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Committee Meeting: 8/21/2024

Board Meeting: 8/22/2024 Austin, Texas

Rad Weaver, Chairman Christina Melton Crain Robert P. Gauntt Nolan Perez Stuart W. Stedman Kelcy L. Warren

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Co	onvene	3:15 p.m. Chairman Weaver		
1.	U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	173
2.	U. T. Austin: Main Building Exterior Restoration and Landscaping - Approval of design development; and appropriation of funds and authorization of expenditure	Action President Hartzell	Action	174
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5.	U. T. Medical Branch - Galveston: John Sealy Hospital and Emergency Room Building MEP Mitigation - Amendment of the current Capital Improvement Program to increase total project cost; approval to revise funding sources; and appropriation of funds	Action President Reiser	Action	183
6.	U. T. M. D. Anderson Cancer Center: MD Anderson Sugar Land - Amendment of the current Capital Improvement Program to include project	Action President Pisters	Action	185
Ac	ljourn	3:45 p.m.		

1. <u>U. T. System Board of Regents: Approval of Consent Agenda and consideration of any item referred to the full Board</u>

RECOMMENDATION

The Board will be asked to approve the Consent Agenda beginning on Page 188.

2. <u>U. T. Austin: Main Building Exterior Restoration and Landscaping - Approval of design development; and appropriation of funds and authorization of expenditure</u>

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents approve the recommendations for the Main Building Exterior Restoration and Landscaping project at The University of Texas at Austin as follows:

- a. approve design development plans; and
- b. appropriate funds and authorize expenditure of \$70,000,000 with funding of \$26,000,000 from Permanent University Fund (PUF) Bond Proceeds, \$26,000,000 from Gifts, and \$18,000,000 from Available University Fund (AUF).

BACKGROUND INFORMATION

Previous Actions

On November 17, 2022, the Board approved the project for Definition Phase. On February 22, 2024, the project was included in the CIP with a total project cost of \$70,000,000 with funding of \$26,000,000 from PUF Bond Proceeds, \$26,000,000 from Gifts, and \$18,000,000 from AUF.

Project Description

The U. T. Austin Main Building, standing at the heart of the historic 40 acres upon which the campus began, is the most iconic building on the university's campus. Designed by Paul Cret and completed in 1937, the building has not undergone any significant renovations of the building exterior. Due to higher than estimated costs, the scope of this request is reduced to restoration of the exterior of the Main Building to its original appearance, including exterior tower lighting, cleaning and repair of masonry, restoration of metal windows and spandrels, waterproofing of the tower observation deck, and gilding of decorative elements, as well as restoration of the clock.

As future funding is identified, U. T. Austin will seek appropriate approval to progress with landscape and grounds redevelopment of the area directly adjacent to the Main Building, and targeted interior rehabilitation to support an enhanced visitor experience including lobbies, restrooms, elevators, lighting, 27th and 29th floor renovations, and wayfinding signage.

The University of Texas at Austin Main Building Exterior Restoration and Landscaping

Project Information

Project Number 102-1450

CIP Project Type Repair and Rehabilitation

Facility Type Office, High Rise

Historically Significant Yes Architecturally Significant Yes

Management Type Institutional Management

Institution's Project Advocate Brent Stringfellow, Associate Vice President,

Campus Operations

Project Delivery Method Construction Manager-at-Risk

Gross Square Feet (GSF) 326,230

Project Funding

 Current

 Permanent University Fund Bond Proceeds
 \$26,000,000

 Available University Fund
 18,000,000

 Gifts¹
 26,000,000

 Total Project Cost
 \$70,000,000

Project Cost Detail

	Cost
Building Cost	\$56,385,000
Site Development	100,000
Furniture and Moveable Equipment	-
Institutionally Managed Work	1,920,000
Architectural/Design Services	4,500,000
Project Management	1,750,000
Insurance	1,900,000
Other Professional Fees	1,620,000
Project Contingency	1,225,000
Other Costs	600,000
Total Project Cost	\$70,000,000

Project Milestones

Definition Phase Approval
Addition to CIP
February 2024
Design Development Approval
Construction Notice to Proceed
Substantial Completion
August 2027
Final Completion
September 2027

¹ Gifts are not fully collected at this time however, U. T. Austin has the operating reserves to cover any shortfall.

3. <u>U. T. Dallas: Naveen Jindal School of Management Phase III - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt</u>

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents approve the recommendations for the Naveen Jindal School of Management Phase III project at The University of Texas at Dallas as follows:

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$98,000,000 from Revenue Financing System (RFS) Bond Proceeds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt; sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and U. T. Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$98,000,000.

BACKGROUND INFORMATION

Debt Service

The \$98,000,000 in RFS debt will be repaid from designated tuition. Annual debt service on the \$98,000,000 in RFS debt is expected to be \$5.5 million. The institution's Scorecard Rating of 2.4 at fiscal year-end 2023 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt.

Previous Actions

On June 20, 2023, the Chancellor approved this project for Definition Phase. On May 9, 2024, the project was included in the CIP with a total project cost of \$98,000,000 from RFS Bond Proceeds.

Project Description

The Naveen Jindal School of Management (JSOM), with current enrollment of over 10,000 students, projects 30% growth in students and faculty over the next five years. The three-story building will support that growth by providing additional classrooms, meeting rooms, study areas, testing areas, and faculty offices. The proposed project will be constructed on an existing parking lot and will provide a direct connection to the existing JSOM buildings, will provide dedicated spaces to support JSOM student programs, activities, and executive education programs, and will provide outdoor private event space to serve faculty and staff.

Exterior improvements will include landscaping, irrigation, bicycle storage, lighting, sidewalks, and crosswalks. The project will also include infrastructure improvements for telecom and other utilities.

The University of Texas at Dallas Naveen Jindal School of Management Phase III

Project Information

Project Number 302-1468

CIP Project Type

Facility Type

Classroom, General

Management Type

Office of Capital Projects

Institution's Project Advocate Hasan Pirkul, Dean, Naveen Jindal School of Management

Project Delivery Method Construction Manager-at-Risk

Gross Square Feet (GSF) 125,000

Project Funding

Revenue Financing System Bond Proceeds $\frac{\text{Current}}{\$98,000,000}$ Total Project Cost \$98,000,000

Project Cost Detail

	Cost
Building Cost	\$72,286,351
Fixed Equipment	1,617,125
Site Development	4,338,037
Furniture and Moveable Equipment	2,500,000
Institutionally Managed Work	3,108,923
Architectural/Design Services	5,846,524
Project Management	2,000,000
CIP Support Services	25,000
Insurance	1,593,000
Other Professional Fees	1,745,990
Project Contingency	2,939,050
Other Costs	-
Total Project Cost	\$98,000,000

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

Naveen Jindal School of Management, Phase III	\$578
Texas Higher Education Coordinating Board Average - Classroom,	\$636
General	

	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$475	\$573	\$607
Other National Projects	\$570	\$762	\$1,007

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from Designated Tuition

The University of Texas at Dallas Naveen Jindal School of Management, Phase III (continued)

Investment Metrics

- Increase undergraduate enrollment from 5,564 to 8,000 students per year by 2029
- Increase graduate enrollment from 4,740 to 6,000 students per year by 2029

Project Milestones

Definition Phase Approval
Addition to CIP
Design Development Approval
Construction Notice to Proceed
Substantial Completion
Final Completion

June 2023 May 2024 August 2024 September 2024 April 2026 June 2026

Basis of Design

The planned building life expectancy includes the following elements:

Enclosure: 50 years

Building Systems: 25 years Interior Construction: 25 years 4. U. T. Medical Branch - Galveston: Infrastructure and Research Space Upgrade for Research Buildings - Phase 2B - Amendment of the current Capital Improvement Program to include Phase 2B of the project; approval of total project cost; and appropriation of funds

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) to include the Infrastructure and Research Space Upgrade for Research Buildings - Phase 2B project at The University of Texas Medical Branch - Galveston as follows:

- a. amend the current CIP and approve a total project cost of \$33,502,479 for Phase 2B; and
- b. appropriate funds of \$33,502,479 from Permanent University Fund (PUF) Bond Proceeds for Phase 2B.

BACKGROUND INFORMATION

Previous Actions

On March 29, 2022, the Chancellor approved this project for Definition Phase. On November 17, 2022, Phase 1 of the Infrastructure and Research Space Upgrade for Research Buildings project was included in the CIP with a total project cost of \$16,520,000 from PUF Bond Proceeds. On February 17, 2023, the president approved design development for Phase 1. On August 24, 2023, Phase 2A of the project was included in the CIP with a total project cost of \$69,035,356 with funding of \$59,897,111 from Capital Construction Assistance Project Bond Proceeds and \$9,138,245 from PUF Bond Proceeds. On June 25, 2024, the president approved design development for Phase 2A.

Project Description

The proposed Phase 2B portion of the project will upgrade and replace critical infrastructure in the Research Building 6 and renovate interior space to comply with current codes. The infrastructure upgrade includes the removal and replacement of the entire roofing system, replacement of chilled and heating hot water pumps, piping risers, building controls, electrical switchgear distribution equipment, and all sanitary waste and vent systems. Interior renovation includes the demolition and buildout of Level 04 to support administrative functions and the construction of new restroom stacks on Levels 05 and 06 to comply with current plumbing code requirements.

The previously approved Phase 2A renovations to the Medical Research Building include removal and replacement of the roofing system, replacement of all chilled water pumps, heating hot water pumps, piping risers, and building controls. The project will also replace the electrical switchgear distribution equipment, and sanitary waste and vent systems and is expected to begin construction this quarter.

Phase 1 of the project is nearing completion to build-out shell space on the fourth and fifth floors of the Research Building 17 for the newly established Institute for Drug Discovery. The space will include a chemical wet lab with 24 fume hoods, lab support spaces including a nuclear magnetic resonance magnet, offices, both open and closed collaboration spaces, and mechanical space to support research labs.

This proposed Phase 2B Repair and Rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be presented to the President for approval at a later date. Pursuant to U. T. System Policy 199, the institution has delegated authority of institutional management of construction projects.

The University of Texas Medical Branch at Galveston Infrastructure and Research Space Upgrade for Research Buildings - Phase 2B

Project Information

Project Number 601-1401

CIP Project Type Repair and Rehabilitation
Facility Type Laboratory, Medical/Healthcare
Management Type Institutional Management

Institution's Project Advocate Steve LeBlanc, Vice President, Business Operations

and Facilities

Project Delivery Method Competitive Sealed Proposals - Phase 2B

Gross Square Feet (GSF) 197,600

Project Funding	<u>Current</u>	<u>Proposed</u>
	Phases 1 and 2A	Phase 2B
Permanent University Fund Bond Proceeds	\$25,658,245	\$33,502,479
Capital Construction Asst. Project Bond Proceeds	<u>59,897,111</u>	<u>-</u>
Total Project Cost	\$85,555,356	\$33,502,479
Total Project Cost All Phases		<u>119,057,835</u>

Project Cost Detail

	Phase 2B Cost
Building Cost	\$24,000,000
Fixed Equipment	750,000
Furniture and Moveable Equipment	2,612,699
Institutionally Managed Work	-
Architectural/Design Services	2,185,500
Project Management	836,755
Insurance	509,391
Other Professional Fees	1,100,000
Project Contingency	1,508,134
Total Project Cost	\$33,502,479

Project Planning

Definition Phase Completed	Yes
Owner's Project Requirements	Yes
Basis of Design	Yes
Schematic Design	Yes
Detailed Cost Estimate	Yes

Phase 2B Project Milestones

Definition Phase Approval	March 2022
Addition to CIP	August 2024
Design Development Approval	September 2024
Construction Notice to Proceed	January 2025
Substantial Completion	November 2026
Final Completion	January 2027

5. U. T. Medical Branch - Galveston: John Sealy Hospital and Emergency Room

Building MEP Mitigation - Amendment of the current Capital Improvement Program
to increase total project cost; approval to revise funding sources; and
appropriation of funds

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) and approve the recommendations for the John Sealy Hospital and Emergency Room Building MEP Mitigation project at the University of Texas Medical Branch at Galveston as follows:

- a. amend the current CIP to increase the total project cost from \$15,211,819 to \$19,461,504;
- b. revise funding sources to include Hospital Revenues; and
- c. appropriate funds of \$4,249,685 from Hospital Revenues.

BACKGROUND INFORMATION

Previous Actions

On May 5, 2022, the Chancellor approved the John Sealy Hospital UTMB MEP Elevation project for Definition Phase. On January 3, 2023, the Assistant Vice Chancellor for Capital Projects approved the project name change to the John Sealy Hospital and Emergency Room Building MEP Mitigation project. On February 23, 2023, the project was included in the CIP with a total project cost of \$15,211,819 with funding from Grants. On October 10, 2023, the president approved design development plans.

Project Description

The proposed increase in scope for both buildings is due to the requirement for elevation and mitigation of additional critical systems to ensure business continuity. In both the John Sealy Hospital and the Emergency Room (ER) Building, medical vacuum pumps, air receivers, and oxygen lines need to be elevated. Additionally in the ER Building, the chilled water system, heated water system, and associated controls must also be elevated.

The original project will install essential mechanical, electrical, and plumbing (MEP) equipment from the first floor of each building to a mechanical space on a floor twenty feet or more above mean sea level. The project will demolish and dispose of remaining decommissioned equipment from the first floors, cut, cap, and abandon in place all existing utility connections, and seal penetrations between floors to maintain required life safety conditions.

This project will reduce deferred maintenance backlog and aligns with the Campus Master Plan by mitigating flood risk for critical infrastructure required to support the university's clinical mission. Mitigating flood risk will improve resiliency against adverse weather conditions and ensure business continuity to serve patients.

The University of Texas Medical Branch at Galveston John Sealy Hospital and Emergency Room Building MEP Mitigation

Project Information

Project Number 601-1409

CIP Project Type Repair and Rehabilitation
Facility Type Utilities/Infrastructure
Management Type Institutional Management

Institution's Project Advocates Steve LeBlanc, Vice President of Business

Operations and Facilities

Russell Rodecap, Associate Vice President of

Property Services

Project Delivery Method Competitive Sealed Proposals

Gross Square Feet (GSF) 11,855

Project Funding

	<u>Current</u>	<u>Proposed</u>
Grants ¹	\$1 5,211,8 19	\$15,211,819
Hospital Revenues	<u>-</u> _	4,249,685
Total Project Cost	\$15,211,819	\$19,461,504

¹ Development Grant from The Texas General Land Office

Project Cost Detail

	Cost
Building Cost	\$16,163,921
Architectural/Design Services	1,166,200
Project Management	701,000
Insurance	506,000
Other Professional Fees	424,383
Project Contingency	500,000
Total Project Cost	\$19,461,504

Project Milestones

Definition Phase Approval
Addition to CIP
February 2023
Design Development Approval
Construction Notice to Proceed
Substantial Completion
August 2025
Final Completion
December 2025

6. <u>U. T. M. D. Anderson Cancer Center: MD Anderson Sugar Land - Amendment of the</u> current Capital Improvement Program to include project

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) to include the MD Anderson Sugar Land project at The University of Texas M. D. Anderson Cancer Center.

BACKGROUND INFORMATION

Previous Actions

On February 10, 2022, the Chancellor approved this project for Definition Phase with an anticipated total project cost of \$482,000,000. On May 23, 2024, the Chancellor approved an increased anticipated total project cost to \$627,000,000.

Project Description

The proposed MD Anderson Sugar Land project is part of a series of planned regional expansions. This ambulatory healthcare facility will provide multidisciplinary clinical, surgical, imaging, procedural and therapeutic, and outpatient cancer care services in the Sugar Land region. The project includes the development of approximately 31 acres of land along Interstate Highway 69 frontage road and University Boulevard in Sugar Land, Fort Bend County, Texas, on property acquired by U. T. M. D. Anderson Cancer Center, as approved by the Board on February 25, 2021.

The five-story building will include space for comprehensive cancer center services for adult patients with cancer diagnoses and low to medium acuity needs. Inpatients will not be seen in the facility at the completion of this project, but the project is being designed to accommodate a future inpatient tower addition and a parking garage. The facility will include radiation oncology, medical oncology services, infusion therapy services, surgical services with recovery rooms, associated pharmacy services, oncology-specific diagnostic imaging services, interventional radiology, endoscopy, vascular access, laboratory medicine services, and other related services of a comprehensive cancer center. Approximately 12,000 gross square feet (GSF) of the anticipated 474,000 GSF building will remain shelled for future use as additional recovery rooms.

The scope of the project includes the construction of a building utility plant and site developments such as drainage, surface parking, lighting, and landscaping.

This proposed project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date. Pursuant to U. T. System Policy 199, effective June 26, 2024, the institution has delegated authority for institutional management of construction projects.

The University of Texas M. D. Anderson Cancer Center MD Anderson Sugar Land

Project Information

Project Number 703-1396

CIP Project Type New Construction

Facility Type Healthcare Facility, Hospital Management Type Institutional Management

Institution's Project Advocate Rosanna Morris, Chief Operating Officer

Project Delivery Method Design/Build Gross Square Feet (GSF) 474,218 Shell Space (GSF) 11,591

Project Funding

Revenue Financing System Bond Proceeds¹ \$300,000,000
Hospital Revenues \$477,000,000
Total Project Cost \$777,000,000

Project Cost Detail

	Cost
Building Cost	\$438,000,000
Fixed Equipment	150,000,000
Site Development	28,000,000
Furniture and Moveable Equipment	20,150,000
Institutionally Managed Work	-
Architectural/Design Services	24,000,000
Project Management	11,500,000
CIP Support Services	-
Insurance	15,200,000
Other Professional Fees	14,500,000
Project Contingency	71,000,000
Other Costs	4,650,000
Total Project Cost	\$777,000,000

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

M. D. Anderson Sugar Land	\$924
Texas Higher Education Coordinating Board Average - Healthcare	\$799
Facility, Hospital	

	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$687	\$878	\$911
Other National Projects	\$779	\$1,310	\$2,483

¹ Revenue Financing System (RFS) Bond Proceeds to be repaid from Hospital Revenues

The University of Texas M. D. Anderson Cancer Center MD Anderson Sugar Land

(continued)

Investment Metrics

• Provide cancer care in close proximity to Sugar Land patients by 2029

Project Planning

Definition Phase Completed	Yes
Owner's Project Requirements	Yes
Basis of Design	Yes
Schematic Design	Yes
Detailed Cost Estimate	Yes

Project Milestones

Definition Phase Approval	February 2022
Addition to CIP	August 2024
Design Development Approval	November 2024
Construction Notice to Proceed	February 2025
Substantial Completion	March 2028
Final Completion	September 2028

Basis of Design

The planned building life expectancy includes the following elements:

Enclosure: 30 years

Building Systems: 30 years Interior Construction: 15 years