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FOR
FACILITIES PLANNING AND CONSTRUCTION COMMITTEE**

Committee Meeting: 8/19/2015

Board Meeting: 8/20/2015
Austin, Texas

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

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Convene	<i>2:00 p.m.</i> <i>Chairman Pejovich</i>		
1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration	<i>2:00 p.m.</i> Action	Action	268
2. U. T. System: Report on Hybrid Delivery Methods - A Demonstration Project	<i>2:01 p.m.</i> Report/Discussion <i>Mr. O'Donnell</i> <i>Dr. Daniel</i>	Not on Agenda	269
3. U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendments to Regents' <i>Rules and Regulations</i>, Rule 80301 (Capital Improvement Program); Rule 80302 (Building Committees); Rule 80402 (Major Construction and Repair and Rehabilitation Projects); Rule 80403 (Minor Construction and Repair and Rehabilitation Projects); Rule 80404 (Institutional Management of Major Construction and Repair and Rehabilitation Projects); and Rule 80901 (Constitutional and Legislative Restrictions on Capital Improvements) to revise the threshold for Major Projects requiring Board approval	<i>2:10 p.m.</i> Action <i>Mr. O'Donnell</i>	Action	270
4. U. T. System: Allocation of \$30.2 million of Permanent University Fund Bond Proceeds for Fire and Life Safety projects	<i>2:15 p.m.</i> Action <i>Mr. O'Donnell</i>	Action	283

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5. U. T. System: Amendment of the FY 2016-2021 Capital Improvement Program to include Tuition Revenue Bond (TRB) projects; appropriation of \$922,632,000 of TRB funds; appropriation of \$114.7 million of Permanent University Fund Bond Proceeds; appropriation of funds for Repair and Rehabilitation projects; approval of modifications and appropriation of additional funds for previously approved projects; authorization of institutional management; approval of waiver of current Architect/Engineer fee schedule; and resolution regarding parity debt	2:20 p.m. Action <i>Mr. O'Donnell</i>	Action	285
<u>Additions to the CIP</u>			
6. U. T. Medical Branch - Galveston: Biocontainment Critical Care Unit - Amendment of the FY 2016-2021 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)	2:40 p.m. Action <i>Mr. O'Donnell</i>	Action	293
7. U. T. Medical Branch - Galveston: John Sealy Hospital Phase 2 Modernization and Facade Replacement - Amendment of the FY 2016-2021 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; approval of institutional management; resolution regarding parity debt; and remove the John Sealy Hospital Facade Replacement project (Final Board approval)	2:45 p.m. Action <i>Mr. O'Donnell</i>	Action	295
8. U. T. M. D. Anderson Cancer Center: M. D. Anderson - League City - Amendment of the FY 2016-2021 Capital Improvement Program to include project (Preliminary Board approval)	2:50 p.m. Action <i>President DePinho</i>	Action	298
9. U. T. M. D. Anderson Cancer Center: M. D. Anderson - West Houston - Amendment of the FY 2016-2021 Capital Improvement Program to include project (Preliminary Board approval)	3:00 p.m. Action <i>President DePinho</i>	Action	300
<u>Design Development Approval</u>			
10. U. T. Dallas: Davidson-Gundy Alumni Center - Amendment of the FY 2016-2021 Capital Improvement Program to increase total project cost; approval of design development; and appropriation of funds and authorization of expenditure (Final Board approval)	3:05 p.m. Action <i>Mr. O'Donnell</i>	Action	302
11. U. T. Rio Grande Valley: Academic Building - Approval of design development; and appropriation of funds and authorization of expenditure (Final Board approval)	3:10 p.m. Action <i>Mr. O'Donnell</i>	Action	304

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12. U. T. Southwestern Medical Center: West Campus - Phase 1 - Amendment of the FY 2016-2021 Capital Improvement Program to increase total project cost; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)	3:15 p.m. Action <i>Mr. O'Donnell</i>	Action	306
13. U. T. Health Science Center - San Antonio: MARC North Clinical Facility - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)	3:20 p.m. Action <i>Mr. O'Donnell</i>	Action	309
<u>Modification to the CIP</u>			
14. U. T. Austin: Whitaker Fields and Tennis Complex Renovation - Amendment of the FY 2016-2021 Capital Improvement Program to revise funding sources; appropriation of funds; and resolution regarding parity debt (Final Board approval)	3:25 p.m. Action <i>Mr. O'Donnell</i>	Action	312
Adjourn	3:30 p.m.		

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

RECOMMENDATION

The proposed Consent Agenda is located at the back of the book.

2. **U. T. System: Report on Hybrid Delivery Methods - A Demonstration Project**

REPORT

Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction, will report on proposed Hybrid Delivery Methods for construction projects.

This exercise will examine traditional major capital project delivery processes under the existing Regents' *Rules and Regulations* and relevant governing statutes to identify and explore acceptable private sector best practice procurement and project delivery elements that could positively impact delivery of complex, major new facilities in a public sector environment; specifically the U. T. System. Two or three large concept demonstration candidate projects will be proposed for delivery under this hybrid model. Subsequent evaluation of specific metrics would allow a future modification of U. T. System major project delivery methods across the larger capital program. A draft white paper describing this process in greater detail will be sent to members of the Board prior to the meeting.

3. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed amendments to Regents' Rules and Regulations, Rule 80301 (Capital Improvement Program); Rule 80302 (Building Committees); Rule 80402 (Major Construction and Repair and Rehabilitation Projects); Rule 80403 (Minor Construction and Repair and Rehabilitation Projects); Rule 80404 (Institutional Management of Major Construction and Repair and Rehabilitation Projects); and Rule 80901 (Constitutional and Legislative Restrictions on Capital Improvements) to revise the definitions of Major and Minor Projects requiring Board approval**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor and General Counsel that the U. T. System Board of Regents approve the proposed amendments to the Regents' *Rules and Regulations* as set forth on the following pages in congressional style:

- Rule 80301 (Capital Improvement Program) (see [Pages 271-273](#));
- Rule 80302 (Building Committees) (see [Page 274](#));
- Rule 80402 (Major Construction and Repair and Rehabilitation Projects) (see [Pages 275-278](#));
- Rule 80403 (Minor Construction and Repair and Rehabilitation Projects) (see [Page 279](#));
- Rule 80404 (Institutional Management of Major Construction and Repair and Rehabilitation Projects) (see [Pages 280-281](#)); and
- Rule 80901 (Constitutional and Legislative Restrictions on Capital Improvements) (see [Page 282](#)).

BACKGROUND INFORMATION

The amendments to Rules 80301, 80402, and 80404 propose revision to the definition of a Major Project, increasing the threshold of a Major Project and deleting the requirement for debt funded projects under the threshold requiring Board approval to be included in the Capital Improvement Program. The amendment to Rule 80403 proposes revision to the definition of a Minor Project, increasing the threshold of a Minor Project requiring Board approval. The proposed amendments will align more closely with recent revisions in the Texas Higher Education Coordinating Board Rules. Nonsubstantive revisions in any single policy are proposed to align language and intent with other relevant and related policies. The proposed revisions which will be effective September 1, 2015, will also delete repetitive definitions throughout the Rules.

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 80301

1. Title

Capital Improvement Program

2. Rule and Regulation

- Sec. 1 Annual Status Report. The University of Texas System Administration will maintain a Capital Improvement Program (CIP) on an ongoing basis. Although the CIP is a dynamic document subject to change throughout the year, a report detailing the current status of the CIP will be formally presented to the Board of Regents no less than annually.
- Sec. 2 Contents of Program. The CIP will consist of a six-year projection of major new construction and repair and rehabilitation projects (Major Projects) to be implemented and funded from institution and Systemwide revenue sources. The CIP should be a current reflection of the institutions' continuous processes of strategic planning and master planning for institutional programs, ~~as well as for the future development and preservation of the physical plant of the campuses.~~
- Sec. 3 Modifications to the CIP. The CIP is subject to modification at any Board of Regents' meeting. Candidate projects will routinely be added to the CIP, and project information such as funding sources, project cost, and delivery dates will routinely be revised. For Major Projects seeking Board action, the institutional president ~~will~~ may submit a request for inclusion on the Board of Regents' agenda, ~~accompanied by a Project Planning Form.~~ Requests to add to or modify the CIP will be reviewed in accordance with the processes administered by the Office of Facilities Planning and Construction adopted in the CIP.
- Sec. 4 Preliminary Cost Expenditures for Major Projects. Addition of a project to the CIP provides authority for the U. T. System Administration and the institutional administration to expend institutional funds up to 5% of the anticipated total project cost to select the project architect, confirm the basis of design, develop the formal Facility Program document, ~~select the project architect,~~ and develop preliminary project plans. Requests to expend funds in excess of the amount equal to 5% but not more than 10% of the anticipated total project cost shall be reviewed and approved by the Executive Vice Chancellor for Business Affairs. These funds will be provided by the institution

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Rule: 80301

initially but will be reimbursed to the institution from applicable project funds upon design development approval or upon [submission of a project application to](#) Texas Higher Education Coordinating Board approval (if applicable), whichever is later.

- Sec. 5 Institutional Management of a Major Project. Addition of a project to the CIP includes authorization of institutional management of Major Projects so designated in the CIP. Requests for institutional management shall be reviewed and approved by the Associate Vice Chancellor for Facilities Planning and Construction. Projects approved for institutional management will be included in the CIP. Projects designated for institutional management shall follow the process, authority, and approvals as outlined in Rule 80404 of the Regents' *Rules and Regulations* for the full amount stipulated in the CIP.
- Sec. 6 Feasibility and Planning Studies. For projects included in the CIP and identified as feasibility studies or planning studies, adoption of the CIP provides authority for the U. T. System Administration and the institutional administration to expend institutional funds for the full amount stipulated in the CIP. These funds will be provided by the institution initially but will be reimbursed to the institution from future CIP funds allocated for projects [derived from related to](#) the studies after design development approval and appropriation of project funds by the Board of Regents.
- Sec. 7 Timing of Student Election. For such additions to the CIP that are anticipated to be funded in part by student fees, the project must be presented to the Board by the institutional President or his/her delegate and student representative(s) for approval prior to the call for a student election on the authorization or increase of the associated fee. This Section does not require a student election if one is not otherwise required by statute.

3. Definitions

[Facility Program – A project planning document that organizes and summarizes client needs and programmatic information needed to design a capital project. It is generated through a process of collecting, analyzing, synthesizing, and documenting significant requirements for a Project prior to proceeding into the Design Phase.](#)

Major Project – Any project that meets one or more of the following criteria: 1) new building construction with a total project cost of \$[10\[4\]](#)

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Rule: 80301

million or more, 2) road, paving, and repair and rehabilitation projects with a total project cost of \$~~10~~⁴ million or more, 3) any project determined by the Board to be architecturally or historically significant, ~~4) any project that is debt financed [Revenue Financing System (RFS), Tuition Revenue Bond (TRB), Permanent University Fund (PUF)] regardless of dollar value except those projects appropriated through the Library, Equipment, Repair and Rehabilitation (LERR) budget,~~ and ~~4~~⁵) any campus planning efforts that are intended to result in a capital project meeting one or more of these criteria.

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Rules and Regulations of the Board of Regents**

Rule: 80302

1. Title

Building Committees

2. Rule and Regulation

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Sec. 5 Selection Committee for Construction Firms. Selection Committees for Major Projects shall be appointed by the Associate Vice Chancellor for Facilities Planning and Construction in consultation with the institutional president. Selection Committees for Minor Projects shall be appointed by the president of the institution. Selection Committees are authorized to evaluate, rank, and make selection recommendations of select design-build contractors, construction manager-agents, construction managers-at-risk, general contractors, and job order contractors on the basis of qualifications and competitive sealed proposals in response to RFQs and Requests for Proposals (RFPs). Selection Committees are also authorized to enter into discussions for modification and negotiation of competitive sealed proposals in response to requests for proposals with respondents, as required or permitted by law.

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Rules and Regulations of the Board of Regents**

Rule: 80402

1. Title

Major Construction and Repair and Rehabilitation Projects

2. Rule and Regulation

Sec. 1 Contract Authorization – Architects, Engineers, and Design-Build Contractors. Subject to Regents' *Rules and Regulations*, Rule 80301 and Rule 10501, and Sections 2, 3, 4, and 5 below, and except as otherwise specified in these *Rules and Regulations*, the Executive Vice Chancellor for Business Affairs, with the advice of the Associate Vice Chancellor for Facilities Planning and Construction and the institutional president, is authorized to appoint architects, engineers, and design-build contractors and execute contracts for professional services.

Sec. 2 Contract Authorization - Construction. The Executive Vice Chancellor for Business Affairs is authorized to execute construction and related contracts for all new construction projects and for all major repair and rehabilitation projects that have previously been approved or authorized by the Board of Regents in the Capital Improvement Program (CIP).

Sec. 3 Standardized Contracts. Construction contracts executed and delivered on behalf of the Board of Regents for Major Projects shall comply with guidelines issued by the U. T. System Administration's Office of General Counsel and shall be written on a standard form approved by the Office of General Counsel. Payment and performance bonds, when required by law for contracts, shall be on a standard form approved by the Office of General Counsel. Contracts with architects and engineers shall comply with guidelines issued by the Office of General Counsel and shall be written on a standard form approved by the Office of General Counsel.

Sec. 43 Authorization to Expend Funds Appropriated in the CIP.

43.1 The Chancellor will approve the Design Development Plans for all major repair and rehabilitation projects that are not architecturally or historically significant and authorize expenditure of appropriated funds. The executive officers and institutional presidents shall be responsible for identifying special interest projects to the Facilities Planning and Construction Committee.

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~~43.2~~ 2 The Board of Regents will approve the Design Development Plans for all Major Projects other than repair and rehabilitation projects that are not architecturally or historically significant and authorize expenditure of appropriated funds. The executive officers and institutional presidents shall be responsible for identifying special interest projects to the Facilities Planning and Construction Committee.

~~Sec. 5~~⁴ Approval for Excess Costs. Project costs that exceed 10% of the Total Project Cost approved by the Board of Regents or \$500,000, whichever is greater, must be approved by the Board.

~~Sec. 5~~ ~~Standardized Contracts. Construction contracts executed and delivered on behalf of the Board of Regents for Major Projects shall comply with guidelines issued by the U. T. System Administration's Office of General Counsel and shall be written on a standard form approved by the Office of General Counsel. Payment and performance bonds, when required by law for contracts, shall be on a standard form approved by the Office of General Counsel. Contracts with architects and engineers shall comply with guidelines issued by the Office of General Counsel and shall be written on a standard form approved by the Office of General Counsel.~~

Sec. 6 Contract Management. The Associate Vice Chancellor for Facilities Planning and Construction is authorized to implement and manage all professional service, construction, and construction-related contracts executed by the Executive Vice Chancellor for Business Affairs pursuant to Sections 1 and 2 of this Rule and Rule 80403, Section 1. The Associate Vice Chancellor for Facilities Planning and Construction's authority includes, but is not limited to, extending the term of existing contracts to the extent such extensions are contemplated in the contract; approving additional work requests; approving a construction contractor's, design-build contractor's, or construction manager's estimates, guaranteed maximum price proposals, or stipulated sum proposals; approving change orders; and providing general supervision of all Major and Minor Projects.

Sec. 7 Authority to Increase Project Cost. The Chancellor, with the advice of the appropriate Executive Vice Chancellor, the Office of Finance, and the institutional president, is authorized to increase the approved Total Project Cost not more than 10% or

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\$500,000, whichever is greater. To provide funding for the increase, the Chancellor may reallocate funding between or among approved projects at a single institution if funding for such projects has previously been authorized or approved funding from some other source is available to the institution.

- Sec. 8 Facility Program. A facility program shall be prepared for all Major Projects in accordance with the Facilities Programming Guidelines maintained by the Office of Facilities Planning and Construction. The facility program must be approved by the president of the institution.
- Sec. 9 Adherence with Campus Master Plan. Requests for Qualifications (RFQs) issued to solicit responses from interested architects, engineers, and design-build contractors will include a requirement that the architect, engineer, and design-build contractor evidence agreement to adhere to the approved Campus Master Plan and a set of criteria applicable to the facility program and the needs of the institution.
- Sec. 10 Preparation of Design Development Plans. Following After approval of the facility program, the Associate Vice Chancellor for Facilities Planning and Construction is authorized to release ~~give~~ the project architect, engineer, or design-build contractor to ~~prepare the facility program and the Campus Master Plan and to direct the preparation of~~ Sschematic Pplans; (exterior design, site plans, cost estimates, and other necessary and appropriate documents (~~"Schematic Plans"~~) and Design Development Plans; (elevations, and sections, outline specifications, cost estimates, and other related work to establish the scope, design, dimensions, and materials of the project in greater detail (~~"Design Development Plans"~~). ~~Design Development Plans are referred to as Preliminary Plans in applicable rules of the Texas Higher Education Coordinating Board.~~ The project architect, engineer, or design-build contractor shall work with the institutional delegates Ad Hoc Project Building Committee, if any, and the Office of Facilities Planning and Construction, ~~with regard to architectural design and construction projects.~~
- Sec. 11 Construction Documents. After approval of the Design Development Plans, the Associate Vice Chancellor for Facilities Planning and Construction is authorized to direct the preparation of the Construction Documents (working drawings and specifications ~~("Construction Documents")~~).

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Rule: 80402

3. Definitions

None

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Rule: 80403

1. Title

Minor Construction and Repair and Rehabilitation Projects

2. Rule and Regulation

Sec. 1 Delegation of Authority. Subject to Sections 2 and 3 immediately below and the general provisions of Rule 10501 of the Regents' *Rules and Regulations* and except as otherwise specified in these *Rules and Regulations*, each institutional president or the Executive Vice Chancellor for Business Affairs, as appropriate, is authorized to appoint architects, approve plans and Construction Documents, and execute and deliver contracts, agreements, guaranteed maximum price or stipulated sum proposals, and other documents on behalf of the Board of Regents for all Minor Projects.

Sec. 2 Review and Approval. Minor Projects shall be subject to review as directed by the appropriate Executive Vice Chancellor. If the Minor Project is to accommodate facility program changes requiring System approval ~~or approval of the Texas Higher Education Coordinating Board~~, then (i) necessary facility program approvals must be secured in advance of requests for construction approval; (ii) funds must have been approved through standard System budgetary procedures; and (iii) the project must have been approved by the institution director of physical plant, chief business officer, and president.

Sec. 3 Standardized Contracts. Contracts with architects and engineers shall comply with guidelines issued by the U. T. System Administration Office of General Counsel and shall be written on a standard form approved by the Office of General Counsel. Construction contracts shall comply with guidelines issued by the U. T. System Administration's Office of General Counsel and shall be written on a standard form approved by the Office of General Counsel. Payment and performance bonds, when required by law or contracts, shall be on a standard form approved by the Office of General Counsel.

3. Definitions

Minor Project – New building construction and road, paving, and repair and rehabilitation projects with a total project cost of less than \$~~10~~⁴ million ~~that are not funded in any part with debt.~~

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 80404

1. Title

Institutional Management of Major Construction and Repair and Rehabilitation Projects

2. Rule and Regulation

Sec. 1 Contract Authorization - Architects, Engineers and Design-Build Contractors. Subject to Regents' *Rules and Regulations*, Rule 80301 and Rule 10501, and Sections 2, 3, 4, and 5 below, and except as otherwise specified in these *Rules and Regulations*, the institutional president, with the advice of the appropriate Executive Vice Chancellor, is authorized to appoint architects, engineers, and design-build contractors and execute contracts for professional services.

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Sec. 9 Adherence with Campus Master Plan. Requests for Qualifications (RFQs) issued to solicit responses from interested architects, engineers, and design-build contractors will include a requirement that the architect, engineering, and design-build contractor evidence agreement to adhere to the approved Campus Master Plan and a set of criteria applicable to the facility program and the needs of the institution.

Sec. 10 Preparation of Design Development Plans. After approval of the facility program, the institutional president is authorized to release give the project architect, engineer, or design-build contractor to prepare the facility program and the Campus Master Plan and to direct the preparation of S~~Schematic P~~plans; (exterior design, site plans, cost estimates, and other necessary and appropriate documents ~~("Schematic Plans")~~) and Design Development Plans; ~~(elevations, and sections, outline specifications, cost estimates, and other related work to establish the scope, design, dimensions, and materials of the project in greater detail ("Design Development Plans").~~ Design Development Plans are referred to as Preliminary Plans in applicable rules of the Texas Higher Education Coordinating Board. The project architect, engineer, or design-build contractor shall work with the institutional delegates Ad Hoc Project Building Committee, if any, and the institutional president ~~with regard to architectural design and construction projects.~~

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Sec. 11 Construction Documents. After approval of the Design Development Plans, the institutional president is authorized to direct the preparation of the Construction Documents (working drawings and specifications ~~("Construction Documents")~~).

3. Definitions

None

**The University of Texas System
Rules and Regulations of the Board of Regents**

Rule: 80901

1. Title

Constitutional and Legislative Restrictions on Capital Improvements

2. Rule and Regulation

Sec. 1 Approval by Coordinating Board. Sections 17 and 18 of Article VII of the Texas Constitution (regarding the Permanent University Fund and the Higher Education Fund, as referenced at *Texas Education Code* Section 62.026) require approval by the Legislature, or an agency designated by the Legislature, prior to the construction of physical improvements financed by bonds authorized under those Sections at institutions of the U. T. System other than The University of Texas at Austin.

1.1 Unless otherwise authorized by law, new construction and major repair and rehabilitation projects with an Education and General (E&G) total project cost of \$10[4] million or more must be submitted to approved by the Texas Higher Education Coordinating Board. The format for submission will be as prescribed by the Coordinating Board.

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4. U. T. System: Allocation of \$30.2 million of Permanent University Fund Bond Proceeds for Fire and Life Safety projects

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, and the Executive Vice Chancellor for Business Affairs that the U. T. System Board of Regents approve the allocation of \$30,200,000 of Permanent University Fund (PUF) Bond Proceeds for fire and life safety (FLS) capital projects at U. T. Arlington, U. T. Austin, U. T. Dallas, U. T. El Paso, U. T. San Antonio, U. T. Southwestern Medical Center, and U. T. Health Science Center - San Antonio.

The recommended FY 2016 PUF allocation for the FLS projects is set out below:

<u>Institution</u>	<u>PUF</u>
U. T. Arlington	\$ 4.8M
U. T. Austin	\$ 8.0M
U. T. Dallas	\$ 0.4M
U. T. El Paso	\$ 1.8M
U. T. San Antonio	\$ 4.0M
U. T. Southwestern Medical Center	\$ 1.8M
U. T. Health Science Center - San Antonio	<u>\$ 9.4M</u>
Total FY 2016 FLS PUF	\$30.2M

BACKGROUND INFORMATION

Over the past two years, 2012 to 2014, the fifteen U. T. System institutions reported a \$0.6 million cumulative net increase in fire and life safety (FLS) projects, indicating that \$66.4 million in FLS projects remain Systemwide. The total project cost of FLS projects at the seven institutions included in this allocation is currently estimated at approximately \$57.9 million as reflected on Table 1 on the next page. These seven institutions have identified \$36.2 million in institutional funds for FLS project mitigation over the next two years, leaving \$30.2 million unfunded. The balance of the project funding will be supplemented by institutional funds over the next two years and will be brought back to the Board for approval as required by the Regents' *Rules and Regulations*.

TABLE 1
Executive Summary
Accelerated FLS Mitigation Plan
Dollars in Millions

Institution	Remaining FLS Projects As Of May 2014	Committed Funding Source					FY15 - FY16 2 Year Total	<u>Outstanding FLS</u> FY16 PUF Proposed
		FY 15 LERR	FY 15 Institutional Funds	FY 16 LERR (Proposed)	FY 16 Institutional Funds			
ACADEMIC								
UT Arlington	\$ 6.3	\$ 0.4	\$ 0.4	\$ -	\$ 0.7	\$ 1.5	\$ 4.8	
UT Austin	\$ 19.7	\$ 2.8	\$ 6.1	\$ 2.8	\$ -	\$ 11.7	\$ 8.0	
UT Dallas	\$ 0.8	\$ 0.2	\$ -	\$ 0.2	\$ -	\$ 0.4	\$ 0.4	
UT El Paso	\$ 3.7	\$ 0.9	\$ -	\$ 1.0	\$ -	\$ 1.9	\$ 1.8	
UT San Antonio	\$ 8.6	\$ -	\$ 4.6	\$ -	\$ -	\$ 4.6	\$ 4.0	
HEALTH								
UT Southwestern	\$ 5.4	\$ -	\$ 1.4	\$ -	\$ 2.2	\$ 3.6	\$ 1.8	
UT HSC San Antonio	\$ 13.4	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 4.0	\$ 9.4	
Total Academic & Health	\$ 57.9						\$ 30.2	

5. U. T. System: Amendment of the FY 2016-2021 Capital Improvement Program to include Tuition Revenue Bond (TRB) projects; appropriation of \$922,632,000 of TRB funds; appropriation of \$114.7 million of Permanent University Fund Bond Proceeds; appropriation of funds for Repair and Rehabilitation projects; approval of modifications and appropriation of additional funds for previously approved projects; authorization of institutional management; approval of waiver of current Architect/Engineer fee schedule; and resolution regarding parity debt

RECOMMENDATION

In accordance with the Constitutional debt capacity of the Permanent University Fund (PUF) and the passage of House Bill 100 by the 84th Legislature authorizing Tuition Revenue Bond (TRB) funding for U. T. System institutions, the Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Presidents of the respective U. T. System institutions recommend that the U. T. System Board of Regents:

- a. amend the FY 2016-2021 Capital Improvement Program (CIP) to include 13 projects as set forth in [Table 1 on Page 291](#);
- b. approve the appropriation of \$922,632,000 of TRB funding for 15 projects as set forth in the fifth column in [Table 1 on Page 291](#);
- c. approve the appropriation of \$114,700,000 of PUF Bond Proceeds for 10 capital projects as set forth in the last column in [Table 1 on Page 291](#);
- d. approve the appropriation of \$65,360,000 of Revenue Financing System Bond Proceeds for Repair and Rehabilitation projects at U. T. Southwestern Medical Center and U. T. Health Science Center - Houston as set forth in [Table 1 on Page 291](#);
- e. approve the appropriation of \$43,500,000 of institutional funds for Repair and Rehabilitation projects at U. T. Southwestern Medical Center and U. T. Health Science Center - San Antonio as set forth in [Table 1 on Page 291](#);
- f. approve modifications in funding, revised project costs, and appropriation of \$43,200,000 of institutional funds for two previously approved projects for U. T. Austin and for U. T. M. D. Anderson Cancer Center as set forth in [Table 2 on Page 292](#);
- g. authorize U. T. Southwestern Medical Center to manage its project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts; and
- h. approve a waiver of the Architect/Engineer fee schedule as approved by the Board of Regents on December 3, 1987, for projects to be designated by Associate Vice Chancellor of Facilities Planning and Construction; and

- i. 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 project costs, 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;
 - the U. T. System institutions, which are all “Members” as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance of tuition revenue bonds by the U. T. System Board of Regents in the form of tax-exempt parity debt in the aggregate amount of \$922,632,000;
 - U. T. Southwestern Medical Center, which is a “Member” as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$34,000,000; 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. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$31,360,000.

BACKGROUND INFORMATION

On July 10, 2014, the Presidents of the U. T. System presented their institutions' projects to the Board of Regents for approval to submit the projects for consideration by the Texas Legislature for Tuition Revenue Bond funding. The 84th Legislature passed and Governor Greg Abbott signed into law House Bill 100 allowing for the issuance of \$922,632,000 in Tuition Revenue Bond proceeds for U. T. System institutions effective September 1, 2015, with the issuance of funds to begin September 1, 2016.

Debt Service

The \$34,000,000 in Revenue Financing System (RFS) debt will be repaid by U. T. Southwestern Medical Center from institutional funds. Annual debt service on the \$34,000,000 RFS debt is expected to be \$2.6 million. The institution's debt service coverage is expected to be at least 2.6 times and average 2.9 times over FY 2016-2021.

The \$31,360,000 in Revenue Financing System (RFS) debt will be repaid by U. T. Health Science Center - Houston from indirect cost recovery and projected reductions in utility and deferred maintenance expenses. Annual debt service on the \$31,360,000 RFS debt is expected to be \$2.4 million. The institution's debt service coverage is expected to be at least 2.7 times and average 3.2 times over FY 2016-2021.

New projects to be added to the CIP are described below.

Academic Institutions

U. T. Arlington: Science and Engineering Innovation and Research Building

This project will construct an approximately 200,000 gross square foot (GSF) Science and Engineering Innovation and Research (SEIR) Building with large multiuse collaborative spaces, large classrooms or lecture halls, and innovational research and teaching labs. The building will serve the College of Engineering, the College of Science, and the College of Nursing and Health Innovation. Design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date. (Preliminary Board approval)

U. T. Dallas: Engineering Building

This project will construct an approximately 200,000 GSF multistory building with the majority of space assigned as research labs and the remainder for instructional purposes, faculty offices, and student office and workspace. The space will accommodate enrollment of 2,000 additional students, 57 tenured and tenure-track faculty members, and 10 senior lecturers. It is projected to attract an increase in additional external research funding annually. Design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date. (Preliminary Board approval)

U. T. El Paso: Interdisciplinary Research Facility (Barry/Burges Hall Replacement removed)

This project will construct an approximately 150,000 GSF multistory building that will integrate research, institutional research support, and teaching spaces. Approximately 60,000 GSF will be shelled for future build-out. The proposed facility supports the institution's vision to become the first national research university with a 21st century demographic. The facility is projected to attract an increase in additional external research funding annually, as well as an increase in commercialization revenue. Design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date. (Preliminary Board approval)

U. T. Permian Basin: School of Engineering Building

This project will construct an approximately 80,000 GSF engineering building on the Midland campus and will include space for classrooms, instructional labs, research endeavors, administrative offices, and student support services. The facility will allow the mechanical and petroleum engineering programs to be consolidated on the Midland campus and will provide more efficient operation of current bachelor's degree programs. The facility will also allow space for Industrial Technology program expansions in areas relevant to the petroleum industry. Design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date. (Preliminary Board approval)

U. T. Rio Grande Valley: Interdisciplinary Engineering and Academic Studies Building

This project will construct an approximately 77,000 GSF building on the Edinburg campus for interdisciplinary space necessary to support enrollment growth in the rapidly growing region. The facility will include a large, 250-seat lecture auditorium, two 150-seat lecture halls, five 60-seat classrooms, and offices. Although particular emphasis will be placed on preparation of engineering students, this facility will also address flexible space requirements for other disciplines as needed. Additionally, the project will include an outdoor pavilion to be used as a gathering area and study space to relieve pressure on more expensive indoor space and also to support academic events. Design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date. (Preliminary Board approval)

U. T. Rio Grande Valley (UTRGV): Multipurpose Academic Center

This project will construct an approximately 67,400 GSF academic facility on the Brownsville campus. The facility will provide much-needed classrooms and labs for physics, as well as space for general purpose classrooms and computer labs. Current lease space of 294,955 GSF is set to expire in the next two to six years; therefore, the UTRGV Brownsville campus has an urgent need to construct new buildings for classroom space, science labs, and student support services to meet current enrollment needs. Design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date. (Preliminary Board approval)

U. T. San Antonio: Science and Engineering Building (Formerly the Instructional Science and Engineering Building)

This project will construct an approximately 150,000 GSF Science and Engineering Building. The building will provide for classrooms, faculty offices, and science and engineering research and instructional labs. The Science and Engineering Building is a critical element in the University's strategic plan for providing state-of-the-art space for Science, Technology, Engineering, and Mathematics (STEM) education and research. Design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date. (Preliminary Board approval)

U. T. Tyler: STEM Building

This project will construct a STEM addition to the current Business Building and renovate the existing Business Building. The new construction portion of the project will include approximately 104,700 GSF and will provide much-needed space for classrooms, student learning, teaching laboratories, and faculty offices. The renovation will require complete replacement of the existing heating ventilation, air conditioning and mechanical, electrical, and plumbing systems and a reconfiguration of the building floor plan and internal structure to accommodate the current and future needs of the University. The project will also include development of infrastructure associated with the new space. Design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date. (Preliminary Board approval)

Health Institutions

U. T. Southwestern Medical Center: Vivarium and Research Expansion and Modernization (formerly the Vivarium and Research Infrastructure Reinvestment)

This project will include vivarium additions and renovations of approximately 295,000 GSF on the South and North Campuses to increase overall animal research capacity. A portion of this project will create modern academic faculty space, teaching facilities, and biomedical laboratories. The expected life of the renovated space is between 20 and 30 years. The need for facilities requiring these special environmental conditions has more than doubled between 2007 and 2014. Design development plans and authorization of expenditure of funding for the repair and rehabilitation portion of the project will be presented to the President for approval at a later date. Design development plans and authorization of expenditure of funding for any new construction portions of the project will be presented to the Board for approval at a later date. The project will be institutionally managed. (Final Board approval)

U. T. Medical Branch - Galveston (UTMB): Health Education Center

This project will construct an approximately 160,000 GSF building for resilient and advanced technology education space and will promote interprofessional education in the Schools of Medicine, Nursing, Health Professions, and Graduate Biomedical Sciences. The facility will feature a standardized patient and simulation center to be used by students in all health science disciplines and will include classroom space, conference rooms, educational offices, and administrative space to accommodate the planned growth of UTMB's educational programs. Design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date. (Preliminary Board approval)

U. T. Health Science Center - Houston: Renovation and Modernization of Educational and Research Facilities

This project will renovate and modernize several critical facilities on campus encompassing over 1.6 million GSF of space. Where needed, the project will build-out small amounts of swing space within the existing buildings' footprints to help reduce the impact of the renovations on ongoing educational and research activities. The proposed upgrades are important elements in the University's Campus Master Plan and will ensure efficient functionality of these facilities in their crucial roles of supporting teaching and research. A recent facility audit identified significant renovation and modernization needs in these facilities, which were all built in the 1970's. Design development plans and authorization of expenditure of funding will be presented to the Chancellor for approval at a later date. (Final Board approval)

U. T. Health Science Center - San Antonio: Facilities Renewal and Renovation

This project will renovate some of the older facilities on the main campus and provide upgrades to create 21st century classrooms and media-rich shared learning environments. U. T. Health Science Center-San Antonio will modernize teaching and research space and equipment, including major campus infrastructure and the core computing center to accommodate new curricula and to attract and retain new scientists. Over 1.3 million square feet, or approximately 30% of U. T. Health Science Center-San Antonio 's space, is 35 years old or older. It is necessary to make a significant investment in these existing facilities by replacing building systems such as mechanical, electrical, plumbing, medical gases, security, and life safety to

repurpose the space and improve its functionality for future use. Design development plans and authorization of expenditure of funding will be presented to the Chancellor for approval at a later date. (Final Board approval)

U. T. Health Science Center - Tyler: Facility Renovation for Physician Residents Training

This project will renovate approximately 43,023 GSF of existing space to improve teaching spaces required to maintain accreditation for physician residency programs. U. T. Health Science Center-Tyler recently entered into a partnership with the Department of State Health Services to significantly increase capacity in the State's mental health system. The additional beds have had, and will continue to have, a dramatic impact on the ability to provide adequate physical space to train physician residents. Renovations will allow U. T. Health Science Center-Tyler to continue operations of the new mental health units and maintain accreditation for physician residency programs, which have specific space requirements for resident training. Design development plans and authorization of expenditure of funding will be presented to the Chancellor for approval at a later date. (Final Board approval)

Modifications to Existing CIP Projects:

U. T. Austin: Robert A. Welch Hall Renovation

This project will renovate approximately 312,420 GSF of the existing Robert A. Welch Hall building and will help transform the College of Natural Sciences (CNS) into a multidisciplinary program-based organization, thereby improving the ability to recruit and retain talented faculty and accommodate program growth projections. Renovation of the existing outdated, inefficient, and inflexible building will provide modern laboratory and classroom spaces, as well as new infrastructure to support the teaching and research mission of the College. The renovation will allow for flexible responses to changes in science research and education, and improved space utilization will allow CNS to achieve its strategic goals in terms of enrollment, research funding, and development of interdisciplinary programs. Design development plans and authorization of expenditure of funding will be presented to the Chancellor for approval at a later date. (Final Board approval)

U. T. M. D. Anderson Cancer Center: Sheikh Zayed Bin Sultan Al Nahyan Building for Personalized Cancer Care

This project consists of an approximately 636,000 GSF research building constructed on U. T. M. D. Anderson's main campus. The facility includes two research laboratory wings designed with an exterior public corridor that maximizes the flexibility to meet new and evolving technologies and will be joined with two adjacent office wings by a central collaboration core space in the middle. The facility includes clinical laboratories, translational and basic science research laboratory space, clinical programs, and other supporting space, such as equipment support areas, offices, and conferencing facilities to integrate the delivery of basic and clinical research in support of personalized cancer care. This increase in funding for this existing CIP project will allow U. T. M. D. Anderson to finish-out all interior space that has been shelled, with the exception of approximately 13,800 GSF on the second floor of the northwest tower. (Final Board approval)

**Table 1
Tuition Revenue Bond Project Additions/Modifications**

ACADEMIC INSTITUTIONS	PROJECT NAME*	PROJECT TYPE**	PROPOSED TOTAL PROJECT COST	TRB	RFS	GIFTS / INSTITUTIONAL FUNDS***	PROPOSED PUF
UT Arlington	Science and Engineering Innovation and Research Building	New	\$ 125,000,000	\$ 70,000,000	\$ 20,000,000	\$ 15,000,000	\$ 20,000,000
UT Austin	Robert A. Welch Hall Renovation*	R&R	\$ 125,000,000	\$ 75,000,000	\$ -	\$ 25,000,000	\$ 25,000,000
UT Dallas	Engineering Building	New	\$ 110,000,000	\$ 70,000,000	\$ 11,000,000	\$ 9,000,000	\$ 20,000,000
UT El Paso	Interdisciplinary Research Facility	New	\$ 85,000,000	\$ 70,000,000	\$ 5,000,000	\$ -	\$ 10,000,000
UT Permian Basin	School of Engineering Building	New	\$ 60,000,000	\$ 48,000,000	\$ -	\$ 8,000,000	\$ 4,000,000
UT Rio Grande Valley	Multipurpose Academic Center	New	\$ 36,432,000	\$ 36,432,000	\$ -	\$ -	\$ -
UT Rio Grande Valley	Interdisciplinary Engineering and Academic Studies Building	New	\$ 37,600,000	\$ 30,600,000	\$ -	\$ 2,000,000	\$ 5,000,000
UT San Antonio	Science and Engineering Building	New	\$ 100,000,000	\$ 70,000,000	\$ -	\$ 20,000,000	\$ 10,000,000
UT Tyler	STEM Building	New/R&R	\$ 76,000,000	\$ 60,000,000	\$ -	\$ 5,000,000	\$ 11,000,000
Total - Academic Institutions			\$ 755,032,000	\$ 530,032,000	\$ 36,000,000	\$ 84,000,000	\$ 105,000,000
HEALTH INSTITUTIONS	PROJECT NAME*	PROJECT TYPE**	PROPOSED TOTAL PROJECT COST	TRB	RFS	GIFTS / INSTITUTIONAL FUNDS***	PROPOSED PUF
UT Southwestern Medical Center	Vivarium and Research Infrastructure Reinvestment	R&R/New	\$ 147,500,000	\$ 80,000,000	\$ 34,000,000	\$ 33,500,000	\$ -
UT Medical Branch - Galveston	Health Education Center	New	\$ 90,400,000	\$ 67,800,000	\$ -	\$ 22,600,000	\$ -
UT Health Science Center - Houston	Renovation and Modernization of Educational and Research Facilities	R&R	\$ 111,360,000	\$ 80,000,000	\$ 31,360,000		\$ -
UT Health Science Center - San Antonio	Facilities Renewal and Renovation	R&R	\$ 96,000,000	\$ 80,000,000	\$ -	\$ 10,000,000	\$ 6,000,000
UT MD Anderson Cancer Center	Sheikh Zayed Bin Sultan Nahyan Building for Personalized Cancer Care*	New	\$ 361,000,000	\$ 70,000,000	\$ -	\$ 291,000,000	\$ -
UT Health Science Center - Tyler	Facility Renovation for Physician Residents Training	R&R	\$ 18,500,000	\$ 14,800,000	\$ -	\$ -	\$ 3,700,000
Total - Health Institutions			\$ 824,760,000	\$ 392,600,000	\$ 65,360,000	\$ 357,100,000	\$ 9,700,000
Total - Academic and Health Institutions			\$ 1,579,792,000	\$ 922,632,000	\$ 101,360,000	\$ 441,100,000	\$ 114,700,000

* All Academic and Health projects are proposed to be added to the FY2016 - 2021 Capital Improvement Program with the exception of UTAUS and UTMDA projects which will be CIP modifications to current projects as per Table 2.

** New Construction (New) projects will return to the Board of Regents for Design Development Approval; Repair and Rehabilitation (R&R) Projects will receive Design Development Approval by the Chancellor or the institutional president.

*** Final sources of institutional funding will be defined at Design Development Approval.

**Table 2
Current CIP Project Funding Modifications**

ACADEMIC INSTITUTION	PROJECT NAME	PROJECT TYPE	CURRENT TOTAL PROJECT COST	NEW TOTAL PROJECT COST	CURRENT FUNDING			PROPOSED FUNDING		
					TRB	GIFTS	OTHER FUNDING	TRB	GIFTS	OTHER FUNDING *
UT Austin	Robert A. Welch Hall Renovation	R & R	\$ 25,000,000	\$ 125,000,000	\$ -	\$ 25,000,000	\$ -	\$ 75,000,000	\$ -	\$ 50,000,000

HEALTH INSTITUTION	PROJECT NAME	PROJECT TYPE	CURRENT TOTAL PROJECT COST	NEW TOTAL PROJECT COST	CURRENT FUNDING			PROPOSED FUNDING		
					TRB	GIFTS	OTHER FUNDING **	TRB	GIFTS	OTHER FUNDING **
UT MD Anderson Cancer Center	Sheikh Zayed Bin Sultan Nahyan Building for Personalized Cancer Care	New	\$ 272,800,000	\$ 361,000,000	\$ -	\$ 100,000,000	\$ 172,800,000	\$ 70,000,000	\$ 100,000,000	\$ 191,000,000

* Other funds, including \$22.6M from Unexpended Plant Funds and \$2.4M from Available University Fund, were previously appropriated; \$25M from PUF to be appropriated in this agenda item.

** Other funds, including \$100M from Gifts and \$172.8M from Hospital Revenues, were previously appropriated; \$18.2M additional funding from Hospital Revenues to be appropriated in this agenda item.

6. U. T. Medical Branch - Galveston: Biocontainment Critical Care Unit - Amendment of the FY 2016-2021 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Callender that the U. T. System Board of Regents amend the FY 2016-2021 Capital Improvement Program (CIP) to include the Biocontainment Critical Care Unit project at U. T. Medical Branch - Galveston (UTMB) as follows:

Project No.: 601-XXE
Institutionally Managed: Yes
Project Delivery Method: Competitive Sealed Proposals
Substantial Completion Date: June 2017

Total Project Cost:	<u>Source</u>	<u>Proposed</u>
	General Revenue ¹	\$ 8,200,000
	Hospital Revenues ²	<u>\$ 3,500,000</u>
		\$11,700,000

Funding Note: ¹ General Revenue from the Legislative appropriation from House Bill 2
² Hospital Revenues from contracted support from the Department of State Health Services

- a. amend the FY 2016-2021 CIP to include the Biocontainment Critical Care Unit project;
- b. approve a total project cost of \$11,700,000 with funding of \$8,200,000 from General Revenue and \$3,500,000 from Hospital Revenues;
- c. appropriate funds; and
- d. authorize U. T. Medical Branch - Galveston to manage the project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

BACKGROUND INFORMATION

In response to the events of September 2014 surrounding the Ebola infectious disease pandemic, UTMB leadership and emergency room staff have established a full set of protocols and workflows related to preparedness for specialized patient management, including for the triage, diagnosis, isolation, and care of patients as well as access control, waste monitoring and transport, protective equipment, risk assessment, staffing, and training for the nursing staff.

The proposed project will allow UTMB to admit and treat four patients diagnosed with or suspected of having a disease that poses extraordinary risk to the population, especially those diseases designated for quarantine by the Centers for Disease Control and Prevention (CDC) and other competent health authorities. The Biocontainment Critical Care Unit will be designed with appropriate technology and facility systems capable of isolation, redundancy, and sustainable operations. Spaces provided will be of such a size and configuration to enable sustained patient care by staff under the duress of extended operations while under biocontainment isolation protocols. The facility improvements requested are an escalation of capability that responds to both the research and health care missions of the institution.

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. It has been determined that this project would best be managed by UTMB Facility Management personnel who have the experience and capability to manage all aspects of the work, especially as it requires extensive coordination with the building occupants.

7. U. T. Medical Branch - Galveston: John Sealy Hospital Phase 2 Modernization and Facade Replacement - Amendment of the FY 2016-2021 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; approval of institutional management; resolution regarding parity debt; and remove the John Sealy Hospital Facade Replacement project (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Callender that the U. T. System Board of Regents amend the FY 2016-2021 Capital Improvement Program (CIP) to include the John Sealy Hospital Phase 2 Modernization and Facade Replacement project at U. T. Medical Branch - Galveston (UTMB) as follows:

Project No.: 601-860
Institutionally Managed: Yes
Project Delivery Method: Construction Manager-at-Risk
Substantial Completion Date: February 2020

Total Project Cost: John Sealy Hospital Phase 2 Modernization and Facade Replacement (Project No. 601-860)	<u>Source</u>	<u>Proposed</u>
	Gifts	\$ 75,000,000
	Revenue Financing System Bond Proceeds ¹	\$ 40,000,000
	Hospital Revenues	<u>\$ 20,000,000</u>
		<u>\$135,000,000</u>

Total Project Cost: John Sealy Hospital Facade Replacement (Project No. 601-767)	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Gifts	\$25,000,000	\$ 0

Funding Note: ¹ Revenue Financing System (RFS) proposed to be repaid from hospital revenues

- a. amend the FY 2016-2021 CIP to include the John Sealy Hospital Phase 2 Modernization and Facade Replacement project;
- b. approve a total project cost of \$135,000,000;
- c. appropriate funds of \$75,000,000 from Gifts, \$40,000,000 from RFS Bond Proceeds, and \$20,000,000 from Hospital Revenues;
- d. authorize U. T. Medical Branch - Galveston to manage the project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts;
- 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. 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 \$40,000,000; and
- f. remove the John Sealy Hospital Facade Replacement project from the CIP.

BACKGROUND INFORMATION

Debt Service

The \$40,000,000 in Revenue Financing System (RFS) debt will be repaid from revenues derived from hospital revenues. Annual debt service on the \$40,000,000 RFS debt is expected to be \$2,700,000. The institution's debt service coverage is expected to be at least 2.5 times and average 2.9 times over FY 2016-2021. The Gift funding authorized for expenditure is fully committed at this time, and the institution has sufficient local funds to cover any shortfall.

Previous Board Action

On February 14, 2013, the John Sealy Hospital Facade Replacement project was included in the CIP with a total project cost of \$25,000,000 with funding from Gifts.

Project Description

The proposed project will combine Phase 2 of the John Sealy Hospital Modernization and the previously approved scope of the John Sealy Hospital Facade Replacement into one project to minimize disruption to patient care by vacating an entire wing of the building and completing the exterior facade replacement and interior modernization simultaneously. The project consists of modernizing 220,000 gross square feet of the John Sealy Hospital and creating a women's center with labor and delivery suites, patient rooms, neonatal ICU, well-baby nursery, operating rooms, waiting areas, and other patient amenities. The renovation will provide infrastructure upgrades, including a sprinkler system installation on floors that were not part of the Phase I modernization, and renovation of floors three through five of the R. Waverley Smith Pavilion. Phase I of the modernization commenced in 2009 and was completed in 2012.

The scope of the previously approved John Sealy Hospital Facade Replacement project addresses the removal of the existing problematic brick facade, repairs to the substrate, a new waterproofing system, and recladding with new brick veneer and potentially other facade materials that will visually connect the John Sealy Hospital to the adjacent health care buildings.

The initial project cost was based on reusing the existing window system assemblies. However, after detailed engineering analysis, this option was not found to be feasible, and the increase in cost is a result of a new curtain wall system and creation of a more efficient floor plate for the patient units by extending the structural slab. The John Sealy Hospital Facade Replacement project will be removed from the CIP.

This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. The institution anticipates that the gift funding will be fully collected or committed prior to design development approval and the institution possesses sufficient local funds to cover any shortfall. Design development plans and authorization of expenditure of funding will be presented to the President for approval at a later date. It has been determined that this project would best be managed by UTMB Facility Management personnel who have the experience and capability to manage all aspects of the work, especially as it requires extensive coordination with the building occupants. The Office of Facilities Planning and Construction will provide construction management and other services identified in an approved Memorandum of Understanding.

8. U. T. M. D. Anderson Cancer Center: M. D. Anderson - League City - Amendment of the FY 2016-2021 Capital Improvement Program to include project (Preliminary Board approval)

RECOMMENDATION

The Chancellor concurs with 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 amend the FY 2016-2021 Capital Improvement Program (CIP) to include the M. D. Anderson - League City project at U. T. M. D. Anderson Cancer Center as follows:

Project No.:	703-955	
Institutionally Managed:	Yes	
Project Delivery Method:	Construction Manager-at-Risk	
Substantial Completion Date:	April 2018	
Total Project Cost:	<u>Source</u> Hospital Revenues	<u>Proposed</u> \$87,750,000
Investment Metrics:	<ul style="list-style-type: none"> • Construct regional ambulatory regional care facility to replace leased facility • Serve patient population in the Southeast Houston area 	

BACKGROUND INFORMATION

Project Description

The proposed project will include the programming, design, and construction of an ambulatory clinical facility, which is expected to be approximately 135,000 gross square feet. The League City facility, to be located on land owned by U. T. Medical Branch - Galveston (UTMB) (see Consent Agenda Item 96), will provide outpatient oncology services to adult patients in line with that of a comprehensive cancer center, including radiation, medical, and surgical oncology, infusion therapy, diagnostic imaging, and other related procedure-based services.

The U. T. M. D. Anderson Cancer Center suburban strategy is an ongoing program created to advance the institution's mission of eliminating cancer by collaborating with community hospitals and health systems to improve the quality of cancer care in the Greater Houston area. The suburban outpatient clinics provide access to the institution's best practices, leading edge technologies, patient treatment protocols, education, research and U. T. M. D. Anderson Cancer Center's unique multidisciplinary, patient care approach through diagnostic and treatment centers.

U. T. M. D. Anderson Cancer Center currently leases about 37,000 rentable square feet (RSF) of space for its Bay Area facility, which is located southeast of the Greater Houston area. This proposed clinical facility will serve as a replacement for the leased facility, will serve patients in Galveston Bay area southeast of Houston, and will be designed and constructed to facilitate

expansion in the future. The lease on the current M. D. Anderson Bay Area location is due to expire in 2017.

The Bay Area clinic has experienced consistent growth that required incremental addition of space to create enough capacity for market demand. The amount of rented square feet has grown by almost 200% from the original amount of space leased in 2007, and the facility is now at maximum capacity. The current space is landlocked, and there is no room for further expansion even if the lease were to be extended. No other buildings that meet all the requirements for this facility are available for lease in the immediate area. Additionally, leasing space is not conducive to providing patient-centered care in an oncology specific care environment. By locating this clinic at UTMB's League City facility, both M. D. Anderson and UTMB will have the opportunity for shared utilization of inpatient beds, operating rooms, existing general imaging resources, interventional radiology and endoscopy. Financial, program, and space availability considerations all indicate that building this facility is the most appropriate and advantageous way for U. T. M. D. Anderson Cancer Center to continue regional expansion and meet patient demand.

Major medical equipment estimated at \$24,675,000 is to be acquired outside of the project through the capital equipment procurement process.

This proposed project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. It is anticipated that the project will be partially or fully funded with Revenue Financing System Bond Proceeds debt at the design development stage. Approval of design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date. Pursuant to a Memorandum of Understanding effective August 26, 2004, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Facilities Planning and Construction.

9. U. T. M. D. Anderson Cancer Center: M. D. Anderson - West Houston - Amendment of the FY 2016-2021 Capital Improvement Program to include project (Preliminary Board approval)

RECOMMENDATION

The Chancellor concurs with 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 amend the FY 2016-2021 Capital Improvement Program (CIP) to include the M. D. Anderson - West Houston project at U. T. M. D. Anderson Cancer Center as follows:

Project No.:	703-956	
Institutionally Managed:	Yes	
Project Delivery Method:	Construction Manager-at-Risk	
Substantial Completion Date:	May 2018	
Total Project Cost:	<u>Source</u> Hospital Revenues	<u>Proposed</u> \$113,750,000
Investment Metrics:	<ul style="list-style-type: none"> • Construct a regional ambulatory care facility to replace leased facility • Serve patient population in the West Houston area 	

BACKGROUND INFORMATION

Project Description

The proposed scope of the project will include the development of a generic facility program for suburban ambulatory clinical facilities, master planning for the West Houston site, and the programming, design, and construction of an ambulatory clinical facility. The approximately 175,000 gross square foot West Houston facility, to be built on land already owned by U. T. M. D. Anderson Cancer Center, will provide outpatient oncology services to adult patients in line with that of a comprehensive cancer center, including radiation, medical, and surgical oncology, infusion therapy, diagnostic imaging, and other related procedure-based services.

The U. T. M. D. Anderson Cancer Center suburban strategy is an ongoing program created to advance the institution's mission of eliminating cancer by collaborating with community hospitals and health systems to improve the quality of cancer care in the Greater Houston area. The suburban outpatient clinics provide access to the institution's best practices, leading edge technologies, patient treatment protocols, education, research, and U. T. M. D. Anderson Cancer Center's unique multidisciplinary, patient care approach through diagnostic and treatment centers.

This proposed clinical facility will serve as a replacement for leased facilities in West Houston and will be designed and constructed to facilitate expansion in the future. The lease on the current M. D. Anderson Cancer Center location in Katy is due to expire in 2017. The clinical space has been sold to Houston Methodist, and the majority of the campus has been converted to a Long-Term Acute Care center, resulting in a less than ideal location to support a comprehensive cancer program.

The Katy clinic has experienced consistent growth that required incremental addition of space to create enough capacity for market demand. The amount of rented square feet has grown by almost 170% from the original amount of space leased in 2007, and the facility is now at maximum capacity. No other buildings that meet all the requirements for this facility are available for lease in the immediate area. Additionally, leasing space is not conducive to providing patient-centered care in an oncology specific care environment. Financial, program, and space availability considerations all indicate that building this facility is the most appropriate and advantageous way for U. T. M. D. Anderson Cancer Center to continue regional expansion and meet patient demand.

Major medical equipment estimated at \$41,675,000 is to be acquired outside of the project through the capital equipment procurement process.

This proposed project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. It is anticipated that the project will be partially or fully funded with Revenue Financing System Bond Proceeds debt at the design development stage. Approval of design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date. Pursuant to a Memorandum of Understanding effective August 26, 2004, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Facilities Planning and Construction.

10. U. T. Dallas: Davidson-Gundy Alumni Center - Amendment of the FY 2016-2021 Capital Improvement Program to increase total project cost; approval of design development; and appropriation of funds and authorization of expenditure (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and Interim President Wildenthal that the U. T. System Board of Regents approve the recommendations for the Davidson-Gundy Alumni Center project at U. T. Dallas as follows:

Project No.: 302-842

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: April 2017

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Gifts	\$10,000,000	\$15,000,000

- Investment Metrics:**
- Attract outstanding tenure-track faculty to support the University's Strategic Plan Imperative of growing to a total of 600 - 700 tenure-track faculty by 2020
 - Attract research funding in support of the University's Strategic Plan Imperative of increasing the University's endowment by \$320 million by 2019

- a. amend the FY 2016-2021 Capital Improvement Program (CIP) to increase the total project cost from \$10,000,000 to \$15,000,000;
- b. approve design development plans; and
- c. appropriate funds and authorize expenditure of \$15,000,000 with funding from Gifts.

BACKGROUND INFORMATION

Previous Board Action

On May 15, 2014, the project was included in the CIP with a total project cost of \$10,000,000 with funding from Gifts.

Project Description

The proposed project will construct an approximately 29,900 gross square foot (GSF) building to be utilized as a meeting and event space for U. T. Dallas schools and departments, student groups, alumni, and community organizations. The proposed facility will include two conference rooms accommodating seating for 25-30; one 45-60 seat conference room; a grand ballroom providing a premier venue for major events with seating for 400-450 guests or 1,000 lecture style; an executive board room; and an approximately 33,000 GSF functional outdoor space for

private events, student activities, musical programs, and other special programming. The facility will also include office space for staff members of the Office of Development and Alumni Relations to support a significant increase in staffing levels for alumni relations and fundraising. The facility will also serve as a central home to acknowledge the accomplishments of U. T. Dallas alumni, including displays of past recipients of the Distinguished Alumni Award and other formal recognitions.

The University's imperative to grow in size and increase external research funding also leads to a need for space dedicated to emphasizing and increasing private gifts and endowment funds. Though tuition and state funds support the basic essentials, private gifts from alumni and friends provide the additional necessities that U. T. Dallas needs to succeed and to become a Tier One university.

The Gift funding authorized for expenditure is fully collected or committed at this time, and the institution has sufficient local funds to cover any shortfall.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 25-30 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.

11. U. T. Rio Grande Valley: Academic Building - Approval of design development; and appropriation of funds and authorization of expenditure (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Bailey that the U. T. System Board of Regents approve the recommendations for the Academic Building project at U. T. Rio Grande Valley as follows:

Project No.: 903-B825

Project Delivery Method: Construction Manager-at-Risk

Substantial Completion Date: November 2017

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Permanent University Fund (PUF) Bond Proceeds	\$54,000,000

Investment Metrics:

- Expand University's ability to offer classes to approximately 1,383 students
- Vacate 56,475 gross square feet of leased space by 2018

- a. approve design development plans; and
- b. appropriate funds and authorize expenditure of \$54,000,000 from PUF Bond Proceeds.

BACKGROUND INFORMATION

Previous Board Actions

On November 14, 2013, the Board approved \$54,000,000 from PUF Bond Proceeds for a new academic building to be built on the existing U. T. Brownsville campus for the benefit of U. T. Rio Grande Valley. On May 15, 2014, the project was included in the Capital Improvement Program (CIP) with a total project cost of \$54,000,000 with funding from PUF Bond Proceeds.

Project Description

The Academic Building at U. T. Rio Grande Valley - Brownsville will construct an approximately 102,500 gross square foot facility that will provide space necessary to accommodate current and future needs to support general academics, music instruction and recitals, math and language labs, and science teaching labs. The project will construct two three-story wings in support of 21st century classroom and teaching pedagogies by providing group study rooms, student collaboration spaces, flexible classrooms, and teaching labs supported with AV and IT technologies for long distance and enhanced learning.

The project will relocate and consolidate functions that are currently located in leased space into one area, creating efficiencies. The project site is located adjacent to the existing Main Building in the core of the main Cameron County campus, which supports, enhances, and reinforces the current network of walks and pedestrian circulation paths throughout the campus.

The Academic Building will be built on the U. T. Brownsville Cameron County campus for the benefit of U. T. Rio Grande Valley. As with the new Science Building to be built on the U. T. Pan American campus, this academic facility will be designed and constructed to provide space that is adaptable to new and future learning realities and pedagogies and to serve students at two campuses.

Basis of Design

The planned life expectancy includes the following elements:

- Enclosure: 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. 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.

12. U. T. Southwestern Medical Center: West Campus - Phase 1 - Amendment of the FY 2016-2021 Capital Improvement Program to increase total project cost; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Podolsky that the U. T. System Board of Regents approve the recommendations for the West Campus - Phase 1 project at U. T. Southwestern Medical Center as follows:

Project No.: 303-771
Institutionally Managed: Yes
Project Delivery Method: Construction Manager-at-Risk
Substantial Completion Date: April 2018

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds ¹	\$107,000,000	\$120,000,000
	Permanent University Fund Bond Proceeds	\$ 50,000,000	\$ 50,000,000
	Gifts	\$ 20,000,000	\$ 25,000,000
	Designated Funds ²	<u>\$ 10,000,000</u>	<u>\$ 37,000,000</u>
		\$187,000,000	\$232,000,000

Funding Notes:
¹ Revenue Financing System (RFS) debt to be repaid from faculty practice revenue, Hospital Revenues, parking fees, and other institutional funds
² Designated Funds from Hospital Revenues and other institutional funds

- Investment Metric:**
- Add approximately 200,000 incremental patient visits annually by 2022
- a. amend the FY 2016-2021 Capital Improvement Program (CIP) to increase the total project cost from \$187,000,000 to \$232,000,000;
 - b. approve design development plans;
 - c. appropriate funds and authorize expenditure of \$232,000,000 with funding of \$120,000,000 from RFS Bond Proceeds, \$38,000,000 from Permanent University Fund (PUF) Bond Proceeds (\$12,000,000 previously appropriated and authorized for expenditure on November 6, 2014), \$25,000,000 from Gifts, and \$37,000,000 from Designated 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. System Board of Regents relating to the Financing System; and
- U. T. Southwestern Medical Center, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$120,000,000.

BACKGROUND INFORMATION

Debt Service

The \$120,000,000 in RFS debt will be repaid from revenues derived from faculty practice revenue, Hospital Revenues, parking fees, and other institutional funds. Annual debt service on the \$120,000,000 RFS debt is expected to be \$7,800,000. The institution's debt service coverage is expected to be at least 2.6 times and average 3.0 times over FY 2016-2021. The Gift funding authorized for expenditure is not fully collected or committed at this time, but the institution has sufficient local funds to cover any shortfall.

Previous Board Actions

On May 9, 2013, the project was included in the CIP with a total project cost of \$187,000,000 with funding of \$107,000,000 from RFS Bond Proceeds, \$60,000,000 from Designated Funds, and \$20,000,000 from Gifts. On November 14, 2013, the Board approved \$50,000,000 from PUF and on May 22, 2014, the President reduced Designated Funds by \$50,000,000. On November 6, 2014, the Board authorized expenditure of \$12,000,000 from PUF for preliminary development work.

Project Description

This project is the first phase of the redevelopment of West Campus to replace 1.1 million square feet of space, built in five phases over approximately 20 years. The West Campus Master Plan calls for the eventual demolition of all existing facilities on the West Campus, with the exception of the Outpatient Building, which was constructed in 2006. The estimated total cost of the replacement facilities is \$875 million. This first phase of the West Campus Master Plan includes construction of a nine-story, approximately 302,500 gross square foot building proposed for academic space and clinical use.

Academic space in the new building will include an innovative high-tech simulation center of 20 standardized patient exam rooms; four mock operative, obstetrical, ICU, and emergency rooms; and six high-fidelity team training rooms. Clinical space will include approximately 220 exam and procedure rooms for multiple specialties. This project will also include construction of streets, utilities, and an 805-space parking garage and will include the demolition of the current St. Paul University Hospital facility.

The proposed increase in total project cost is due to the increase in scope from an approximately 275,000 GSF to a 302,500 GSF building, additional high-tech rooms and equipment, and additional connectors and demolition. In addition, the garage is partially below grade and will include a more complex structure to fit the site.

Basis of Design

The planned life expectancy includes the following elements:

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

The interior and exterior appearance and finish are consistent with other buildings on campus. 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.

13. U. T. Health Science Center - San Antonio: MARC North Clinical Facility - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Henrich that the U. T. System Board of Regents approve the recommendations for the MARC North Clinical Facility project at U. T. Health Science Center - San Antonio as follows:

Project No.: 402-908

Project Delivery Method: Construction Manager-at-Risk

Substantial Completion Date: November 2016

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds ¹	\$ 8,940,000
	Medical Services, Research and Development Plan/Professional Fees	<u>\$ 7,810,000</u>
		\$16,750,000

Funding Note: ¹ Revenue Financing System (RFS) to be repaid from clinical revenues

- Investment Metrics:**
- Expand primary care and multispecialty services tailored to needs of patients
 - Increase patient visits by almost 50,000 within five years
 - Increase clinical fee-for-service revenues by \$1.9 million in one year and grow to \$6.5 million by year five
 - Reduce current space deficit of 224,400 square feet

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$16,750,000 with funding of \$8,940,000 from RFS Bond Proceeds and \$7,810,000 from Medical Services, Research and Development Plan/Professional Fees (MSRDP); and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and

- U. T. Health Science Center - San Antonio, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$8,940,000.

BACKGROUND INFORMATION

Debt Service

The \$8,940,000 in Revenue Financing System (RFS) debt will be repaid from clinical revenues. Annual debt service on the \$8,940,000 RFS debt is expected to be \$658,000. The debt service coverage for the institution is expected to be at least 2.9 times and average 3.2 times over FY 2016-2021.

Previous Board Action

On February 12, 2015, the project was included in the CIP with a total project cost of \$16,750,000 with funding of \$8,940,000 from RFS Bond Proceeds and \$7,810,000 from MSRDP.

Project Description

This project will provide a new ambulatory multispecialty clinical services center in North San Antonio. This clinical facility will serve as a gateway for referring patients who need additional services by improving patient access. The facility will provide services not provided at the Medical Arts and Research Center (MARC); provide expanded teaching venues for students and trainees; enhance clinical research; and expand the patient base of private and commercial patients. The project will construct an approximately 18,000 gross square foot commercial-grade facility to include exam rooms, conference rooms, offices for physicians, waiting rooms, and a full-service imaging center with an MRI, CT Scan, and general X-ray facilities.

U. T. Health Science Center - San Antonio has embarked on a clinical transformation plan that includes expanding and diversifying the services of the institution's thriving academic medical practice throughout San Antonio. The current primary outpatient practice site, the MARC in the South Texas Medical Center, will expand its functional clinical space locations beyond the South Texas Medical Center. This proposed satellite clinic will provide services in a developing location where demographic studies have shown a need for both high quality primary care and subspecialty medical services.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 30-50 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.

14. U. T. Austin: Whitaker Fields and Tennis Complex Renovation - Amendment of the FY 2016-2021 Capital Improvement Program to revise funding sources; appropriation of funds; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor concurs with 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 Whitaker Fields and Tennis Complex Renovation project at U. T. Austin as follows:

Project No.: 102-488
Project Delivery Method: Construction Manager-at-Risk
Substantial Completion Date: October 2016

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Gifts	\$23,000,000	\$ 1,200,000
	Revenue Financing System Bond Proceeds ¹	\$ 0	\$16,000,000
	Auxiliary Enterprises Balances ²	\$ 0	\$ 5,800,000
		<u>\$23,000,000</u>	<u>\$23,000,000</u>

Funding Notes: ¹ Revenue Financing System debt proposed to be repaid from student fees previously approved
² Auxiliary Enterprises Balances from balances from Recreational Sports and University Operating Reserves

- a. amend the FY 2016-2021 Capital Improvement Program (CIP) to include Revenue Financing System (RFS) Bond Proceeds and Auxiliary Enterprises Balances as funding sources;
- b. appropriate funds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. 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 \$16,000,000.

BACKGROUND INFORMATION

Debt Service

The \$16,000,000 in aggregate RFS debt will be repaid from previously approved student fees. Annual debt service on the \$16,000,000 RFS debt is expected to be \$1,040,823. The debt service coverage for the institution is expected to be at least 1.4 times and average 1.9 times over FY 2016-2021. The Gift funding authorized for expenditure is fully collected or committed at this time, and the institution has sufficient local funds to cover any shortfall.

Previous Board Action

On May 14, 2009, the project was included in the CIP with a total project cost of \$23,000,000 with funding from Gifts.

Project Description

Whitaker Fields is an important and heavily used University venue that is in need of restoration and improvement. As part of the Division of Student Affairs, Recreational Sports supports and complements the University's academic and public service objectives, assists in fulfilling the University's core purpose and values, and contributes to the University's disciplined culture of excellence. Beginning its 99th year on campus, Recreational Sports enjoys tremendous support among students with 400 flag football teams, 300 softball teams, and 250 soccer teams using the fields annually. The site is also home to multiple nationally-ranked sport clubs, including archery and men's and women's soccer, rugby, and lacrosse. The facility also serves as a venue for numerous conference and national tournaments, as well as for over 250 student organization tournaments and special events each year. In addition to recreation, the complex also accommodates a variety of academic classes offered through the Department of Kinesiology and Health Education, along with an expanding list of camps and special events sponsored by U. T. Austin departments and student organizations. Altogether, 40% of U. T. Austin students participate in activities at Whitaker Fields annually. (See [Academic Affairs Committee Item 2](#) regarding a related honorific naming of Whitaker Fields.)

Located at 51st and Guadalupe Streets since 1967, the existing complex was last renovated in 1981, and in this span of 34 years the extensive use and outdoor environment have taken a toll on the facility and its fixtures and equipment. This request to revise funding will allow the project to move forward and will not affect the total project cost. The scope of this renovation project consists of replacing and/or refurbishing infrastructure, support facilities, and operating systems, along with improving the appeal and functionality through updated components and new features. The project will restore existing grass fields and add synthetic fields; replace irrigation, plumbing, electrical, lighting, and security systems; improve drainage and grading systems; and demolish and replace the support facilities. The project will repair tennis courts and install bleacher seating, a new public address system, and perimeter fencing.

Design development plans and authorization of expenditure of funding will be presented to the Chancellor for approval at a later date.