

AGENDA ITEM BRIEFING

Submitted by: Vergel L. Gay, Jr., Chief Facilities Planning and Construction Officer

Subject: Approval to Amend the FY 2012 – FY 2016 Texas A&M University System Capital Plan to Add the Physical Education Activity Program (PEAP) Facility Project (Project No. 2-3118) at Texas A&M University with a Fiscal Year 2012 Start Date

Proposed Board Action:

- (1) Amend the approved FY 2012 – FY 2016 Texas A&M University System Capital Plan to add the Physical Education Activity Program (PEAP) Facility Project for Texas A&M University (Texas A&M) with a FY 2012 start date and a total planning amount of \$21,000,000.
- (2) Appropriate \$2,100,000 for pre-construction services and related project costs.

Funding/Planning Amount:

<u>Funding Source</u>	<u>Planning Amount</u>	<u>Average Estimated Annual Debt Service</u>	<u>Debt Service Source</u>
Permanent University Fund Debt Proceeds	\$12,000,000	\$1,014,100	Available University Fund
Revenue Financing System Debt Proceeds	<u>\$ 9,000,000</u>	\$874,804	Investment Earnings
Total Project Funds	<u>\$21,000,000</u>		

Project Justification:

The Department of Health and Kinesiology is currently located in the Read Building beneath Kyle Field and G. Rollie White. When these buildings are razed to accommodate the Kyle Field renovations related to safety issues, the department will lose about 227,000 square feet of office, classroom, lab, and activity space that houses the department’s administrative offices, the Kinesiology Division, the Health Division and the Physical Education and Activity Program (PEAP). About 112,000 square feet of activity space is located in these facilities and much of this space is shared with the Department of Athletics, the Department of Recreational Sports, and Student Activities after 5 pm and on the weekends. The PEAP program alone teaches about 25,000 students in classes each semester and thousands of additional students utilize the facilities for recreational activities each day before and after scheduled classes. The space needed for PEAP activities is unique and not available in any other facilities on campus.

The proposed PEAP Facility Project will house approximately 111,000 gross square feet of office and activity space. The facility is intended to serve as the permanent home for the PEAP classes and will support the formal activity class needs of students. In support of the continuing partnership between the Health & Kinesiology Department, Recreational Sports and the Athletic Department, the PEAP Facility Project will be designed to accommodate a portable lay down flooring system to

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provide three indoor tennis courts when needed. The growth in the offerings of the Recreational Sports program for students could be supported in part in this facility on a scheduled basis in the evening and on weekends.

Scope:

The PEAP Facility Project will be located on a site on the west side of Penberthy Boulevard just north of the existing Mitchell Varsity Tennis Center. The general site is shown on the map with this agenda item. The actual location will be based on a master plan of the site area performed as part of this project to also include an indoor tennis facility and a Health and Kinesiology Academic Professional Building.

The PEAP Facility Project is planned as a two floor pre-engineered steel structure containing approximately 111,000 gross square feet.

As currently envisioned, the facility will include:

- + Multiple activity rooms for dance, fencing, gymnastics, yoga, pilates, self defense
- + Multi-use gymnasium
- + Weight rooms
- + Badminton courts doubling as basketball courts
- + Men's, women's and faculty locker rooms
- + Classrooms
- + Faculty, staff and general administration offices
- + Support spaces

The PEAP Facility will also be designed to accommodate a portable lay down flooring system for three tennis courts.

The exterior of the facility will be a mix of masonry and metal panels and will be compliant with the Texas A&M Master Plan.

Current plans call for completion of the PEAP Facility Project in summer 2013. A more definitive project scope and budget will be determined during the pre-construction phase and approved by the Board prior to the construction contract award.

Other Major Fiscal Impacts:

None.

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THE TEXAS A&M UNIVERSITY SYSTEM
FACILITIES PLANNING AND CONSTRUCTION
Office of the Chief Facilities Planning and Construction Officer
September 26, 2011

Members, Board of Regents
The Texas A&M University System

Subject: Approval to Amend the FY 2012 – FY 2016 Texas A&M University System Capital Plan to Add the Physical Education Activity Program (PEAP) Facility Project (Project No. 2-3118) for Texas A&M University with a Fiscal Year 2012 Start Date

I recommend adoption of the following minute order:

“The request to amend the Fiscal Year FY 2012 – FY 2016 Texas A&M University System Capital Plan to add the Physical Education Activity Program (PEAP) Facility Project for Texas A&M University with a FY 2012 start date and a total planning amount of \$21,000,000 is approved.

The amount of \$2,100,000 is appropriated from Account No. 01-084900, Permanent University Fund Debt Proceeds (AUF), for pre-construction services and related project costs.

The Board of Regents of The Texas A&M University System (Board) reasonably expects to incur debt in one or more obligations for this project, and all or a portion of the proceeds received from the sale of such obligations is reasonably expected to be used to reimburse the account(s) for amounts previously appropriated and/or expended from such account(s).

As required by Section 5(a) of the Master Resolution of the Revenue Financing System, the Board hereby determines that it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System and that

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the Participants, on whose behalf the debt is issued, possess the financial capacity to satisfy their Direct Obligations.”

Respectfully submitted,

Vergel L. Gay, Jr.
Chief Facilities Planning and Construction Officer

Approval Recommended:

Approved for Legal Sufficiency:

John Sharp
Chancellor

Ray Bonilla
General Counsel

Gregory R. Anderson
Chief Investment Officer and Treasurer

R. Bowen Loftin
President
Texas A&M University

**TEXAS A&M UNIVERSITY
PERMANENT UNIVERSITY FUND
2-3118 Physical Education Activity Program (PEAP) Facility
Available University Fund**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total
BONDS	12,120,000.00			
YEAR 1	11,770,000.00	350,000.00	666,600.00	1,016,600.00
YEAR 2	11,405,000.00	365,000.00	647,350.00	1,012,350.00
YEAR 3	11,020,000.00	385,000.00	627,275.00	1,012,275.00
YEAR 4	10,610,000.00	410,000.00	606,100.00	1,016,100.00
YEAR 5	10,180,000.00	430,000.00	583,550.00	1,013,550.00
YEAR 6	9,725,000.00	455,000.00	559,900.00	1,014,900.00
YEAR 7	9,245,000.00	480,000.00	534,875.00	1,014,875.00
YEAR 8	8,740,000.00	505,000.00	508,475.00	1,013,475.00
YEAR 9	8,205,000.00	535,000.00	480,700.00	1,015,700.00
YEAR 10	7,640,000.00	565,000.00	451,275.00	1,016,275.00
YEAR 11	7,045,000.00	595,000.00	420,200.00	1,015,200.00
YEAR 12	6,420,000.00	625,000.00	387,475.00	1,012,475.00
YEAR 13	5,760,000.00	660,000.00	353,100.00	1,013,100.00
YEAR 14	5,065,000.00	695,000.00	316,800.00	1,011,800.00
YEAR 15	4,330,000.00	735,000.00	278,575.00	1,013,575.00
YEAR 16	3,555,000.00	775,000.00	238,150.00	1,013,150.00
YEAR 17	2,735,000.00	820,000.00	195,525.00	1,015,525.00
YEAR 18	1,870,000.00	865,000.00	150,425.00	1,015,425.00
YEAR 19	960,000.00	910,000.00	102,850.00	1,012,850.00
YEAR 20	-	960,000.00	52,800.00	1,012,800.00
		<u>\$ 12,120,000.00</u>	<u>\$ 8,162,000.00</u>	<u>\$ 20,282,000.00</u>

Estimated issuance costs of \$120,000 are included in this schedule.
Long-term rates are assumed to be 5.50%. Rates are subject to market change.
Prepared by the Office of the Treasurer - Treasury Services 9/13/11

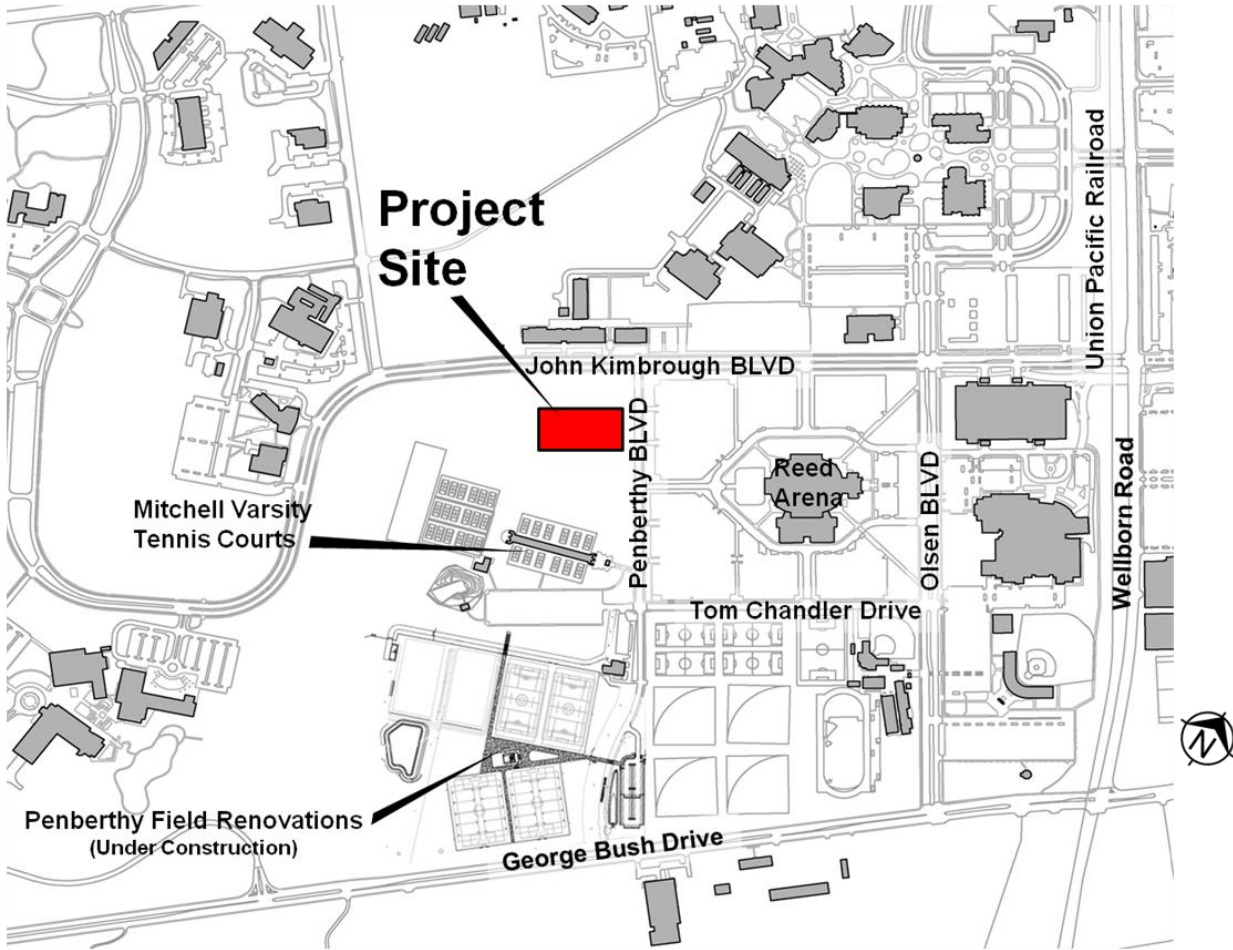
Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.

TEXAS A&M UNIVERSITY
Revenue Financing System
2-3118 Physical Education Activity Program (PEAP) Facility
Investment Earnings

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
BONDS	9,090,000.00				
YEAR 1	8,830,000.00	260,000.00	499,950.00	759,950.00	873,942.50
YEAR 2	8,555,000.00	275,000.00	485,650.00	760,650.00	874,747.50
YEAR 3	8,265,000.00	290,000.00	470,525.00	760,525.00	874,603.75
YEAR 4	7,960,000.00	305,000.00	454,575.00	759,575.00	873,511.25
YEAR 5	7,635,000.00	325,000.00	437,800.00	762,800.00	877,220.00
YEAR 6	7,295,000.00	340,000.00	419,925.00	759,925.00	873,913.75
YEAR 7	6,935,000.00	360,000.00	401,225.00	761,225.00	875,408.75
YEAR 8	6,555,000.00	380,000.00	381,425.00	761,425.00	875,638.75
YEAR 9	6,155,000.00	400,000.00	360,525.00	760,525.00	874,603.75
YEAR 10	5,735,000.00	420,000.00	338,525.00	758,525.00	872,303.75
YEAR 11	5,290,000.00	445,000.00	315,425.00	760,425.00	874,488.75
YEAR 12	4,820,000.00	470,000.00	290,950.00	760,950.00	875,092.50
YEAR 13	4,325,000.00	495,000.00	265,100.00	760,100.00	874,115.00
YEAR 14	3,800,000.00	525,000.00	237,875.00	762,875.00	877,306.25
YEAR 15	3,250,000.00	550,000.00	209,000.00	759,000.00	872,850.00
YEAR 16	2,670,000.00	580,000.00	178,750.00	758,750.00	872,562.50
YEAR 17	2,055,000.00	615,000.00	146,850.00	761,850.00	876,127.50
YEAR 18	1,405,000.00	650,000.00	113,025.00	763,025.00	877,478.75
YEAR 19	720,000.00	685,000.00	77,275.00	762,275.00	876,616.25
YEAR 20	-	720,000.00	39,600.00	759,600.00	873,540.00
		<u>\$ 9,090,000.00</u>	<u>\$ 6,123,975.00</u>	<u>\$ 15,213,975.00</u>	<u>\$ 17,496,071.25</u>

Estimated issuance costs of \$90,000 are included in this schedule.
Long-term rates are assumed to be 5.50%. Rates are subject to market change.
Prepared by the Office of the Treasurer - Treasury Services 9/13/11

Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.



Physical Education Activity Program (PEAP) Facility

Texas A&M University

Project No. 2-3118

Agenda Item No.

AGENDA ITEM BRIEFING

Submitted by: Vergel L. Gay, Jr., Chief Facilities Planning and Construction Officer

Subject: Approval to Amend the FY 2012-FY 2016 Texas A&M University System Capital Plan to Add the Kyle Field District Plan Phase 2 Project (Project No. 2-3121) at Texas A&M University with a Fiscal Year 2012 Start Date

Proposed Board Action:

- (1) Amend the approved FY 2012–FY 2016 Texas A&M University System Capital Plan to add the Kyle Field District Plan Phase 2 Project for Texas A&M University with a FY 2012 start date and a total planning amount of \$16,000,000.
- (2) Appropriate \$1,600,000 for pre-construction services and related project costs.

Funding/Planning Amount:

<u>Funding Source</u>	<u>Planning Amount</u>	<u>Average Estimated Annual Debt Service</u>	<u>Debt Service Source</u>
Revenue Financing System Debt Proceeds	<u>\$16,000,000</u>	\$3,903,721	Gifts
Total Project Funds * +	<u>\$16,000,000</u>		

*Gift funds equal to 50% of the total project funds must be in hand and an additional 25% of the total project funds must be covered by documented pledges prior to the construction contract award.

+ The 12th Man Foundation has agreed to guarantee the \$1,600,000 for pre-construction services.

Project Justification:

The Athletic Department will continue the development of the Kyle Field District Plan. This continuation will have three components including a Sports Nutrition Center, an expansion of the Bright Building lobby, and the construction of a new branded entryway to the Bright Complex that will include the elimination of the Omar Smith Tennis Center, with a replacement of the parking area and a new entry from George Bush Drive. This new drive will connect to a newly constructed plaza which includes the relocated John David Crow statue.

The Sports Nutrition Center is for the benefit of all student athletes but will be open to the general student body per NCAA rules. The proposed location is the patio of the Bright Building adjacent to the Nye Academic Center. This facility will house a general dining area along with several breakout rooms for special functions, food preparation areas, storage areas, and staff offices.

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The Bright Building Lobby expansion will extend the lobby out to the new plaza and John David Crow statue. The expansion will include a new two-story grand entryway to the Bright Building capable of housing 150 people and mainly used for recruiting functions.

The proposed branded entryway will connect the new plaza in front of the Bright Building to George Bush Drive. The new drive will require the elimination of the Omar Smith Tennis Courts. This will then allow a larger parking area that can be used by the Texas A&M Foundation and the Athletic Department. This will necessitate the re-centering of the John David Crow statue into a new plaza.

The estimated cost for the project is \$16 million. This project will be completely funded by donations through the 12th Man Foundation. The initial request is to put this project on The Texas A&M University System Capital plan. The 12th Man Foundation has agreed to fund the initial 10% pre-construction service amount which will allow for design to commence.

Scope:

The Kyle Field District Plan Phase 2 Project will include an addition to the north side of the Bright Building to house a Sports Nutrition Center of approximately 13,000 gross square feet, an addition to the south side of the Bright Building to expand the lobby of approximately 3,000 gross square feet, a plaza, parking lot and entry drive. The building additions to the Bright Building will include the following spaces:

- + Dining facilities
- + Multipurpose room
- + Fresh market servery
- + Kitchen/food preparation area
- + Mechanical space
- + Storage area
- + Lobby expansion
- + Staff offices

The Kyle Field District Plan Phase 2 Project will be designed and constructed to conform to the Kyle Field District Plan and the Texas A&M University Master Plan.

Current plans call for completion of the Kyle Field District Plan Phase 2 Project by August 2013. A more definitive scope and budget will be determined during the pre-construction phase and approved by the Board prior to the construction contract award.

Other Major Fiscal Impacts:

None.

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**THE TEXAS A&M UNIVERSITY SYSTEM
FACILITIES PLANNING AND CONSTRUCTION**
Office of the Chief Facilities Planning and Construction Officer
September 26, 2011

Members, Board of Regents
The Texas A&M University System

Subject: Approval to Amend the FY 2012-FY 2016 Texas A&M University System Capital Plan to Add the Kyle Field District Plan Phase 2 Project (Project No. 2-3121) for Texas A&M University with a Fiscal Year 2012 Start Date

I recommend adoption of the following minute order:

“The request to amend the Fiscal Year FY 2012–FY 2016 Texas A&M University System Capital Plan to add the Kyle Field District Plan Phase 2 Project for Texas A&M University with a FY 2012 start date and a total planning amount of \$16,000,000 is approved.

The amount of \$1,600,000 is appropriated from Account No. 02-512124, 12th Man Foundation Athletic Gifts, for pre-construction services and related project costs.

The Board of Regents of The Texas A&M University System (Board) reasonably expects to incur debt in one or more obligations for this project, and all or a portion of the proceeds received from the sale of such obligations is reasonably expected to be used to reimburse the account(s) for amounts previously appropriated and/or expended from such account(s).

As required by Section 5(a) of the Master Resolution of the Revenue Financing System, the Board hereby determines that it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System and that

the Participants, on whose behalf the debt is issued, possess the financial capacity to satisfy their Direct Obligations.”

Respectfully submitted,

Vergel L. Gay, Jr.
Chief Facilities Planning and Construction Officer

Approval Recommended:

John Sharp
Chancellor

Approved for Legal Sufficiency:

Ray Bonilla
General Counsel

Gregory R. Anderson
Chief Investment Officer and Treasurer

R. Bowen Loftin, President
Texas A&M University

**TEXAS A&M UNIVERSITY
REVENUE FINANCING SYSTEM
KYLE FIELD DISTRICT PLAN PHASE 2
Gifts**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
Commercial Paper	16,000,000.00				
YEAR 1	12,925,000.00	3,075,000.00	320,000.00	3,395,000.00	3,904,250.00
YEAR 2	9,790,000.00	3,135,000.00	258,500.00	3,393,500.00	3,902,525.00
YEAR 3	6,590,000.00	3,200,000.00	195,800.00	3,395,800.00	3,905,170.00
YEAR 4	3,330,000.00	3,260,000.00	131,800.00	3,391,800.00	3,900,570.00
YEAR 5	-	3,330,000.00	66,600.00	3,396,600.00	3,906,090.00
		<u>\$ 16,000,000.00</u>	<u>\$ 972,700.00</u>	<u>\$ 16,972,700.00</u>	<u>\$ 19,518,605.00</u>

Short-term rates are assumed to be 2.00%. Rates are subject to market change.
Assuming that project will remain in commercial paper until paid off in five years.
Prepared by the Office of the Treasurer - Treasury Services 9/29/11

Rates are variable and subject to market change.