

Agenda Item No. 12

**AGENDA ITEM BRIEFING**

**Submitted by:** Gregory R. Anderson, Chief Financial Officer and Treasurer

**Subject:** Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Kyle Field District Plan Phase 2 Project, Texas A&M University, College Station, Texas (Project No. 2-3121)

**Background and Prior Actions:**

The Board of Regents amended The Texas A&M University System Capital Plan to add the Kyle Field District Plan Phase 2 Project for Texas A&M University at the November 2011 meeting.

**Proposed Board Action:**

- (1) Approve the project scope and budget.
- (2) Appropriate \$14,400,000 for construction services and related project costs. \$1,600,000 of funding has been previously appropriated to this project.
- (3) Approve construction of the Kyle Field District Plan Phase 2 Project at Texas A&M University.

**Funding/Budget Amount:**

<u>Funding Source</u>	<u>Budget Amount</u>	Average Estimated Annual <u>Debt Service</u>	Debt Service <u>Source</u>
Revenue Financing System Debt Proceeds	\$ 8,000,000	\$1,697,280	Gifts
Cash	<u>8,000,000</u>	N/A	N/A
Total Project Funds *	<u>\$16,000,000</u>		

\*System policy requires 50% of the gift funds in hand and an additional 25% in documented pledges before approval for construction on the project is received. For any funds not in hand, an unrestricted source of funds must be identified to pay for the project or for the repayment of debt prior to approval for construction. The 12<sup>th</sup> Man Foundation Board of Trustees has approved funding any shortfalls in gifts by a distribution from their operating reserve upon request by the university.

**Project Justification:**

The Kyle Field District Plan Phase 2 Project has two main components – the renovation and expansion of the existing Bright Football Complex main lobby area and a new Sports Nutrition Center to be constructed on the second floor outdoor plaza area on the north side of the Bright Building. The lobby is being renovated and expanded to increase space for recruiting functions and outside events such as donor receptions and to create a “wow” factor when a potential recruit enters the building. The lobby will have branded graphics, interactive audio/visual components, upgraded finishes and a two-story grand entryway to the building from the south. The construction of the Sports Nutrition Center further fulfills the athletic department mission by molding the student athlete’s mind and body. This Sports Nutrition Center will fuel the current and future student athletes with appropriate nutrition to allow them to perform at their highest level and train students in preparing nutritious meals at home. In addition, with this center adjacent to the academic support center, the convenience will increase the participation and allow the next step towards one-stop shopping for student athletes. The Sports Nutrition Center is for the benefit of all student athletes but will also be open to the general student body per NCAA rules.

**Scope:**

The Kyle Field District Plan Phase 2 Project will construct a new Sports Nutrition Center over the second floor outdoor plaza area on the north side of the Bright Football Complex at Kyle Field. The project will also renovate and expand the Bright Building main lobby area on the south side of the building. The location of these project components are shown on the site location map with this agenda item.

The new Sports Nutrition Center will be a single-story structure with a clerestory “pop up” area over the main dining area in the northern portion of the center. The Sports Nutrition Center will contain approximately 17,000 gross square feet and will include:

- + 100+ seat team dining area
- + 140+ seat main dining area
- + 50+ seat private dining area
- + Kitchen, food preparation and serving areas
- + Action station and cooking demonstration
- + Dry goods, refrigeration and freezer areas
- + Lounge seating areas
- + Office, locker and restroom areas
- + New service elevator

Dining areas will make use of movable partitions and can be opened up for joint use as needed.

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The project will also renovate the existing two-story main lobby area on the south side of the Bright Complex along with a small second floor lobby area connecting to the Sports Nutrition Center. The lobby renovation will address approximately 6,400 gross square feet of the existing building and will:

- + Open up the main lobby area by relocating existing restrooms and grand stairway
- + Upgrade existing finishes
- + Install branded graphics
- + Provide speaker system and interactive audio/visual components

To provide more pre-function space, the main lobby area will also be expanded by approximately 4,670 gross square feet to the south to create a grand two-story glass curtain wall entry into the south side of the Bright Complex.

The exterior finishes of the new Sports Nutrition Center and lobby addition components will be primarily masonry and a significant glass curtain wall component.

The project will construct a small entry plaza addition connecting the new south Bright Complex entry to the existing circular drive serving the complex.

The project is currently scheduled to begin construction in September 2012 with substantial completion of the lobby work to occur in July 2013 and the Sports Nutrition Center in September 2013. The total project budget is \$16,000,000.

**Other Major Fiscal Impacts:**

None.

**THE TEXAS A&M UNIVERSITY SYSTEM  
FACILITIES PLANNING AND CONSTRUCTION**  
Office of the Chief Financial Officer and Treasurer  
June 22, 2012

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

Subject: Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Kyle Field District Plan Phase 2 Project, Texas A&M University, College Station, Texas (Project No. 2-3121)

I recommend adoption of the following minute order:

**“The project scope along with a project budget of \$16,000,000 for the Kyle Field District Plan Phase 2 Project is approved.**

**The amount of \$8,000,000 is appropriated from Account No. 01-083536, Revenue Financing System Debt Proceeds (Gifts/Donations), and the amount of \$6,400,000 is appropriated from Account No. 02-512124, 12<sup>th</sup> Man Foundation Athletic Gifts, for construction services and related project costs.**

**The Kyle Field District Plan Phase 2 Project, Texas A&M University, College Station, Texas, is approved for construction.**

**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,

[ORIGINAL SIGNED BY]

Gregory R. Anderson  
Chief Financial Officer and Treasurer

**Approval Recommended:**

[ORIGINAL SIGNED BY]

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John Sharp  
Chancellor

**Approved for Legal Sufficiency:**

[ORIGINAL SIGNED BY]

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Ray Bonilla  
General Counsel

[ORIGINAL SIGNED BY]

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R. Bowen Loftin  
President  
Texas A&M University

<b>KYLE FIELD DISTRICT PLAN PHASE 2</b> <b>TEXAS A&amp;M UNIVERSITY</b> <b>PROJECT NO. 2-3121</b>	<b>PROJECT BUDGET</b>
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	Building Construction (New).....	\$9,726,100
	Building Construction (Renovation).....	1,923,900
	Kitchen Equipment .....	1,200,000
	Site Construction.....	<u>50,000</u>
1.	Amount Available for Construction .....	\$12,900,000
2.	Owner Contingency .....	483,750
3.	A/E Fees and CMAR Pre-Construction Fees.....	1,154,195
4.	FP&C Project Management and Inspection Fees .....	413,054
5.	Movable Furnishings and Equipment (FF&E) .....	545,945
6.	Builder’s Risk Insurance Allowance .....	15,480
7.	Energy Management Systems.....	98,186
8.	Commissioning .....	84,158
9.	HazMat Consultant .....	10,000
10.	Environmental Systems Balancing .....	56,106
11.	Fiber Optic Interface .....	98,186
12.	Construction Testing.....	103,200
13.	Physical Plant Services .....	20,000
14.	Advertising, TAS/ADA Review, Audit, Other Project Costs.....	<u>17,740</u>
15.	<b>TOTAL ESTIMATED COST OF PROJECT.....</b>	<b><u>\$16,000,000</u></b>

1. Complete Schematic Design ..... May 8, 2012
2. Coordinating Board Approval ..... June 21, 2012
3. Construction Manager at Risk Submits GMP ..... July 20, 2012
4. Complete Design Development..... July 24, 2012
5. Board of Regents Approval for Construction..... August 3, 2012
6. Begin Construction Lobby Area..... September 2012
7. Complete Construction Documents..... October 1, 2012
8. Begin Construction Nutrition Center ..... December 2012
9. Substantial Completion Lobby Area..... July 27, 2013
10. Lobby Area Occupancy ..... August 20, 2013
11. Substantial Completion Nutrition Center ..... September 15, 2013
12. Nutrition Center Occupancy ..... October 15, 2013

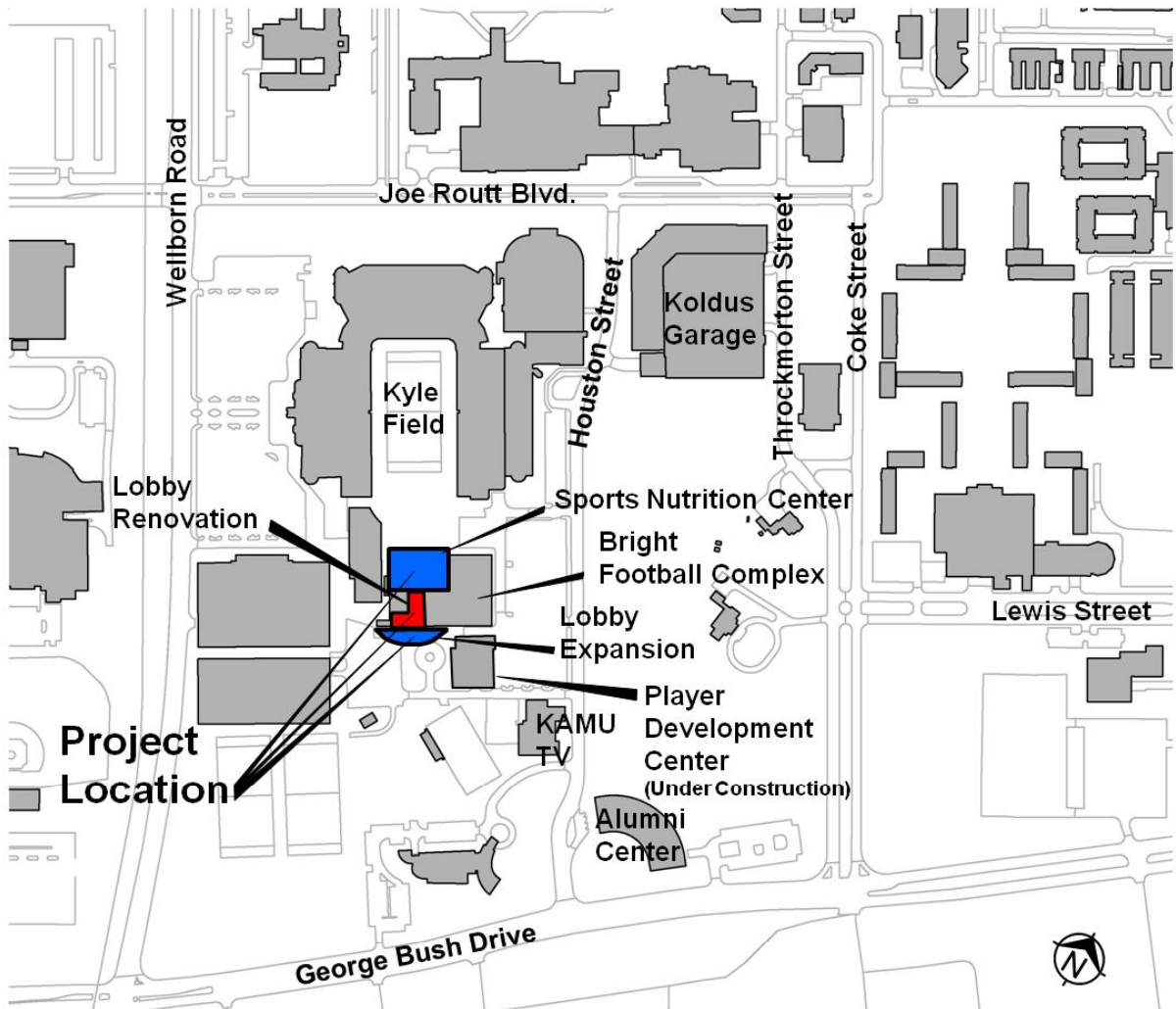
**TEXAS A&M UNIVERSITY  
REVENUE FINANCING SYSTEM  
2-3121 KYLE FIELD DISTRICT PLAN PHASE 2  
Gifts**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
Commercial Paper	8,000,000.00				
YEAR 1	6,465,000.00	1,535,000.00	160,000.00	1,695,000.00	1,949,250.00
YEAR 2	4,895,000.00	1,570,000.00	129,300.00	1,699,300.00	1,954,195.00
YEAR 3	3,295,000.00	1,600,000.00	97,900.00	1,697,900.00	1,952,585.00
YEAR 4	1,665,000.00	1,630,000.00	65,900.00	1,695,900.00	1,950,285.00
YEAR 5	-	<u>1,665,000.00</u>	<u>33,300.00</u>	<u>1,698,300.00</u>	<u>1,953,045.00</u>
		<u>\$ 8,000,000.00</u>	<u>\$ 486,400.00</u>	<u>\$ 8,486,400.00</u>	<u>\$ 9,759,360.00</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 6/13/12

**Rates are variable and subject to market change.**





## Kyle Field District Plan Phase 2

Texas A&M University

Project No. 2-3121