

**Approval of Resolution for a Capital Project for Hitt Hall**

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

**July 23, 2021**

The Board of Visitors approved a \$6 million planning authorization in 2017 to design a multi-purpose facility to support doubling the size of the Building Construction academic program, increasing dining services, and increasing general assignment instruction space. The project design for the approximately 100,000 gross square foot facility is 65 percent complete, with an early site package expected to begin in October 2021 and the building construction package slated to start in January 2022.

The university has obtained estimated construction costs based on the 65 percent design documents from the Construction Manager at Risk and third-party cost estimators. Based on this information, the university estimates a total project cost of \$85 million inclusive of all hard and soft costs. The funding plan for the project calls for \$25 million of private support, \$47 million of dining services revenues, and \$13 million of internal lease funding for the academic space. The timing of revenues results in the use of cash and approximately \$73 million of debt. 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 total debt issuance.

With an established scope, schedule, delivery method, and funding plan for the cost estimate, the university is ready to move forward to complete the Hitt Hall project. 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, and overall funding of nongeneral fund capital outlay projects. This request is for approval of a \$79 million supplement to the existing \$6 million authorization for an adjusted \$85 million total authorization to complete the construction of the Hitt Hall project.

**RESOLUTION FOR A CAPITAL PROJECT FOR  
HITT HALL**

**WHEREAS**, the Board of Visitors approved a \$6 million planning authorization in 2017 for a solution to accommodate an expansion of the Myers-Lawson School of Construction program, additional space to meet demand for dining services, and additional general assignment instruction space; and,

**WHEREAS**, the design for an approximately 100,000 gross square foot is 65 percent complete with pricing estimates that show an expected total project of \$85 million; and,

**WHEREAS**, the project is on pace for an early site package in October 2021; and,

**WHEREAS**, the university has developed a financing plan sufficient to support a total project budget of \$85 million inclusive of design, construction and equipment; 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**, 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, and funding of nongeneral funded major capital outlay projects.

**NOW THEREFORE BE IT RESOLVED**, that the university be authorized to complete the Hitt Hall 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 \$85 million authorized for the total project budget, plus related issuance costs and financing expenses.

**RECOMMENDATION:**

That the above resolution authorizing Virginia Tech to complete the Hitt Hall project be approved.

August 31, 2021