

AGENDA ITEM BRIEFING

Submitted by: Billy Hamilton, Executive Vice Chancellor and Chief Financial Officer
The Texas A&M University System

Subject: Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Commons Building Renovation Project, Texas A&M University, College Station, Texas (Project No. 02-3156)

Background and Prior Actions:

The Commons Building Renovation Project was included as an approved project on the FY 2015-FY 2019 A&M System Capital Plan approved by the Board at the May 2014 meeting.

Proposed Board Action:

- (1) Approve the project scope and budget.
- (2) Appropriate \$45,900,000 for construction services and related project costs. \$3,200,000 has been previously appropriated to this project.
- (3) Approve construction of the Commons Building Renovation Project at Texas A&M University (Texas A&M).

Funding/Budget Amount:

<u>Funding Source</u>	<u>Budget Amount</u>	<u>Average Estimated Annual Debt Service</u>	<u>Debt Service Source</u>
Revenue Financing System Debt Proceeds	\$43,100,000	\$3,088,190	Housing Revenue
Housing Reserve*	<u>\$ 6,000,000</u>	N/A	N/A
Total Project Funds	<u>\$49,100,000</u>		

*These funds are for the finish-out of the dining spaces and will be reimbursed to Residence Life by Chartwells upon project completion.

Project Justification:

The Commons was originally constructed in 1971 along with Dunn and Krueger Halls. Aston and Mosher Halls were completed a few years later, completing the complex. The Commons serves as an important hub for Residence Life on the south side of campus, both as a center for administrative operations and a locus for activities. The facility houses offices for Residence Life staff, provides important places for student groups to hold activities, and is a popular place

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for students to study and hang out. While the Commons is currently available to support these functions, lack of space and proper adjacencies present challenges.

The Commons was intended to serve the students of the four adjoining residence halls but has come to serve other residence halls in the vicinity including Wells, Rudder, Eppright, Appelt and Underwood. As these additional halls were constructed, demand for services in the Commons increased leading to an expansion and renovation of the original structure in 1988. The structure has remained largely untouched over the past 25 years. For much of its history it was one of the primary University Dining facilities on campus until concerns about the kitchen equipment and infrastructure on the lower level caused it to be partially closed. Since that time, University Dining has been operating out of an improvised and undersized space, offering a more limited level of service than desired. The Commons has evolved and adapted as the university has grown, which has led to a series of ad hoc solutions. The current organization and appearance of the Commons is the product of all these aggregated changes and, while it functions, it is not well suited for its current use and occupancy.

University Dining, which is now contracted to Chartwells as food service provider, currently serves approximately 5,000 meals per day out of the food service facilities in the Commons. Current facilities are not sufficient to support that level of traffic, and students often experience long lines and wait times. In addition to this inconvenience, dining areas in the Commons only offer 200 seats for diners, which makes it extremely difficult for students to find seating at peak meal times. Furthermore, much of the lower level that was formerly used for food service and dining has been either shut down or temporarily re-allocated to other departments.

A newly renovated Commons would continue to support the Residence Life functions that currently exist, but with facilities that are more efficient and appropriate. Updating and reorganizing the interior spaces will make the Commons a more appealing destination for students, while additional spaces such as outdoor areas, tutoring/mentoring space and meeting/conference space will enable new and expanded programs and activities to be developed. Despite its current limitations, the Commons remains a beloved and essential part of residential life on the south side of campus.

Scope:

The Commons Building is located in the southeast portion of the Texas A&M main campus just south of Lubbock Street in a central area with Dunn and Aston residence halls on the west and Mosher and Krueger residence halls on the east. The project site is shown on the map with this agenda item.

The Commons Building Renovation Project will construct additional support spaces onto the building and will perform renovations to the entire existing facility.

The approximate addition of 6,509 square feet to the north side upper level and 400 square feet on the south side lower level will include:

- + Recreation and game room

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- + Community learning center
- + North lobby and entrance vestibule
- + Loading and receiving area

The renovated space of 83,047 square feet in the existing building will include:

Upper Level

- + Convenience stairwell
- + Main corridor with two light wells
- + Student services
- + Multipurpose room
- + Conference rooms
- + Convenience store
- + Catering kitchen
- + Mail room
- + Music rooms
- + South lobby & vestibule

Lower Level

- + Dining
- + Back of house kitchen
- + Back of house custodial
- + Loading/receiving dock

The project will modify existing utilities, parking along Mosher Lane, loading dock area, walkways, entrances and landscaping as required to accommodate the renovation and additions to the Commons Building.

The current schedule calls for the Commons Building Renovation Project to be substantially completed April 2017. The total project budget is \$49,100,000.

Other Major Fiscal Impacts:

None.

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THE TEXAS A&M UNIVERSITY SYSTEM
FACILITIES PLANNING AND CONSTRUCTION
Office of the Executive Vice Chancellor and Chief Financial Officer
December 12, 2014

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 Commons Building Renovation Project, Texas A&M University, College Station, Texas (Project No. 02-3156)

I recommend adoption of the following minute order:

“The project scope along with a project budget of \$49,100,000 for the Commons Building Renovation Project is approved.

The amount of \$43,100,000 is appropriated from Account No. 01-083536, Revenue Financing System Debt Proceeds (Housing Revenue), and the amount of \$2,800,000 is appropriated from Account No. 02-030062, Residence Halls, for construction services and related project costs.

The Commons Building Renovation 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]

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

Approval Recommended:

[ORIGINAL SIGNED BY]

John Sharp
Chancellor

Approved for Legal Sufficiency:

[ORIGINAL SIGNED BY]

Ray Bonilla
General Counsel

[ORIGINAL SIGNED BY]

Mark A. Hussey, Interim President
Texas A&M University

ATTACHMENT TO ITEM 4

COMMONS BUILDING RENOVATION TEXAS A&M UNIVERSITY PROJECT NO. 02-3156	PROJECT BUDGET
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1.	Amount Available for Construction Contract.....	\$40,576,590
2.	Owner’s Contingency	1,623,064
3.	Architectural/Engineering Fees	2,687,080
4.	CMAR Pre-Construction Services.....	80,000
5.	Asbestos Consultant.....	30,000
6.	FP&C Project Management and Inspection Fees	1,267,560
7.	Movable Furnishings	1,000,000
8.	Audio Visual and Security Equipment	550,000
9.	Environmental Systems Balancing	182,000
10.	Construction Testing.....	263,748
11.	Fiber Optic Interface.....	420,000
12.	Audit Cost.....	36,519
13.	Physical Plant Services	210,000
14.	Building Envelope Testing	77,480
15.	Exterior Graphics	5,000
16.	Owner’s Builder’s Risk Insurance (FM Global).....	25,000
17.	Interagency and Other Costs.....	44,059
18.	Artwork Allowance.....	<u>21,900</u>
19.	TOTAL ESTIMATED COST OF PROJECT.....	<u>\$49,100,000</u>

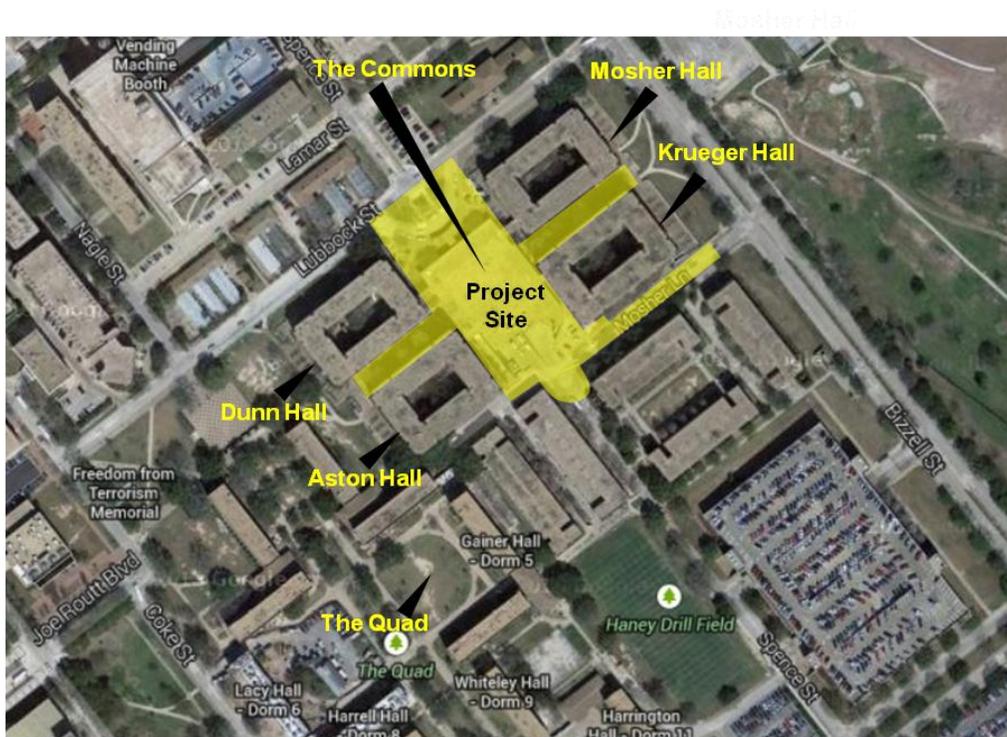
1. BOR Approval to Add to Capital Plan.....August 8, 2013
2. Project Kickoff MeetingApril 1, 2014
3. Complete Schematic Design and 100% Design Development, Early Pkg. #1 September 2, 2014
4. Complete Design Development and 100% Construction Documents,
Early Pkg. #1 December 19, 2014
5. Receive Guaranteed Maximum Price (GMP) from CMAR.....February 6, 2015
6. BOR Approval for ConstructionFebruary 13, 2015
7. Notice to Proceed – Construction of Early Pkg. #1.March 27, 2015
8. Complete 100% Construction Documents, Main Pkg.April 28, 2015
9. Notice to Proceed – Construction Main Pkg.....April 2015
10. Substantial CompletionApril 2017
11. Owner OccupancyMay 2017

**TEXAS A&M UNIVERSITY
REVENUE FINANCING SYSTEM
Commons Building Renovation
Housing Revenue**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
BONDS	43,525,000.00				
YEAR 1	42,615,000.00	910,000.00	2,176,250.00	3,086,250.00	3,549,187.50
YEAR 2	41,655,000.00	960,000.00	2,130,750.00	3,090,750.00	3,554,362.50
YEAR 3	40,650,000.00	1,005,000.00	2,082,750.00	3,087,750.00	3,550,912.50
YEAR 4	39,595,000.00	1,055,000.00	2,032,500.00	3,087,500.00	3,550,625.00
YEAR 5	38,485,000.00	1,110,000.00	1,979,750.00	3,089,750.00	3,553,212.50
YEAR 6	37,320,000.00	1,165,000.00	1,924,250.00	3,089,250.00	3,552,637.50
YEAR 7	36,100,000.00	1,220,000.00	1,866,000.00	3,086,000.00	3,548,900.00
YEAR 8	34,815,000.00	1,285,000.00	1,805,000.00	3,090,000.00	3,553,500.00
YEAR 9	33,470,000.00	1,345,000.00	1,740,750.00	3,085,750.00	3,548,612.50
YEAR 10	32,055,000.00	1,415,000.00	1,673,500.00	3,088,500.00	3,551,775.00
YEAR 11	30,570,000.00	1,485,000.00	1,602,750.00	3,087,750.00	3,550,912.50
YEAR 12	29,010,000.00	1,560,000.00	1,528,500.00	3,088,500.00	3,551,775.00
YEAR 13	27,370,000.00	1,640,000.00	1,450,500.00	3,090,500.00	3,554,075.00
YEAR 14	25,650,000.00	1,720,000.00	1,368,500.00	3,088,500.00	3,551,775.00
YEAR 15	23,845,000.00	1,805,000.00	1,282,500.00	3,087,500.00	3,550,625.00
YEAR 16	21,950,000.00	1,895,000.00	1,192,250.00	3,087,250.00	3,550,337.50
YEAR 17	19,960,000.00	1,990,000.00	1,097,500.00	3,087,500.00	3,550,625.00
YEAR 18	17,870,000.00	2,090,000.00	998,000.00	3,088,000.00	3,551,200.00
YEAR 19	15,675,000.00	2,195,000.00	893,500.00	3,088,500.00	3,551,775.00
YEAR 20	13,370,000.00	2,305,000.00	783,750.00	3,088,750.00	3,552,062.50
YEAR 21	10,950,000.00	2,420,000.00	668,500.00	3,088,500.00	3,551,775.00
YEAR 22	8,410,000.00	2,540,000.00	547,500.00	3,087,500.00	3,550,625.00
YEAR 23	5,740,000.00	2,670,000.00	420,500.00	3,090,500.00	3,554,075.00
YEAR 24	2,940,000.00	2,800,000.00	287,000.00	3,087,000.00	3,550,050.00
YEAR 25	-	2,940,000.00	147,000.00	3,087,000.00	3,550,050.00
		<u>\$ 43,525,000.00</u>	<u>\$ 33,679,750.00</u>	<u>\$ 77,204,750.00</u>	<u>\$ 88,785,462.50</u>

Estimated issuance costs and rounding of \$425,000 are included in this schedule.
Long-term rates are assumed to be 5.00%. Rates are subject to market change.
Prepared by the Office of the Treasurer - Treasury Services 12/12/14

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



Commons Building Renovation

Texas A&M University

Project No. 02-3156