tr>
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<th>Advanced Manufacturing and Aerospace Center</th>
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<td>Texas Higher Education Coordinating Board Average – Laboratory, General</td>
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<table>
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<th>High Quartile</th>
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<td>Other National Projects</td>
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<td>$465</td>
<td>$631</td>
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</table>

Investment Metrics

- Train 600 graduate and undergraduate students annually by 2030
- Recruit and retain top-tier faculty members to increase research revenues 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: July 2020
- Addition to CIP: February 2022
- Design Development Approval: August 2022
- Construction Notice to Proceed: October 2022
- Substantial Completion: December 2024
- Final Completion: December 2025

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 40 years
- Building Systems: 20 years
- Interior Construction: 15 years
4. U. T. Rio Grande Valley: Interdisciplinary Academic Building B - Amendment of the current Capital Improvement Program to include project; approval of total project cost; 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 Interim 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 Interdisciplinary Academic Building B project and approve the recommendations for the project at The University of Texas Rio Grande Valley as follows:

a. amend the Capital Improvement Program to include project and approve a total project cost of $11,706,457;

b. approve design development plans;

c. appropriate funds of $11,706,457 with funding of $2,786,457 from Tuition Revenue Bond (TRB) Proceeds and $8,920,000 from Revenue Financing System (RFS) Bond Proceeds; 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. Rio Grande Valley, 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 $8,920,000.

BACKGROUND INFORMATION

Debt Service

The $8,920,000 in RFS debt will be repaid from Designated Funds. Annual debt service on the $8,920,000 in RFS debt is expected to be $496,000. The institution's Scorecard Rating of 2.3 at fiscal year-end 2021 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 June 14, 2021, the Chancellor approved a minor project (below $10 million) with a total project cost of $9,806,457 with funding of $2,786,457 from Tuition Revenue Bond Proceeds saved from the Interdisciplinary Academic Building and $7,020,000 of Revenue Financing System Bond Proceeds approved by the Board on November 18, 2021 for this project. On January 12, 2022, the Chancellor approved this project for Definition Phase, as the total project cost was increased above the $10 million threshold requiring inclusion in the CIP.

Project Description

The UTRGV Department of Human Health & Performance delivers high quality undergraduate and master's programs in kinesiology, exercise science, and health at the Brownsville and Edinburg Campuses. In the absence of dedicated space on the Brownsville campus, the Department is currently separated into three leased buildings and one owned building.

The proposed project, located on the southern section of the Brownsville campus, will house faculty and administrative offices, research space, laboratory space, and teaching space. The building will serve as a critical area in support of theory-based lecture courses for faculty to demonstrate teaching methodology, sports skills, and fitness and wellness concepts. It will serve to support student demonstrations in pedagogical courses offered in the major programs of study in kinesiology, exercise science, and health. In addition, it will provide research spaces to support faculty and student research activities. A centralized department will allow for greater administrative efficiency and will facilitate student and faculty interaction and learning.

This proposed project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP and design development approval. As this project was underway as an institutionally managed minor project, it has been determined that this project remain managed by UTRGV Facilities Management personnel who have the experience and capability to manage all aspects of the work.
The University of Texas Rio Grande Valley
Interdisciplinary Academic Building B

Project Information

Project Number 903-943B
CIP Project Type New Construction
Facility Type Laboratory, General
Management Type Institutional Management
Institution’s Project Advocate Dr. Michael Lehker, Dean of the College of Health Professions
Project Delivery Method Construction Manager-at-Risk
Gross Square Feet (GSF) 16,754

Project Funding

Proposed
Tuition Revenue Bond Proceeds¹ $2,786,457
Revenue Financing System Bond Proceeds² 8,920,000
Total Project Cost $11,706,457

¹Tuition Revenue Bond Proceeds approved in 2015
²Revenue Financing System (RFS) Bond Proceeds to be repaid from Designated Funds

Project Cost Detail

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<th>Item</th>
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<td>Total Project Cost</td>
<td>$11,706,457</td>
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The University of Texas Rio Grande Valley
Interdisciplinary Academic Building B
(continued)

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

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<thead>
<tr>
<th>Building Cost per GSF</th>
<th>Benchmark</th>
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<tr>
<td>Interdisciplinary Academic Building B</td>
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<tr>
<td>Texas Higher Education Coordinating Board Average – Laboratory, General</td>
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<td>Other U. T. System Projects</td>
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<td>Other National Projects</td>
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Investment Metric

- Increase assignable square feet of instruction and research laboratories 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: January 2022
- Addition to CIP: February 2022
- Design Development Approval: February 2022
- Construction Notice to Proceed: March 2022
- Substantial Completion: July 2023
- Final Completion: September 2023

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. M. D. Anderson Cancer Center: Expand Rotary House International Hotel - Amendment of the current Capital Improvement Program to include project**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Interim 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 Expand Rotary House International Hotel project at The University of Texas M. D. Anderson Cancer Center.

**BACKGROUND INFORMATION**

**Previous Action**

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

**Project Description**

The Jesse H. Jones Rotary House International Hotel was constructed to provide lodging and accommodations for patients undergoing treatment at U. T. M. D. Anderson in the Texas Medical Center. Upon completion, the hotel had a combination of 322 guest rooms and suites. In 2007, the facility was updated to refresh the guest rooms and suites, corridors, and associated furnishings, to renovate the lobby and dining areas, and to bring the hotel into compliance with then current Life Safety Code requirements.

The proposed project involves the expansion of the hotel to provide additional guest rooms and suites, with the construction of a 12-story wing immediately adjacent to and interconnected with the hotel. This new wing is expected to accommodate 180 guest rooms and suites. The project also involves renovating space within the existing hotel to improve the amenities areas to meet the needs of the increased guest population that will necessitate the removal of seven existing guest rooms and suites from service, which will result in a net increase of 173 guest rooms and suites. Upon completion of the project, the hotel is expected to have a total of 495 guest rooms and suites.

Expansion of the hotel is needed to support the institution's commitment and strategy to making it easier for patients to access treatment at the institution's facilities on the Texas Medical Center Campus. Historically, hotel occupancy is over 80% Sunday through Thursday and frequently reaches 100% at some point during those days of the week.

This proposed 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 Board for approval at a later date. Pursuant to a Memorandum of Understanding effective September 1, 2020, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Capital Projects.
The University of Texas M. D. Anderson Cancer Center
Expand Rotary House International Hotel

Project Information

- Project Number: 703-1178
- CIP Project Type: New Construction
- Facility Type: Other
- Management Type: Institutional Management
- Institution’s Project Advocate: Tim Peglow, Associate Vice President for Patient Care & Cancer Prevention Facilities
- Project Delivery Method: Construction Manager-at-Risk
- Gross Square Feet (GSF): 153,300 New Construction
- Gross Square Feet: 42,600 Repair & Rehabilitation

Project Funding

- Revenue Financing System Bond Proceeds\(^1\): $63,400,000
- Auxiliary Enterprises Balances: $20,100,000
- Total Project Cost: $83,500,000

\(^1\) Revenue Financing System (RFS) Bond Proceeds to be repaid from Auxiliary Enterprises Balances from ongoing hotel operations

Project Cost Detail

<table>
<thead>
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<td>Total Project Cost</td>
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The University of Texas M. D. Anderson Cancer Center
Expand Rotary House International Hotel
(continued)

Building Cost per GSF

<p>| | |</p>
<table>
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<td>Expand Rotary House International Hotel</td>
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<tr>
<td>Hospitality/Lodging (Regional Cost Data)</td>
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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 February 2022
Design Development Approval August 2022
Construction Notice to Proceed November 2022
Substantial Completion November 2024
Final Completion December 2024
RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Interim 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 ioMRI Suites and Robot Row - Main Building - Floor 5 project at The University of Texas M. D. Anderson Cancer Center as follows:

a. amend the current CIP and approve a total project cost of $26,000,000; and

b. appropriate funds of $26,000,000 from Hospital Revenues.

BACKGROUND INFORMATION

Previous Action

On May 22, 2019, the Chancellor approved this project for Definition Phase as the Renovate Main Building ORs 28, 29, and 30 project.

Project Description

The proposed project will renovate two surgical areas located on Floor 5 of the Albert B. and Margaret M. Alkek Hospital within the institution's Main Building complex. The project will involve extensive renovation to be completed in two phases. Phase 1 is to include the complete demolition of operating rooms (ORs) 28, 29, & 30, and adjacent areas in order to provide a new intraoperative MRI (Magnetic Resonance Imaging) suite and two general operating rooms that will ultimately replace the existing functions. Phase 2 is to include the complete demolition of the existing space, in order to construct space for three new robotics-equipped ORs.

The project is being implemented to create less congested operating rooms and to provide a more permanent location for OR equipment to reduce the risks associated with relocating from one OR to another. This project will support the institution's efforts to optimize the layout and use of this area of the surgical floor.

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, 2020, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Capital Projects.
The University of Texas M. D. Anderson Cancer Center
Renovate ioMRI Suites and Robot Row - Main Building - Floor 5

Project Information

Project Number 703-1179
CIP Project Type Repair and Rehabilitation
Facility Type Healthcare Facility, Hospital
Management Type Institutional Management
Institution’s Project Advocate Abigail Caudle, M.D.
Vice President for Procedural Medical Operations
Project Delivery Method Design/Build
Gross Square Feet (GSF) 5,760

Project Funding

Proposed
Hospital Revenues $26,000,000
Total Project Cost $26,000,000

Project Cost Detail

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<td>Fixed Equipment</td>
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<td>Insurance</td>
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<td>Other Professional Fees</td>
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<td>Total Project Cost</td>
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Project Planning

Definition Phase Completed Yes
Owner’s Project Requirements Yes
Basis of Design Yes
Schematic Design Yes
Detailed Cost Estimate Yes
The University of Texas M. D. Anderson Cancer Center
Renovate ioMRI Suites and Robot Row - Main Building - Floor 5
(continued)

Project Milestones

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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</thead>
<tbody>
<tr>
<td>Definition Phase Approval</td>
<td>May 2019</td>
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<tr>
<td>Addition to CIP</td>
<td>February 2022</td>
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<tr>
<td>Design Development Approval</td>
<td>March 2022</td>
</tr>
<tr>
<td>Construction Notice to Proceed</td>
<td>June 2022</td>
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<tr>
<td>Substantial Completion</td>
<td>January 2024</td>
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<tr>
<td>Final Completion</td>
<td>May 2024</td>
</tr>
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</table>
7. U. T. Dallas: Arts and Performance Complex - Athenaeum, Phase I - Amendment of the current Capital Improvement Program to increase total project cost; 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 Interim Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents approve the recommendation for the Arts and Performance Complex - Athenaeum, Phase I project at The University of Texas at Dallas as follows:

a. amend the current Capital Improvement Program (CIP) to increase the total project from $56,800,000 to $58,344,000;

b. approve design development plans;

c. appropriate funds and authorize expenditure of $58,344,000 with funding of $24,544,000 from Revenue Financing System (RFS) Bond Proceeds and $33,800,000 from Gifts; 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. 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 $24,544,000.

BACKGROUND INFORMATION

Debt Service

The $24,544,000 in RFS debt will be repaid from institutional funds. Annual debt service on the $24,544,000 in RFS debt is expected to be $1.37 million. The institution's Scorecard Rating of 2.7 at fiscal year-end 2021 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 August 12, 2019, the Chancellor approved this project for Definition Phase. On
November 18, 2021, the project was included in the CIP with a total project cost of $56,800,000 with funding of $33,800,000 from Gifts and $23,000,000 from RFS Bond Proceeds.

**Project Description**

The Arts and Performance Complex is a planned arts district to include a museum, performance hall, parking garage, and a future gallery building. The Athenaeum, Phase I project will house the Trammell and Margaret Crow Museum of Asian Art, along with other galleries, offices, seminar rooms, and space for art storage and conservation. Additionally, the facility is intended to house the Edith O'Donnell Institute of Art History, the Dr. Brettell library collection, and gallery space for visiting exhibits.

Establishing the Athenaeum as part of the campus gateway, the two-story facility will be sited south of the Naveen Jindal School of Management building, and to the east of University Parkway. Future projects will be presented to the Board as developed.

The proposed increase in total project cost is attributed to increase in material costs and supply chain issues.
The University of Texas at Dallas
Arts and Performance Complex – Athenaeum, Phase I

Project Information

- Project Number: 302-1254
- CIP Project Type: New Construction
- Facility Type: Other
- Management Type: Office of Capital Projects
- Institution’s Project Advocates: Amy Hofland, Sr. Director, Crow Museum of Asian Art; Calvin D. Jamison, VP Facilities and Economic Dev.; Rafael Martin, VP and Chief of Staff; Inga H. Musselman, Provost and VP Academic Affairs
- Project Delivery Method: Construction Manager-at-Risk
- Gross Square Feet (GSF): 68,459

Project Funding

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Proposed</th>
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<tbody>
<tr>
<td>Gifts1</td>
<td>$33,800,000</td>
<td>$33,800,000</td>
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<tr>
<td>Revenue Financing System</td>
<td></td>
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<tr>
<td>Bond Proceeds2</td>
<td>$23,000,000</td>
<td>$24,544,000</td>
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<tr>
<td>Total Project Cost</td>
<td>$56,800,000</td>
<td>$58,344,000</td>
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</table>

1Gifts are not fully collected or committed at this time; however, U. T. Dallas has operating reserves to cover any shortfall.

2RFS funds to be repaid from institutional funds

Project Cost Detail

<table>
<thead>
<tr>
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<th>Cost</th>
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<tr>
<td>Building Cost</td>
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<td>Fixed Equipment</td>
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<td>Site Development</td>
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<td>Furniture and Moveable</td>
<td>500,000</td>
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<td>Equipment</td>
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<tr>
<td>Institutionally Managed</td>
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<td>Work</td>
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<td>Architectural/Design</td>
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<td>Services</td>
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<td>Other Costs</td>
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<td>Total Project Cost</td>
<td>$58,344,000</td>
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</table>
The University of Texas at Dallas
Arts and Performance Complex – Athenaeum, Phase I
(continued)

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

<table>
<thead>
<tr>
<th></th>
<th>Low Quartile</th>
<th>Median</th>
<th>High Quartile</th>
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<tr>
<td>Arts and Performance Complex – Athenaeum, Phase I</td>
<td>$612</td>
<td></td>
<td></td>
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<tr>
<td>Museum/Performing Arts in Dallas (Regional Cost Data)</td>
<td>$668-$835</td>
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<tr>
<td>Other U. T. System Projects</td>
<td>$785</td>
<td>$1,263</td>
<td>$1,954</td>
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<tr>
<td>Other National Projects</td>
<td>$414</td>
<td>$746</td>
<td>$1,058</td>
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</table>

Investment Metric

- Assume stewardship of art collections by 2024

Project Planning

- Definition Phase Completed: Yes
- Owner’s Project Requirements: No
- Basis of Design: Yes
- Schematic Design: Yes
- Detailed Cost Estimate: Yes

Project Milestones

- Definition Phase Approval: August 2019
- Addition to CIP: November 2021
- Design Development Approval: February 2022
- Construction Notice to Proceed: July 2022
- Substantial Completion: March 2024
- Final Completion: April 2024

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50 years
- Building Systems: 25 years
- Interior Construction: 25 years
8. **U. T. Medical Branch - Galveston: John Sealy Hospital Modernization Phase III - Amendment of the current Capital Improvement Program to increase total project cost; approval to revise funding sources; appropriation of funds; and resolution regarding parity debt**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Interim Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents approve the recommendations for the John Sealy Hospital Modernization Phase III project at The University of Texas Medical Branch at Galveston as follows:

- a. amend the current Capital Improvement Program (CIP) to increase the total project cost from $54,000,000 to $146,843,178;
- b. revise funding sources to include Revenue Financing System (RFS) Bond Proceeds;
- c. appropriate funds and authorize expenditure of $146,843,178 with $15,000,000 from Permanent University Fund (PUF) Bond Proceeds, $37,809,985 from Gifts, $34,033,193 from Hospital Revenues and $60,000,000 from RFS Bond Proceeds; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project’s cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Medical Branch - Galveston, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of $60,000,000.

**BACKGROUND INFORMATION**

**Debt Service**

The $60,000,000 in RFS debt will be repaid from Hospital Revenues. Annual debt service on the total $60,000,000 RFS debt is expected to be $3.34 million. The institution's Scorecard Rating of 5.3 at fiscal year-end 2021 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 May 21, 2019, the Chancellor approved this project for Definition Phase.
On November 10, 2016, the Board approved an allocation of $15,00,000 in Permanent University Bond (PUF) Bond Proceeds. On May 14, 2019, the Chancellor approved the extension of use of PUF Bond Proceeds through November 2022. On August 15, 2019, the project was included in the Capital Improvement Program with a total project cost of $54,00,000 with funding of $25,00,000 from Gifts, $15,00,000 from PUF Bond Proceeds, and $14,00,000 from Hospital Revenues.

Project Description

The John Sealy Hospital Modernization Phase III project follows a series of expansion and modernization projects. Phase I was completed in 2012, upgrading portions of the interior layout and building systems on several floors. The Phase II scope encompassed the façade replacement and modernization of the AB and EF Wings (9 floors) and CD Wing (4 floors) for women, infants, and children, including the Neonatal Intensive Care Unit (NICU). The facade replacement and modernization of the AB and EF Wings (66% of the project scope) were completed in 2021. After reducing the scope of the Phase II project and mutual agreement to end the relationship with the project’s Construction Manager-at-Risk, to move past issues caused by the COVID-19 pandemic, and to accommodate unforeseen cost impacts due to changes in the construction market, UTMB proposes completing the remaining Phase II scope (modernization of the CD Wing with façade replacement) in the Phase III project. This proposed total project cost change will address that scope and also include the transfer of approximately $3,000,000 of purchased equipment and materials from Phase II to Phase III. This scope will now be called Phase IIIA and encompasses the remaining 34% of the women, infants, and children, including NICU expansions. This portion of the project will include 42,385 gross square feet of shell space that will provide updated infrastructure and code compliance features but will not be fully built-out.

Phase IIIB will include the addition of an inpatient rehabilitation unit, outpatient behavioral health services, the relocation and expansion of cancer services and renovated physician sleep rooms. This combined project (Phase III A and B) modernizes Levels 3, 5, 6, 7, 8, 9, 10 and 12 of John Sealy Hospital (JSH), and Level 8 of John Sealy Annex (JSA).

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 Board of Regents approval on September 1, 2020, UTMB has delegated authority for institutional management of construction projects; this project will proceed under institutional management, with additional participation, oversight, and regular reporting to the Office of Capital Projects.
The University of Texas Medical Branch at Galveston  
John Sealy Hospital Modernization Phase III

Project Information

Project Number: 601-1100  
CIP Project Type: Repair and Rehabilitation  
Facility Type: Healthcare Facility, Hospital  
Management Type: Institutional Management  
Institution’s Project Advocate: Rebecca Korenek, EVP, Business Development and Chief Strategy Officer  
Project Delivery Method: Construction Manager-at-Risk  
Gross Square Feet (GSF): 214,783  
Shell Space (GSF): 42,385

Project Funding

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<td>Permanent University Fund Bond Proceeds(^1)</td>
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<td>Gifts(^2)</td>
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<td>Total Project Cost</td>
<td>$54,000,000</td>
<td>$146,843,178</td>
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</table>

\(^1\)Permanent University Fund (PUF) Bond Proceeds were approved by the Board in November 2016  
\(^2\)Gifts are not fully collected or committed at this time; any shortfall will be replaced by operating reserves.  
\(^3\)Revenue Financing System (RFS) Bond Proceeds to be repaid with Hospital Revenues

Project Cost Detail

<table>
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<td>John Sealy Hospital (R&amp;R)</td>
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<tr>
<td>Exterior Façade replacement</td>
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<tr>
<td>Exterior Entrance Canopy replacement</td>
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<tr>
<td>Additional square footage to each floorplate (New Construction)</td>
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<td>Total Project Cost</td>
<td>$146,843,178</td>
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</table>
The University of Texas Medical Branch at Galveston  
John Sealy Hospital Modernization Phase III  
(continued)

**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: August 2019
- Design Development Approval: August 2022
- Construction Notice to Proceed: March 2023
- Substantial Completion: September 2024
- Final Completion: December 2025