

**Capital Project for Building Envelope Improvements**

**JOINT FINANCE AND RESOURCE MANAGEMENT COMMITTEE  
AND BUILDINGS AND GROUNDS COMMITTEE**

**July 20, 2022**

Virginia Tech has a series of buildings with envelope systems that require improvements. The university has established an in-house crew of stonemasons that will make improvements to some of the buildings. There are four buildings that exceed the capabilities of the in-house crew and require a third-party vendor due to construction complexity and/or the height of the structure. Those four buildings are the West Sideline of Lane Stadium, Hahn Hall, Torgersen Hall, and the Inn at Virginia Tech. These buildings require a capital project authorization because the costs of their improvements exceed \$3 million and/or exceed the Maintenance Reserve program limitations.

This capital project request is for a \$47.2 million authorization to complete improvements to the West Sideline of Lane Stadium, Hahn Hall, Torgersen Hall, and the Inn at Virginia Tech. The university has developed a financing plan to support the project. This funding plan calls for a combination of \$17.2 million of one-time nongeneral fund cash resources and \$30 million of debt financing that will be serviced by nongeneral fund revenues.

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 \$47.2 million authorization to complete necessary improvements to the West Sideline of Lane Stadium, Hahn Hall, Torgersen Hall, and the Inn at Virginia Tech. If approved, the university would move forward with implementing the improvements as soon as practicable.

**RESOLUTION FOR A CAPITAL PROJECT FOR  
BUILDING ENVELOPE IMPROVEMENTS**

**WHEREAS**, the building envelope systems of the West Sideline of Lane Stadium, Hahn Hall, Torgersen Hall, and the Inn at Virginia Tech require improvement; and,

**WHEREAS**, the university has determined the nature and costs of the improvements require a capital project authorization; and,

**WHEREAS**, the total project costs to complete improvements to the four buildings are \$47.2 million, and the university has developed an entirely nongeneral fund financing plan sufficient to support the costs; and,

**WHEREAS**, the university would move forward with implementing the improvements as soon as practicable upon approval of this resolution; 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 capital outlay projects.

**NOW, THEREFORE, BE IT RESOLVED**, that the university be authorized to complete the Building Envelope 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 \$47.2 million authorized for the total project budget, plus related issuance costs and financing expenses.

**RECOMMENDATION:**

That the resolution authorizing Virginia Tech to proceed with the Building Envelope Improvements project be approved.

August 23, 2022