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Committee Meeting: 11/4/2004

Austin, Texas

Board Meeting: 11/5/2004

Austin, Texas

John W. Barnhill, Jr., Chairman

H. Scott Caven, Jr.

Rita C. Clements

Robert A. Estrada

Woody L. Hunt

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9. U. T. San Antonio: Thermal Energy Plant No. 2 - Amendment of the FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to increase total project cost; approval to revise funding source; approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	<i>4:25 p.m.</i> Action <i>Mr. Sanders</i>	Action	69

Adjourn

4:30 p.m.

1. **U. T. System: Consideration of designation as architecturally or historically significant the Stadium Fire and Life Safety/Improvement Planning and Speedway Mall North of 21st Street and East Mall/East Mall Fountain, Phase I projects at U. T. Austin and selection of architects for preliminary design and feasibility analysis only, subject to final project approval by the U. T. Board of Regents, for Hotel and Conference Center at U. T. Austin and selection of architects for LBJ Plaza Renovation/Lady Bird Johnson Center project at U. T. Austin**

RECOMMENDATION

It is recommended that the Committee review the following projects scheduled for architectural selection for possible designation as architecturally or historically significant pursuant to the Regents' Rules and Regulations, Part Two, Chapter VIII, Section 3, Subsection 3.3:

U. T. Austin

- **Stadium Fire and Life Safety/Improvement Planning**
Proposed Project Cost: \$5,000,000
Source of funds: Revenue Financing System Bond Proceeds
- **Speedway Mall North of 21st Street and East Mall/East Mall Fountain, Phase I**
Proposed Project Cost: \$12,000,000
Anticipated Delivery Method: Competitive Sealed Proposals
Source of funds: Gifts
(See Item 5 on Page 24)

It is further recommended that the Committee approve the selection of architects from those listed below for the following architecturally significant projects:

U. T. Austin

- **Hotel and Conference Center** -- selection of architects for preliminary design and feasibility analysis only, subject to final project approval by the U. T. Board of Regents
(designated architecturally significant on February 3, 2004)
 - Lake/Flato Architects/HKS Architects, San Antonio, Texas/Dallas, Texas
 - Leo A Daly Company/RHOR Architects, Dallas, Texas/Atlanta, Georgia
 - tvs/Overland Partners, Atlanta, Georgia/San Antonio, Texas

(See Executive Session Item 3a on Table of Contents Page i of the Meeting of the Board and Academic Affairs Committee Item 3 on Page 23)

- **LBJ Plaza Renovation/Lady Bird Johnson Center**
(designated of “special interest” on May 12, 2004)

- Ford, Powell & Carson, San Antonio, Texas
- Lake/Flato Architects, San Antonio, Texas
- Overland Partners, Inc., San Antonio, Texas

2. **U. T. System: Report of FY 2004 Historically Underutilized Business (HUB) participation and procurement initiatives**

The report on Historically Underutilized Businesses (HUB) for Fiscal Year 2004 for building construction for the U. T. System is set forth below.

REPORT

The total expenditure for Building Construction and Other Facilities by the Office of Facilities Planning and Construction for Fiscal Year 2004 was approximately \$602,000,000. Of that amount, 24.3% was paid to Certified and Noncertified Historically Underutilized Businesses for a total of over \$146,000,000 paid to women and minority-owned businesses.

The total expenditure for Professional Services for Fiscal Year 2004 was approximately \$46,700,000. Of that amount, 20.3% was paid to Certified and Noncertified Historically Underutilized Businesses or approximately \$9,500,000 paid to women and minority-owned businesses.

This information will be forwarded for inclusion in the U. T. System Administration HUB Report to the State.

3. **U. T. Austin: Child Care Facility - Amendment of the FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to increase total project cost; approval to revise funding sources; approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Faulkner that the U. T. Board of Regents approve the recommendations for the Child Care Facility project at The University of Texas at Austin as follows on Page 56.

Project Number: 102-196

Architecturally or Historically Significant: Yes No

Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: June 2006

Total Project Cost:	<u>Sources</u>	<u>Current</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds	\$2,850,000	\$3,000,000
	Interest on Local Funds		\$ 325,000
	Auxiliary Enterprises Balances		\$ 55,000
	Unexpended Plant Funds		\$ 15,000
			<u>\$3,395,000</u>

- a. amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to increase the total project cost;
- b. revise the funding sources;
- c. approve design development plans;
- d. approve the evaluation of alternative energy economic feasibility;
- e. appropriate funds and authorize expenditure of funds; and
- f. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. 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. Board of Regents of tax-exempt parity debt in the aggregate amount of \$3,000,000.

BACKGROUND INFORMATION

Debt Service

The \$3,000,000 in Revenue Financing System debt will be repaid from net revenues on the project. Total annual debt service on the project is estimated at \$217,947. Debt service coverage on the project is expected to be at least 1.31 times.

Previous Board Actions

On February 4, 2004, the project was included in the CIP with a preliminary project cost of \$2,850,000 with funding from Revenue Financing System Bond Proceeds.

Project Description

The proposed facility of 15,000 gross square feet will allow U. T. Austin to provide child-care services for 200 children. Currently, 60 children are enrolled at the existing student child-care center in Wooldridge Hall. The proposed new center will add 140 child-care spaces to be available to the campus community. The project will provide space for classrooms, indoor activities, administrative offices, and other support space. In addition, the project will include 10,000 gross square feet for an exterior playground. The increase in the total project cost supports the programming for the project to provide a cost effective space and future needed expansion.

The Child Care Center, which serves employees and faculty, has a waiting list of 350 children, more than half of whom are infants.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building. Therefore, the Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

The economic impact of the project will be reported to the U. T. Board of Regents as part of the design development presentation.

4. U. T. Austin: Jack S. Blanton Museum of Art - Phase I and II: Amendment of FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to combine projects; revise the total project cost; approval to revise funding sources; and appropriation of funds and authorization of expenditure

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Faulkner that the U. T. Board of Regents approve the recommendations for the Jack S. Blanton Museum of Art - Phase I and Phase II projects at The University of Texas at Austin as follows:

Project Number: 102-965 (Phase I) and 102-162 (Phase II)

Architecturally or Historically Significant: Yes No

Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: June 2005

Total Project Cost:	<u>Source</u>	<u>Current</u>
Phase I	Revenue Financing System Bond Proceeds	\$26,500,000
	Gifts	<u>\$32,000,000</u>
		\$58,500,000
Phase II	Gifts	<u>Current</u> \$25,000,000
Revised Total Project Cost:		<u>Proposed</u>
	Revenue Financing System Bond Proceeds	\$26,500,000
	Gifts	\$52,200,000
	Interest on Local Funds	<u>\$ 4,800,000</u>
		\$83,500,000

- a. amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to combine the Jack S. Blanton Museum of Art – Phase I and Phase II projects;
- b. revise the total project cost;
- c. revise the funding sources; and
- d. appropriate funds and authorize expenditure of \$20,200,000 from Gifts and \$4,800,000 from Interest on Local Funds.

BACKGROUND INFORMATION

Previous Board Actions

Phase I: On August 1, 1995, the project was included in the CIP with a preliminary project cost of \$27,000,000 with funding from Gifts and Grants. On November 11, 1999, the Board approved the increase in preliminary project cost to \$58,500,000 with funding from Gifts and Grants. On February 14, 2002, the Board approved design development plans with a preliminary project cost of \$58,500,000 with funding from Gifts and Grants. On May 9, 2002, the Board approved revising the source of funding to \$32,000,000 from Gifts and Grants and \$26,500,000 from Designated Tuition. On November 13, 2002, the Board approved revising the source of funding to \$32,000,000 from Gifts and Grants and \$26,500,000 from Revenue Financing System Bond Proceeds.

Phase II: On February 13, 2003, the project was included in the CIP with a preliminary project cost of \$25,000,000 with funding from Gifts and Grants.

Project Description

The Phase I project will construct a new 108,500 gross square foot building to house the art museum and provide exhibition space for permanent as well as traveling exhibits. Also included will be space for the curation of the collection, storage space, administrative offices, and other support space. The Phase II project will provide approximately 50,000 gross square feet for facilities to complement the Phase I gallery space. Facilities in Phase II include educational space, a bookstore, a café, and administrative office space.

The combined project will complete the Blanton Museum of Art as envisioned in the original master plan.

5. **U. T. Medical Branch - Galveston: National Biocontainment Laboratory - Amendment of the FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to decrease the total project cost; approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, and President Stobo that the U. T. Board of Regents approve the recommendations for the National Biocontainment Laboratory project at The University of Texas Medical Branch at Galveston as follows on Page 60.

Project Number: 601-164

Architecturally or Historically Significant: Yes No

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: May 2008

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds	\$ 40,000,000	\$ 40,000,000
	Gifts	\$ 20,000,000	\$ 17,000,000
	Grants	<u>\$120,000,000</u>	<u>\$110,000,000</u>
		\$180,000,000	\$167,000,000

- a. amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to decrease the total project cost;
- b. approve design development plans;
- c. approve the evaluation of alternative energy economic feasibility;
- d. appropriate funds and authorize expenditure of funds; and
- e. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - 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. 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. Board of Regents of tax-exempt parity debt in the aggregate amount of \$40,000,000.

BACKGROUND INFORMATION

Debt Service

The \$40,000,000 in Revenue Financing System debt will be repaid from indirect cost recoveries. Total annual debt service on the project is estimated at \$2,752,215. Debt service coverage on the project is expected to be at least 1.3 times.

Previous Board Actions

On January 7, 2003, the project was included in the CIP with a preliminary project cost of \$180,000,000 with funding of \$40,000,000 from Revenue Financing System Bond Proceeds, \$20,000,000 from Gifts, and \$120,000,000 from Grants.

Project Description

The project consists of approximately 180,000 gross square feet to contain a new seven-story, state-of-the-art biocontainment facility complex, including BSL-4, BSL-3 and BSL-2 laboratory space as well as associated animal facilities and research support space. The facility will allow for research on any number of known infectious diseases as well as emerging and new diseases in the future.

U. T. Medical Branch – Galveston retains and continues to recruit internationally recognized researchers to the strong infectious disease research program the campus has developed. To support the continuing efforts of this group and to provide the necessary facilities in support of the emerging federal program on bioterrorists' pathogens research, U. T. Medical Branch - Galveston has completed the first BSL-4 facility on campus and proposes construction of this new facility. The National Biocontainment Laboratory is a national initiative providing the opportunity for the institution to build on its unique strengths and to establish itself as the premier site for infectious disease research as well as to support national defense. With the completion of design development, the project budget has been finalized at \$167,000,000, a decrease from the original estimate of \$180,000,000.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building. Therefore, the Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

The economic impact of the project will be reported to the U. T. Board of Regents as part of the design development presentation.

6. **U. T. Southwestern Medical Center - Dallas: Ambulatory Surgical Center - Request for approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, and President Wildenthal that the U. T. Board of Regents approve the recommendations for the Ambulatory Surgical Center project for The University of Texas Southwestern Medical Center at Dallas as follows:

Project Number: 303-194

Architecturally or Historically Significant: Yes No

Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: April 2007

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$62,400,000

- a. approve design development plans;
- b. approve the evaluation of alternative energy economic feasibility;
- c. appropriate funds and authorize expenditure of funds; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System; and

- U. T. Southwestern Medical Center - Dallas, which is a “Member” as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt parity debt in the aggregate amount of \$62,400,000.

BACKGROUND INFORMATION

Debt Service

The \$62,400,000 in Revenue Financing System debt will be repaid from net revenues generated by the project. Total annual debt service on the project is estimated at \$5,098,376. Debt service coverage on the project is expected to be at least 1.18 times and average 1.52 times over the first six years of operation.

Previous Board Actions

On December 19, 2003, the project was included in the Capital Improvement Program (CIP) with a preliminary project cost of \$62,400,000 with funding from Revenue Financing System Bond Proceeds.

Project Description

The proposed Ambulatory Surgical Center project consists of an approximately 230,000 gross square foot, seven-story building and a 625 car parking garage. The building will initially include finished space totaling approximately 30,000 gross square feet.

The Ambulatory Surgical Center will include ambulatory surgical and procedure suites, diagnostic and treatment rooms including imaging, clinics, and physician offices. The building will be located on the west side of St. Paul University Hospital adjacent to Medical Center Drive, in conformance with the current Campus Master Plan.

This is the first project to move forward as part of the work envisioned in the Clinical Services Building that is currently on the Future Projects list at \$146,000,000. Working with the faculty and hospital partners, the immediate need has been identified to provide new space to conduct outpatient surgery. Presently, these procedures, including orthopedics, plastics, and gastrointestinal day procedures, are conducted primarily in the hospitals. With limited operating rooms, the work naturally competes for space causing delays in conducting the less acute procedures. This space limitation negatively impacts the practice, hospital operations, and patient satisfaction, a key goal of the patient service initiative. The conclusion of the combined hospital and practice management team, along with both university and private physicians, is that this new facility is vital to the combined operations.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building. Therefore, the Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

The economic impact of the project will be reported to the U. T. Board of Regents as part of the design development presentation.

7. U. T. Health Science Center - Houston: Replacement Research Facility - Request for approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, and President Willerson that the U. T. Board of Regents approve the recommendations for the Replacement Research Facility project at The University of Texas Health Science Center at Houston as follows:

Project Number: 701-160

Architecturally or Historically Significant: Yes No

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: August 2005

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Tuition Revenue Bond Proceeds	\$23,600,000
	Gifts	\$ 9,330,000
	Insurance Claims	\$16,600,000
	Grants	<u>\$ 6,000,000</u>
		\$55,530,000

- a. approve design development plans;
- b. approve the evaluation of alternative energy economic feasibility;
- c. appropriate funds and authorize expenditure of funds; and

- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System; and
 - U. T. Health Science Center - Houston, 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. Board of Regents of tax-exempt parity debt in the aggregate amount of \$23,600,000.

BACKGROUND INFORMATION

Debt Service

Annual debt service on the \$23,600,000 of Tuition Revenue Bonds is project to be \$2,057,556. While the annual debt service is payable from Pledged Revenues, it is expected that debt service on Tuition Revenue Bonds will be reimbursed through General Revenue Appropriations.

Previous Board Actions

- Medical School Building – Rooftop Vivarium and Exterior Elevator:

On November 13, 2002, the Vivarium project was added to the Capital Improvement Program (CIP) with a preliminary project cost of \$38,000,000 with funding from Insurance Proceeds. On August 7, 2003, the Board approved appropriation of \$7,300,000 from Tuition Revenue Bond Proceeds for the Vivarium project.

- Basic Science Research Building (formerly Freeman Replacement Building):

On August 8, 2001, the project was included in the CIP with a preliminary project cost of \$80,000,000.

On August 12, 2004, the projects were combined and the preliminary project cost and funding were revised to a preliminary project cost of \$55,530,000 with funding of \$23,600,000 from Tuition Revenue Bond Proceeds, \$9,330,000 from Gifts, \$16,600,000 from Insurance Claims, and \$6,000,000 from Grants.

Project Description

The Replacement Research Facility project is the first phase of the Institute of Molecular Medicine and will be a six-story building consisting of 208,000 gross square feet of laboratory and vivarium space. The Research Expansion Project will be Phase II of the Institute of Molecular Medicine. This building will replace the existing two-story John Freeman Building. In addition to highly flexible biotechnology laboratory and animal facilities, the building will house office space, mechanical rooms, and other support space.

The vivarium will occupy the top two floors with the bottom four floors being laboratory floors. There will be a dedicated loading dock for support of the vivarium facility and a mechanical penthouse.

The 78th Session of the Texas Legislature authorized \$64,900,000 of tuition revenue bonds to be issued for U. T. Health Science Center – Houston to be issued for recovery from damage caused by Tropical Storm Allison. Of this amount, \$23,600,000 is being allocated to for the Replacement Research Facility project. The use of Tuition Revenue Bond Proceeds is requested to improve infrastructure for recovery from the damage caused by Tropical Storm Allison and for the replacement of research and academic facilities.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building. Therefore, the Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

The economic impact of the project will be reported to the U. T. Board of Regents as part of the design development presentation.

8. **U. T. San Antonio: Student Housing Expansion, Phase II - Request for approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Romo that the U. T. Board of Regents approve the recommendations for the Student Housing Expansion, Phase II project at The University of Texas at San Antonio as follows:

Project Number: 401-211

Architecturally or Historically Significant: Yes No

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: April 2007

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$27,000,000

- a. approve design development plans;
- b. approve the evaluation of alternative energy economic feasibility;
- c. appropriate funds and authorize expenditure of funds; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System; and
 - U. T. 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. Board of Regents of tax-exempt parity debt in the aggregate amount of \$27,000,000.

BACKGROUND INFORMATION

Debt Service

The \$27,000,000 in Revenue Financing System debt will be repaid from overall housing system revenues. Total annual debt service on the project is estimated at \$1,857,746. Debt service coverage on the project is expected to be at least 1.3 times.

Previous Board Actions

On August 7, 2003, the project was included in the Capital Improvement Program (CIP) with a preliminary project cost of \$20,500,000 with funding from Revenue Financing System Bond Proceeds. On August 12, 2004, the total project cost was increased to \$27,000,000 with funding from Revenue Financing System Bond Proceeds.

Project Description

The Student Housing Expansion, Phase II project at U. T. San Antonio will consist of apartment style residences, with 700 beds. The facility will be designed to incorporate shared living spaces, meeting rooms, lounges, and study rooms.

U. T. San Antonio is expanding its student housing. The Student Housing Phase I project will provide housing for approximately 1,000 students with scheduled occupancy for the Fall Semester 2004. The waiting list currently stands at 500 students. The Student Housing Phase II project is scheduled for occupancy for the Fall Semester 2006 providing housing for 700 students. A future Phase III project is anticipated for Fall Semester 2007 adding an additional 1,200 beds. With future growth, the plan for the campus is to house 6,000 students.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building. Therefore, the Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

The economic impact of the project will be reported to the U. T. Board of Regents as part of the design development presentation.

9. U. T. San Antonio: Thermal Energy Plant No. 2 - Amendment of the FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to increase total project cost; approval to revise funding source; approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Romo that the U. T. Board of Regents approve the recommendations for the Thermal Energy Plant No. 2 project at The University of Texas at San Antonio as follows:

Project Number: 401-177

Architecturally or Historically Significant: Yes No

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: April 2006

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Designated Tuition	\$8,000,000	
	Revenue Financing System Bond Proceeds		\$16,500,000

- a. amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to increase the total project cost;
- b. revise the funding source;
- c. approve design development plans;
- d. approve the evaluation of alternative energy economic feasibility;
- e. appropriate funds and authorize expenditure of funds; and
- f. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project’s cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the

Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System; and

- U. T. 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. Board of Regents of tax-exempt parity debt in the aggregate amount of \$16,500,000.

BACKGROUND INFORMATION

Debt Service

The \$16,500,000 in Revenue Financing System debt will be repaid from designated tuition. Total annual debt service on the project is estimated at \$1,135,289. Overall debt service coverage at U. T. San Antonio is projected to exceed 1.69 times.

Previous Board Actions

On August 7, 2003, the project was included in the CIP with a preliminary project cost of \$8,000,000 with funding from Designated Tuition.

Project Description

This new thermal energy plant will contain approximately 15,000 gross square feet and will provide chilled water, steam and emergency power for upcoming campus projects on the UTSA 1604 Campus. In accordance with the master plan update, the new thermal energy plant will be located on the south side of campus and will support the following new projects: University Center Expansion, Phase III; Biotechnology, Sciences and Engineering, Phase II; and the Recreation/ Wellness Center, Phase II. The thermal energy plant will be connected to the existing campus utilities loop, and will be designed for future expansion.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building. Therefore, the Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

The economic impact of the project will be reported to the U. T. Board of Regents as part of the design development presentation.