

Capital Project for Student Wellness Improvements

JOINT FINANCE AND RESOURCE MANAGEMENT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE

October 3, 2017

In March 2016, the Board of Visitors approved a \$2.757 million planning authorization to develop a facility solution to meet expectations for student counseling services, student health services, and expanded fitness programming. The university subsequently conducted a program and facility study that identified a renovation of War Memorial Hall along with minor upfits to McComas Hall as the most efficient alternative to meet student service needs. This work resulted in a placeholder project for the improvements, titled Student Wellness Improvements, on the university's 2018-2024 Six-Year Capital Outlay Plan approved by the Board of Visitors at its April 3, 2017 meeting. The university continued work on the program, funding plan, schedule, and costs and is now ready to request authorization to proceed with the full project.

The existing War Memorial Hall is approximately 201,000 gross square feet. The proposed improvements include renovating approximately 175,000 gross square feet, demolition of approximately 26,000 gross square feet of the east side of the building, and a 38,000 gross square foot replacement on the east side of the building. The final size of the facility will be approximately 213,000 gross square feet. The improvements will provide space for the programs described below, will address deferred maintenance and code requirements, and will install air conditioning to the building.

- Cook Counseling Center and Hokie Wellness will be located on the third floor creating an optimal environment for coordination of prevention, educational intervention, and treatment services. Relocating Cook Counseling from McComas Hall will consolidate offices currently located in McComas Hall and off campus leased space in one central location in War Memorial Hall, making it easier for students to access services before, after, or between classes. Cook Counseling will include approximately 40 interview offices, three group session rooms, and a waiting room for up to 50 patients. Hokie Wellness will include offices, training and educational space, individual and group consultation rooms, and a recovery community lounge.
- Recreational Sports will be located on the first and second floors and include five basketball courts, four racquetball courts, two squash courts, an expanded weight and cardio area, multipurpose rooms, a performance laboratory, and office space for recreation sports administration.
- The department of Human Nutrition, Foods, and Exercise (HNFE) will shift to the second floor from the third floor to make space for counseling services. The space will include research clinic laboratory with three procedure rooms, two consultation rooms, food preparation area, biochemistry laboratory, metabolic work area, and open metabolic areas.

- The School of Education will remain in the historic front section of War Memorial Hall with renovated and updated offices, three large classrooms, two small classrooms, conference rooms, computer laboratory, and research space.

The proposed renovations to Schiffert Health Center in McComas Hall include minor renovations to 19,000 square feet in the area vacated by counseling services to accommodate student health services. A reconfiguration will alleviate the cramped conditions that currently exist in the Schiffert Health Center and address privacy and confidentiality protocols for students. The renovation creates additional general medicine exam rooms, additional practitioner offices, renovated x-ray room, procedure room, new airborne isolation procedure room, two phlebotomy stations, two allergy exam rooms, two women's health exam rooms, and three waiting areas.

The total project costs for the major renovations to War Memorial Hall and minor renovation to McComas Hall is \$63 million. As with all self-supporting projects, the university has developed a financing plan to provide assurance regarding the financial feasibility of this project. The total project funding is \$63 million and calls for the use of debt which may be serviced from Student Health and Recreational Sports auxiliaries and an internal lease for the School of Education program. Any cash designated for the project accumulated prior to the issuance of permanent debt may be used directly for project costs and to lower the estimated total debt issuance. Temporary financing will be secured to cover project costs until permanent debt is issued.

Under the 2006 Management Agreement between the Commonwealth of Virginia and the university, the Board of Visitors has the authority to approve the budget, size, scope, debt issuance, and overall funding of nongeneral fund capital outlay projects. This request is for a \$63 million authorization to complete the Student Wellness Improvements projec

RESOLUTION OF A CAPITAL PROJECT FOR STUDENT WELLNESS IMPROVEMENTS PROJECT

WHEREAS, the Board of Visitors approved a \$2.757 million planning project at its March 2016 meeting to support planning work on a comprehensive student wellness services project; and,

WHEREAS, a major renovation of War Memorial Hall along with a minor renovation to McComas Hall has been identified as the desired solution to address the needs for student health services, counseling services, and indoor recreation; and,

WHEREAS, the project scope includes 213,000 gross square feet of improvements and expansion to War Memorial Hall and renovations of 19,000 gross square feet to Schiffert Health Center; and,

WHEREAS, the scope includes addressing deferred maintenance, code compliance, and installing air conditioning to War Memorial Hall; and,

WHEREAS, the total project budget is \$63 million and the university has developed a 100 percent nongeneral fund resource plan for the project; and,

WHEREAS, under the 2006 Management Agreement between the Commonwealth of Virginia and the university, the university has the authority to issue bonds, notes or other obligations that do not constitute State tax supported debt; and,

WHEREAS, the Finance and Resource Management Committee will further review and approve a financing resolution prior to securing permanent financing for the debt component of the project plus amounts needed to fund issuance costs, reserve funds, and other financing expenses; and,

WHEREAS, under the 2006 Management Agreement between the Commonwealth of Virginia and the university, the Board of Visitors has authority to approve the budget, size, scope, debt issuance, and overall funding of nongeneral funded major capital outlay projects.

NOW, THEREFORE BE IT RESOLVED, that the university be authorized to move forward with a \$63 million authorization for the Student Wellness Improvements project and to secure temporary short-term financing through any borrowing mechanism that prior to such borrowing has been approved by the Board, as applicable, in an aggregate principal amount not to exceed the \$63 million authorization, plus related issuance costs and financing expenses.

RECOMMENDATION:

That the resolution authorizing Virginia Tech to complete the Student Wellness Improvements project be approved.

November 6, 2017