Dietrick Hall was built and placed in service in 1970 with its most recent renovation in 2004 for major improvements to the second floor food service venues and support infrastructure. The dining center is centrally located in the south residential core of campus providing “all-you-care-to-eat” breakfast, lunch, and dinner on the second floor. The first floor of the facility provides “grab and go” food service and café options at DXpress and Deet’s Place. The first floor also includes a convenience store, offices, and conference rooms.

The first floor of Dietrick Hall was last renovated in 1999 and has reached an age and condition that requires improvements to meet the service expectations of the students. Based on a feasibility study completed in September 2016, the university included a project to renovate and expand Dietrick Hall on the 2018-2024 Six Year Capital Outlay Plan, approved by the Board of Visitors on April 3, 2017, as part of a strategy to refurbish the first floor and to expand dining services to meet student demand during peak meal times. The envisioned first floor renovation includes inserting a modern food service venue and adding 200 indoor seats to the building by enclosing 6,400 gross square feet of overhang, reorganizing office space for efficiency, and relocating the convenience store to space currently occupied by offices, a sitting area, and a conference room. The project scope includes improvements to the outdoor plaza in front of Dietrick Hall to create additional outdoor seating for dining customers, serve as informal gathering spaces for the campus community, improve campus circulation, and support special event activities.

The total project costs for the building renovations and plaza improvements is $7 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 $7 million and calls for the use of debt which may be serviced from Dining Programs auxiliary revenue. 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 $7 million authorization to complete the Dietrick First Floor and Plaza Renovation project.
RESOLUTION OF A CAPITAL PROJECT FOR
DIETRICK FIRST FLOOR AND PLAZA RENOVATION PROJECT

WHEREAS, Dietrick Hall, built in 1970, is the largest food service facility located in the south residential core of campus; and,

WHEREAS, the first floor of Dietrick Hall was last renovated in 1999 and requires improvements to meet student expectations and demand for dining services; and,

WHEREAS, based on a feasibility study completed in September 2016, the university proposes to update the first floor and expand dining capacity by adding a food service venue, creating 200 additional indoor seats by enclosing 6,400 gross square feet of overhang, and reorganizing offices and the convenience store space; and,

WHEREAS, the proposed scope of work includes improvements to the outdoor plaza to create additional outdoor seating for dining customers, serve as informal gathering spaces for the campus community, improve campus circulation, and support special event activities; and,

WHEREAS, the university has developed a 100 percent nongeneral fund resource plan sufficient for the total project budget of $7 million; 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 $7 million authorization to complete the Dietrick First Floor and Plaza Renovation 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 $7 million total project costs, plus related issuance costs and financing expenses.

RECOMMENDATION:

That the resolution authorizing Virginia Tech to complete the Dietrick First Floor and Plaza Renovation project be approved.

September 11, 2017