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FOR
FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

Committee Meeting: 5/11/2016

Board Meeting: 5/12/2016
Austin, Texas

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David J. Beck
Alex M. Cranberg
Wallace L. Hall, Jr.
R. Steven Hicks

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	Modifications to the CIP			
7.	**U. T. Austin: Dell Medical School - Phase I - Amendment of the FY 2016-2021 Capital Improvement Program to increase total project cost; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)**	*4:15 p.m.* **Action** *Mr. O'Donnell*	**Action**	**172**
8.	**U. T. M. D. Anderson Cancer Center: Clinical Research Building Animal Area Renovation - Amendment of the FY 2016-2021 Capital Improvement Program to increase total project cost; and appropriation of funds and authorization of expenditure (Final Board approval)**	*4:25 p.m.* **Action** *Mr. O' Donnell*	**Action**	**175**
Adjourn		*4:30 p.m.*		

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

RECOMMENDATION

The proposed Consent Agenda is located at the back of the book. Consent Agenda items assigned to this Committee are on Page 317.

2. U. T. Arlington: Science and Engineering Innovation and Research Building - Approval of design development; approval to revise funding sources; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor concurs in the recommendation of the Deputy Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Karbhari that the U. T. System Board of Regents approve the recommendations for the Science and Engineering Innovation and Research Building project at U. T. Arlington as follows:

Project No.: 301-941

Project Delivery Method: Construction Manager-at-Risk

Substantial Completion Date: July 2018

Total Project Cost:

Source	Current	Proposed
Tuition Revenue Bond Proceeds	$ 70,000,000	$ 70,000,000
Revenue Financing System Bond Proceeds[1]	$ 20,000,000	$ 35,000,000
Permanent University Fund Proceeds	$ 20,000,000	$ 20,000,000
Gifts	$ 15,000,000	$ 0
	$125,000,000	$125,000,000

Funding Note: [1] Revenue Financing System (RFS) to be repaid from Designated Tuition

Investment Metrics:

- Increase enrollment in the College of Engineering by 100% from 6,516 to 13,032 by 2020
- Increase enrollment in the College of Science by 50% from 3,403 to 5,104 by 2020
- Increase number of teaching seats in lecture halls and classrooms from 10,750 to 11,650 by 2018

Project Advocate: Duane Dimos, Vice President for Research

Definition Phase Completed: N/A

Project Planning:

Owner's Project Requirements	Yes
Basis of Design	Yes
Schematic Plans	Yes
Detailed Cost Estimate	Yes
Facilities Program	Yes

Cost Per Gross Square Foot Benchmarks*

Science and Engineering Innovation and Research Building	**$421**
Texas Higher Education Coordinating Board Average for Laboratory, Medical/Healthcare	$479

	Low Quartile	Median	High Quartile
Other U. T. System Projects	$421	$457	$503
Other Texas Projects	$409	$430	$458
Other National Projects	$452	$515	$653

* All benchmark building costs are escalated to 2016

a. approve design development plans;

b. revise funding sources to remove Gifts;

c. appropriate funds and authorize expenditure of $125,000,000 with funding of $70,000,000 from Tuition Revenue Bond (TRB) Proceeds, $35,000,000 from RFS Bond Proceeds, and $20,000,000 from Permanent University Fund (PUF) 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. 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 $35,000,000.

BACKGROUND INFORMATION

Debt Service

The $35,000,000 in RFS debt will be repaid from Designated Tuition. Annual debt service on the $35,000,000 RFS debt is expected to be $2.13 million. The institution's debt service coverage is expected to be at least 1.8 times and average 2.1 times over FY 2016-2021.

Previous Actions

On July 10, 2014, President Karbhari presented this project to the Board of Regents for approval to submit the project for consideration by the Texas Legislature for TRB funding. The 84th Legislature passed, and Governor Greg Abbott signed into law, House Bill 100 allowing for the issuance of $922,632,000 in TRB Proceeds for U. T. System institutions effective September 1, 2015. On August 20, 2015, the project was included in the CIP with a total project cost of $125,000,000 with funding of $70,000,000 from TRB Proceeds, $20,000,000 from RFS Bond Proceeds, $20,000,000 from PUF Bond Proceeds, and $15,000,000 from Gifts.

Project Description

This project will construct an approximately 222,000 gross square foot Science and Engineering Innovation and Research (SEIR) Building. The SEIR building will be a state-of-the-art interdisciplinary research facility focused on life and health science research that will bring together top researchers from the Colleges of Engineering, Science, and Nursing and Health Innovation. SEIR will facilitate integrated research programs that span fundamental life science research, innovative health approaches, medical devices, computational health research, and clinical research with human subjects. The building will contain shared core facilities for imaging and computation and will have a bridge connection from the Life Science Building to provide direct access to the Animal Care Facility.

The SEIR Building will include a four-story plus basement wing for research laboratory use and a two-story instructional classroom wing. The research laboratory wing will include 12 research laboratory neighborhoods based on flexible designs that will accommodate changes in researchers and research programs over time. SEIR will be designed to have Science on Display, with laboratories that are highly visible, as a way of inspiring students to pursue research opportunities and STEM careers. A dedicated core laboratory neighborhood space will be located in the basement and will be designed with a vibration resistant structure to facilitate vibration-sensitive research equipment. It is anticipated a portion of the basement will be shell space. The classroom wing will feature two large lecture halls on each floor with a total of 900 seats that will be available to all instructional programs on campus, optimizing space utilization and promoting effective class scheduling. These spaces will provide the flexibility for instruction in large lecture rooms, large interactive spaces, and will enable SEIR to host conferences and workshops.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 45-50 years
- Building Systems: 25-30 years
- Interior Construction: 10-20 years

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

3. U. T. Dallas: Engineering Building - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President *ad interim* Wildenthal that the U. T. System Board of Regents approve the recommendations for the Engineering Building project at U. T. Dallas as follows:

Project No.: 302-905

Project Delivery Method: Construction Manager-at-Risk

Substantial Completion Date: July 2018

Total Project Cost:

Source	Current
Tuition Revenue Bond Proceeds	$ 70,000,000
Permanent University Fund Bond Proceeds	$ 20,000,000
Revenue Financing System Bond Proceeds[1]	$ 11,000,000
Gifts[2]	$ 9,000,000
	$110,000,000

Funding Notes:

[1] Revenue Financing System (RFS) to be repaid from Designated Tuition
[2] Gifts not fully collected or committed at this time and will be revised to Unexpended Plant Funds if not collected at time of expenditure

Investment Metrics:

- Increase tenured and tenure-track faculty members from 19 to 55 and senior lecturers from 5 to 15 by 2025
- Increase number of students by 1,250 from 1,000 to 2,250 by 2025
- Increase number of graduates from 83 to 300 Bachelor students, from 40 to 150 Master students, and from 2 to 30 Ph.D. students by 2025
- Increase external research funding by approximately $15.75 million annually from $13 million to $28.75 million by 2025

Project Advocate: Inga Musselman, Senior Vice Provost

Definition Phase Completed: N/A

Project Planning:

Owner's Project Requirements	Yes
Basis of Design	Yes
Schematic Plans	Yes
Detailed Cost Estimate	Yes
Facilities Program	Yes

Cost Per Gross Square Foot Benchmarks*

Engineering Building	**$410**
Texas Higher Education Coordinating Board Average Laboratory, General	$496

	Low Quartile	Median	High Quartile
Other U. T. System Projects	$421	$457	$503
Other Texas Projects	$409	$430	$458
Other National Projects	$452	$515	$653

* All benchmark building costs are escalated to 2016

a. approve design development plans;

b. appropriate funds and authorize expenditure of $110,000,000 with funding of $70,000,000 from Tuition Revenue Bond (TRB) Proceeds, $20,000,000 from Permanent University Fund (PUF) Bond Proceeds, $11,000,000 from RFS Bond Proceeds, and $9,000,000 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. 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 $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 RFS debt is expected to be $0.67 million. The institution's debt service coverage is expected to be at least 1.4 times and average 1.8 times over FY 2016-2021.

Previous Actions

On July 10, 2014, former President Daniel presented this project to the Board of Regents for approval to submit for consideration by the Texas Legislature for TRB funding. The 84th Legislature passed, and Governor Greg Abbott signed into law, House Bill 100 allowing for the issuance of $922,632,000 in TRB Proceeds for U. T. System institutions effective September 1, 2015. On August 20, 2015, the project was included in the CIP with a total project cost of $110,000,000 with funding of $70,000,000 from TRB Proceeds, $20,000,000 from PUF Bond Proceeds, $11,000,000 from RFS Bond Proceeds, and $9,000,000 from Gifts.

Project Description

This building will contain approximately 200,000 gross square feet with the majority of the footage assigned as research labs, instructional labs, and classrooms and the remainder for student workspace and faculty offices. The addition of a new engineering building, primarily to be occupied by the Department of Mechanical Engineering, will give U. T. Dallas the ability to accommodate the expanding student enrollment and the hiring of additional faculty, increasing degree production, graduation rates, and externally funded research. The building will also relieve space pressure on the Department of Electrical Engineering, which has been severely constrained by the rapid growth of the Department of Mechanical Engineering. With the extraordinary success in the growth of new engineering programs, space is becoming a limiting factor in meeting the objective to become a major, nationally competitive research university, serving highly qualified students who may otherwise leave Texas.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 45-50 years
- Building Systems: 25-30 years
- Interior Construction: 10-20 years

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

4. U. T. Dallas: Student Housing Phase VI - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President *ad interim* Wildenthal that the U. T. System Board of Regents approve the recommendations for the Student Housing Phase VI project at U. T. Dallas as follows:

Project No.:	302-934	
Project Delivery Method:	Construction Manager-at-Risk	
Substantial Completion Date:	July 2017	
Total Project Cost:	Source	Proposed
	Revenue Financing System Bond Proceeds[1]	$46,000,000
Funding Note:	[1] Revenue Financing System (RFS) to be repaid from rental revenue	
Investment Metric:	• Directly support the University's Strategic Plan imperative of increasing enrollment to more than 27,500 students by 2017	
Project Advocate:	Matthew Grief, Associate Vice President for Student Affairs	
Definition Phase Completed:	N/A	
Project Planning:	Owner's Project Requirements	Yes
	Basis of Design	Yes
	Schematic Plans	Yes
	Detailed Cost Estimate	Yes
	Facilities Program	Yes

Cost Per Bed Benchmarks*

Student Housing Phase VI	**$70,280**
College Planning & Management National Average for Residence Halls	$79,892

	Low Quartile	Median	High Quartile
Other U. T. System Projects	$59,094	$74,909	$85,184
Other National Projects	$75,128	$110,683	$137,712

* All benchmark building costs are escalated to 2016

a. approve design development plans;

b. appropriate funds and authorize expenditure of $46,000,000 from 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. 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 $46,000,000.

BACKGROUND INFORMATION

Debt Service

The $46,000,000 in RFS debt will be repaid from rental income. Annual debt service on the $46,000,000 RFS debt is expected to be $2.8 million. The project's debt service coverage is expected to be at least 1.2 times and average 1.4 times over FY 2018-2023.

Previous Action

On May 14, 2015, the project was included in the Capital Improvement Program with a total project cost of $46,000,000 with funding from RFS Bond Proceeds.

Project Description

U. T. Dallas is critically short of housing space to accommodate current and new students who wish to live on campus. In addition to increased student enrollment, a much larger percentage of today's students are full-time, residential students who make use of campus facilities. The University has constructed 2,200 beds in the past six years and currently has a waiting list of 1,500 students.

The proposed apartment-style residence hall will contain a mix of one-bedroom and two-bedroom apartments for a total of 400 beds and is intended for upper-division, graduate, and international students. The building is configured to form communities of 50 students per wing and 100 students per floor, each with a designated peer advisor and study lounge.

Encompassing approximately 200,000 gross square feet, the four-story project will also provide multipurpose support space for students, offices for housing management, a common laundry facility, and a 150-car surface parking lot shared with Student Housing Phase VII (see Item 5).

Current student housing is operating at 100% occupancy. U. T. Dallas provides approximately 4,700 beds for students, and the total number of beds will increase to 5,500 with the completion of this project and the Student Housing VII project.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 30 years
- Building Systems: 30 years
- Interior Construction: 10-20 years

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

5. U. T. Dallas: Student Housing Phase VII - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President *ad interim* Wildenthal that the U. T. System Board of Regents approve the recommendations for the Student Housing Phase VII project at U. T. Dallas as follows:

Project No.:	302-997	
Project Delivery Method:	Construction Manager-at-Risk	
Substantial Completion Date:	July 2017	
Total Project Cost:	Source	Proposed
	Revenue Financing System Bond Proceeds[1]	$33,500,000
Funding Note:	[1] Revenue Financing System (RFS) to be repaid from rental revenue	
Investment Metric:	• Directly support the University's Strategic Plan imperative of increasing enrollment to more than 27,500 students by 2017	
Project Advocate:	Matthew Grief, Associate Vice President for Student Affairs	
Definition Phase Completed:	Yes	
Project Planning:	Owner's Project Requirements	Yes
	Basis of Design	Yes
	Schematic Plans	Yes
	Detailed Cost Estimate	Yes
	Facilities Program	Yes

Cost Per Bed Benchmarks*

Student Housing Phase VII	**$50,049**
College Planning & Management National Average for Residence Halls	$79,892

	Low Quartile	Median	High Quartile
Other U. T. System Projects	$59,094	$74,909	$85,184
Other National Projects	$75,128	$110,683	$137,712

* All benchmark building costs are escalated to 2016

a. approve design development plans;

b. appropriate funds and authorize expenditure of $33,500,000 from 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. 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 $33,500,000.

BACKGROUND INFORMATION

Debt Service

The $33,500,000 in RFS debt will be repaid from rental income. Annual debt service on the $33,500,000 RFS debt is expected to be $2.04 million. The project's debt service coverage is expected to be at least 1.2 times and average 1.4 times over FY 2018-2023.

Previous Actions

On October 7, 2015, the Chancellor approved this project for Definition Phase. On February 11, 2016, the project was included in the CIP with a total project cost of $33,500,000 with funding from RFS Bond Proceeds.

Project Description

U. T. Dallas is critically short of housing space to accommodate current and new students who wish to live on campus. In addition to increased student enrollment, a much larger percentage of today's students are full-time, residential students who make use of campus facilities. The University has constructed 2,200 beds in the past six years and currently has a waiting list of 1,500 students.

The proposed apartment-style residence hall will contain a mix of one-bedroom, two-bedroom double occupancy, and four-bedroom configurations for a total of 400 beds and is intended for lower-division and international students. Encompassing approximately 127,500 gross square feet, the four-story project will provide multipurpose support space for students, offices for housing management, and a common laundry facility.

Current student housing is operating at 100% occupancy. U. T. Dallas provides approximately 4,700 beds for students, and the total number of beds will increase to 5,500 with the completion of this project and the Student Housing Phase VI project (see Item 4).

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 30 years
- Building Systems: 30 years
- Interior Construction: 10-20 years

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

6. U. T. Tyler: STEM - Business Building - Approval of design development; and appropriation of funds and authorization of expenditure (Final Board approval)

RECOMMENDATION

The Chancellor concurs in the recommendation of the Deputy Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Mabry that the U. T. System Board of Regents approve the recommendations for the STEM - Business Building project at U. T. Tyler as follows:

Project No.:	802-947	
Project Delivery Method:	Construction Manager-at-Risk	
Substantial Completion Date:	March 2019	
Total Project Cost:	Source	Current
	Tuition Revenue Bond Proceeds	$ 60,000,000
	Permanent University Fund Bond Proceeds	$ 11,000,000
	Unexpended Plant Funds[1]	$ 5,000,000
		$ 76,000,000
Funding Note:	[1] Unexpended Plant Funds from Designated Tuition	
Investment Metrics:	• Increase STEM graduates by 50% from 222 to 333 over the next 10 years • Increase Business enrollment by 65% from 1,018 to 1,680 over the next 10 years	
Project Advocate:	Chip Clark, Assistant Vice President for Facilities Management	
Definition Phase Completed:	N/A	
Project Planning:	Owner's Project Requirements	Yes
	Basis of Design	Yes
	Schematic Plans	Yes
	Detailed Cost Estimate	Yes
	Facilities Program	Yes

a. approve design development plans; and

b. appropriate funds and authorize expenditure of $76,000,000 with funding of $60,000,000 from Tuition Revenue Bond (TRB) Proceeds, $11,000,000 from Permanent University Fund (PUF) Bond Proceeds, and $5,000,000 from Unexpended Plant Funds.

Cost Per Gross Square Foot Benchmarks*

STEM - Business Building (with 41% Shell Space)	**$287**
STEM - Business Building (Estimated Total Finish-Out)	$315
Texas Higher Education Coordinating Board Average for Classroom Buildings	$424

	Low Quartile	Median	High Quartile
Other U. T. System Projects	$254	$334	$368
Other National Projects	$256	$430	$551

Cost Per Car Benchmarks*

STEM - Business Building - Parking Garage	**$18,952**

	Low Quartile	Median	High Quartile
Other U. T. System Projects	$16,360	$17,925	$24,877
Other National Projects	$17,709	$18,154	$22,556

Cost Per Gross Square Foot Benchmarks*

STEM - Business Building - College of Arts and Sciences Renovation	**$72**
Texas Higher Education Coordinating Board Average for Classroom Building Renovation	$197

	Low Quartile	Median	High Quartile
Other U. T. System Projects	$114	$163	$196

* All benchmark building costs are escalated to 2016

BACKGROUND INFORMATION

Previous Actions

On July 10, 2014, President Mabry presented this project to the Board of Regents for approval to submit for consideration by the Texas Legislature for TRB funding. The 84th Legislature passed, and Governor Greg Abbott signed into law, House Bill 100 allowing for the issuance of $922,632,000 in TRB Proceeds for U. T. System institutions effective September 1, 2015. On August 20, 2015, the project was included in the CIP with a total project cost of $76,000,000 with funding of $60,000,000 from TRB Proceeds, $11,000,000 from PUF Bond Proceeds, and $5,000,000 from Unexpended Plant Funds.

Project Description

The proposed STEM - Business Building will provide space for current and projected enrollment growth, as well as the implementation of new programs. The existing Business Building currently houses the Business section of the College of Business and Technology (CBT) and the College of Arts and Sciences (CAS). Due to significant growth in both colleges, the existing building is not large enough to accommodate the technology portion of the CBT. This project will enable growth for both colleges by relocating the CBT out of the current 50,000 gross square foot (GSF) Business Building into a new approximately 141,000 GSF STEM - Business Building, leaving 58,000 GSF of shell space for future finish-out. The existing Business Building will then be renovated, allowing CAS to occupy the entire building.

The new building will require an approximately 500-ton chiller to be added to the south plant to accommodate the increased cooling load on the campus. A parking garage will also be constructed for current and future parking loads. The parking garage will consist of a ground level and two elevated decks to accommodate approximately 302 vehicles in a 105,000 GSF open structure, and surface parking for approximately 97 vehicles is also included.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 45-50 years
- Building Systems: 50 years
- Interior Construction: 10-20 years

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

7. U. T. Austin: Dell Medical School - Phase I - Amendment of the FY 2016-2021 Capital Improvement Program to increase total project cost; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Deputy Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Fenves that the U. T. System Board of Regents approve the recommendations for the Dell Medical School - Phase I project at U. T. Austin as follows:

Project No.: 102-772

Project Delivery Method: Construction Manager-at-Risk

Substantial Completion Date: October 2017

Total Project Cost:

Source	Current	Proposed
Revenue Financing System Bond Proceeds [1]	$366,897,000	$435,897,000
Available University Fund	$ 250,000	$ 250,000
Unexpended Plant Funds [2]	$ 250,000	$ 250,000
	$367,397,000	$436,397,000

Funding Notes:

[1] Revenue Financing System (RFS) to be repaid from office space rentals, parking revenues, and funds provided by the Available University Fund (AUF)

[2] Unexpended Plant Funds from balances from Frank C. Erwin, Jr. Special Events Center operations

Investment Metrics:

- Incoming cohort of 50 medical students and total of 200 enrollment
- Incoming cohort of 25 Ph.D. students with total of 125 enrollment
- Increase residents from 175 to 350 residents over 10 years

Cost Per Gross Square Foot Benchmarks*

Dell Medical School - Phase I - Interior Finish-Out	**$280**
Texas Higher Education Coordinating Board Average for Healthcare Facility, Clinic Renovation	$180

	Low Quartile	Median	High Quartile
Other U. T. System Projects	$201	$272	$293

* All benchmark building costs are escalated to 2016

a. amend the FY 2016-2021 Capital Improvement Program (CIP) to increase the total project cost from $367,397,000 to $436,397,000;

b. appropriate funds and authorize expenditure of an additional $69,000,000 from 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 $69,000,000.

BACKGROUND INFORMATION

Debt Service

The $435,897,000 in aggregate RFS debt will be repaid from office space rentals, parking revenues, and funds provided by the AUF. Annual debt service on the incremental $69,000,000 RFS debt is expected to be $4.2 million. The debt service coverage for the institution is expected to be at least 1.4 times and average 1.7 times over FY 2016-2021.

Previous Actions

On May 9, 2013, the project was included in the CIP with a total project cost of $334,500,000 with funding from RFS Bond Proceeds. On February 6, 2014, the Board approved design development and revised funding to $334,000,000 from RFS Bond Proceeds, $250,000 from the Available University Fund, and $250,000 from Unexpended Plant Funds. On March 7, 2014, the Chancellor approved an increase to the total project cost to $341,261,000 with additional funds from RFS Bond Proceeds. On December 11, 2014, the Chancellor approved an increase to the total project cost to $355,797,000 with additional funds from RFS Bond Proceeds. On January 13, 2016, the Chancellor approved an increase to the total project cost to $367,397,000 with additional funds from RFS Bond Proceeds.

Project Description

The proposed increase will finish out approximately 166,100 gross square feet (GSF) of shell space within the Health Transformation Building (formerly the Medical Office Building) for clinical space on floors seven, eight, and nine, and an ambulatory surgical center on the first level. Phase I of the Dell Medical School (DMS) project included constructing a medical office building in shell form until a Dean of the medical school was hired. Floors seven through nine will house multiple clinical functions both in traditional form and in the new integrated practice unit format. These floors will effectively be a laboratory for how the delivery of health care is transformed and improved. The ambulatory surgical center is planned with three operating rooms and patient preparation and recovery rooms accommodating up to 23-hour occupancy. Approximately 17,100 GSF of shell space will remain in the Health Transformation Building.

The original Dell Medical School - Phase 1 project entailed the construction of approximately 578,000 GSF of new University buildings, including an Education and Administration Building, Research Building, Medical Office Building, and a Parking Garage targeted to house approximately 1,120 cars. The Education and Administration Building will also include approximately 8,000 GSF of renovation to the School of Nursing Building to accommodate simulation laboratory space to serve the entire medical district.

8. U. T. M. D. Anderson Cancer Center: Clinical Research Building Animal Area Renovation - Amendment of the FY 2016-2021 Capital Improvement Program to increase total project cost; and appropriation of funds and authorization of expenditure (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Deputy Chancellor, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President DePinho that the U. T. System Board of Regents approve the recommendations for the Clinical Research Building Animal Area Renovation project at U. T. M. D. Anderson Cancer Center as follows:

Project No.:	703-X55		
Institutionally Managed:	Yes		
Project Delivery Method:	Construction Manager-at-Risk		
Substantial Completion Date:	November 2016		
Total Project Cost:	Source Hospital Revenues	Current $10,000,000	Proposed $13,000,000

Cost Per Gross Square Foot Benchmarks*

Clinical Research Building Animal Area Renovation	**$356**
Texas Higher Education Coordinating Board Average for Laboratory, Medical/Healthcare Renovation	$297

	Low Quartile	Median	High Quartile
Other U. T. System Clinical Projects	$289	$340	$393
Other U. T. System Vivarium Renovations	$282	$378	$497

* All benchmark building costs are escalated to 2016

a. amend the FY 2016-2021 Capital Improvement Program (CIP) to increase the total project cost from $10,000,000 to $13,000,000; and

b. appropriate funds and authorize expenditure of an additional $3,000,000 from Hospital Revenues.

BACKGROUND INFORMATION

Previous Action

On August 12, 2010, the project was added to the CIP with a total project cost of $10,000,000 with funding from Hospital Revenues.

Project Description

The project involves the reallocation and renovation of existing space within M. D. Anderson Cancer Center's North Campus Vivarium (NCV). The goal of the project is to increase rodent housing and associated support space while maintaining appropriate space for large animal housing. The project will also renew aging infrastructure.

Following addition to the CIP in August 2010, the project proceeded through the programming, schematic design, and design development phases until Spring 2013, when the project was temporarily suspended. When work resumed on the project in Fall 2014, it was determined that the scope of the project should include upgrading the portion of the Clinical Research Building air handling system that services the NCV to provide redundancy to meet the current program guidelines and to position the institution to maintain its AAALAC International accreditation for the NCV.

The proposed increase in the total project cost will fund the additional scope of work on the air handling system, as well as the impact of construction cost inflation since the total project cost was first estimated in 2010.