

**RESOLUTION TO RATIFY ACTION OF THE EXECUTIVE COMMITTEE
OF THE BOARD OF VISITORS ON JULY 18, 2019,
TO AUTHORIZE THE FUNDING SUPPLEMENT FOR THE
STUDENT-ATHLETE PERFORMANCE CENTER CAPITAL PROJECT**

WHEREAS, the Bylaws of the Virginia Tech Board of Visitors, Article I, Section 6a, stipulate that the Executive Committee of the Board in the interim between meetings of the Board has full power to take actions on behalf of the Board and that all such actions taken by the Executive Committee are subject to ratification by the full Board at its next meeting; and

WHEREAS, bids received for the Student-Athlete Performance Center Capital Project are sufficiently in excess of the amount authorized formerly by the Board of Visitors to require additional authorization from the Board before the project can proceed; and,

WHEREAS, the Executive Committee of the Board was convened by Rector Valeiras on July 18, 2019, to act upon this resolution; and

WHEREAS, the next meeting of the full Board of Visitors is scheduled to occur on August 25-26, 2019;

NOW, THEREFORE, BE IT RESOLVED that the Board of Visitors of Virginia Polytechnic Institute and State University hereby ratifies the action taken by the Executive Committee of the Board on July 18 (attached):

The resolution authorizes Virginia Tech to move forward with a \$3.735 million supplement to adjust the total project authorization for the Student-Athlete Performance Center project to \$20.417 million and to complete the project.

RECOMMENDATION:

That the above resolution ratifying the action taken by the Executive Committee of the Board of Visitors at a special meeting convened on July 18, 2019, be approved.

August 26, 2019

Funding Supplement to the Student-Athlete Performance Center Capital Project

BOARD OF VISITORS EXECUTIVE COMMITTEE

June 21, 2019

The Board of Visitors approved the Student-Athlete Performance Center project with a \$15.165 million total project cost at its March 26, 2018 meeting. The resolution included a provision to adjust the project budget up to 10 percent, or \$1.517 million, for potential new gifts designated to the project. The Athletics department committed to raise the additional private funds in June 2018 when it was determined that a budget increase to \$16.682 million was needed to meet the envisioned plan for the project. The project schedule remains on track with anticipated construction to start in summer 2019 and occupancy in late fall 2020.

Construction bids were received in June 2019 and revealed the total project costs exceed the \$16.682 million authorized budget. The university and the Athletics department have reviewed the project bids, analyzed opportunities for cost controls, and determined an additional \$3.735 million is required to deliver the necessary scope for this project. The complicated logistics required for this project, including partial occupancy during construction and football practices adjacent to the site, are the main drivers of the increased costs.

At this time, the university is requesting a \$3.735 million supplement authorization for the Student-Athlete Performance Center project. The university has developed a financing plan to support the additional \$3.735 million of costs necessary to complete the entire scope of work. The funding plan calls for additional private funds to be raised by the Athletics department. A five-year loan will be installed to be repaid with future gift receipts. Any amount not retired by gift receipts will be repaid from Athletics operating 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, and funding of nongeneral fund capital outlay projects. This request is for a \$3.735 million supplement to adjust the total authorization for the Student-Athlete Performance Center project to \$20.417 million.

**RESOLUTION FOR FUNDING SUPPLEMENT TO
THE STUDENT-ATHLETE PERFORMANCE CENTER CAPITAL PROJECT**

WHEREAS, the Board of Visitors approved the Student-Athlete Performance Center project with a \$15.165 million total project cost at its March 26, 2018 meeting; and

WHEREAS, the March 2018 resolution included a provision to adjust the project budget up to 10 percent, or \$1.517 million, for new gifts designated to the project; and

WHEREAS, Athletics committed to raise the additional private funds in June 2018 when it was determined that the budget increase to \$16.682 million was needed to meet the envisioned plan for the project; and

WHEREAS, construction bids revealed the actual total project costs exceed the \$16.682 million authorized scope; and

WHEREAS, the university and the Athletics department determined an additional \$3.735 million is required to deliver the necessary scope for this project; and

WHEREAS, the university is requesting a \$3.735 million supplement authorization for the Student-Athlete Performance Center project; and

WHEREAS, the university has developed a financing plan which calls for the use of additional private funds that will be backstopped by Athletic operating revenues to support the \$3.735 million of costs necessary to complete the entire scope of work; 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 entirely nongeneral fund capital outlay projects; and

WHEREAS, the Bylaws of the Virginia Tech Board of Visitors, Article I, Section 6a, stipulate that the Executive Committee of the Board in the interim between meetings of the Board has full power to take actions on behalf of the Board and that all such actions taken by the Executive Committee are subject to ratification by the full Board at its next meeting;

NOW, THEREFORE, BE IT RESOLVED that the Executive Committee of the Board of Visitors authorizes the university to move forward with a \$3.735 million supplement to adjust the total project authorization for the Student-Athlete Performance Center project to \$20.417 million and to complete the project.

RECOMMENDATION:

That the above resolution authorizing Virginia Tech to supplement and complete the Student-Athlete Performance Center be approved.

July 18, 2019