

**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 21st Century Classroom Building Project, Texas A&M University, College Station, Texas (Project No. 02-3236)

**Background and Prior Actions:**

The 21st Century Classroom Building Project was included as a project on the FY 2018 – FY 2022 A&M System Capital Plan approved by the Board at the August 2017 meeting.

**Proposed Board Action:**

- (1) Approve the project scope and budget.
- (2) Appropriate \$78,000,000 for construction services and related project costs. \$7,000,000 has been previously appropriated.
- (3) Approve construction of the 21st Century Classroom Building 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> |
|---|----------------------|--|----------------------------|
| Permanent University Fund Debt Proceeds | \$70,000,000         | \$5,434,220                                  | Available University Funds |
| Cash (Designated Tuition)               | \$10,000,000         | N/A  | N/A                        |
| Cash (Designated – Other )              | <u>\$ 5,000,000</u>  | N/A  | N/A                        |
| Total Project Funds                     | <u>\$85,000,000</u>  |  |                            |

**Project Justification:**

Texas A&M’s Vision 2020 and current Academic Master Plan establish a framework to achieve academic excellence and set the standard for higher education. The university’s mission – *“dedicated to discovery, development, communication and application of knowledge in a wide range of academic and professional fields”* – is rooted in teaching and learning.

Agenda Item No. 3.1  
Agenda Item Briefing

The new 21<sup>st</sup> Century Classroom Building is conceived as a means to support the university's continual pursuit to elevate teaching and learning, enrich the community and build a culture of excellence.

The university has experienced a period of rapid growth and needs to expand its capacity in quantity and quality of large instructional spaces. This facility will offer over 2,200 classroom seats in a variety of sizes and pedagogical methods to meet this need.

**Scope:**

The 21<sup>st</sup> Century Classroom Building, as programmed, will be 120,672 gross square feet, which translates to about 70,472 square feet of assignable space at 60% efficiency. The building will be constructed on Texas A&M's main campus in College Station, at the corner of Wellborn Road and Old Main Drive, next to the Cain Parking Garage.

The facility will create much needed Registrar-controlled instructional capacity and provide general purpose classrooms in a variety of environments, shapes and sizes. Classrooms will accommodate a total of over 2,200 seats and provide **three** teaching "arenas" that embrace the concept of teaching in the round. Other spaces include active learning classrooms, tiered classrooms, a large lecture hall and smaller study spaces. To further support teaching and learning, the Center for Teaching Excellence, Instructional Technology Services and Instructional Media Services will be **relocated** to this facility.

Construction on this project is scheduled to start in May 2018, with substantial completion scheduled for May 2020. The total project budget is \$85,000,000.

**Other Major Fiscal Impacts:**

None.

**THE TEXAS A&M UNIVERSITY SYSTEM**  
**FACILITIES PLANNING AND CONSTRUCTION**  
Office of the Executive Vice Chancellor and Chief Financial Officer  
March 6, 2018

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 21st Century Classroom Building Project, Texas A&M University, College Station, Texas (Project No. 02-3236)

I recommend adoption of the following minute order:

**“The project scope along with a project budget of \$85,000,000 for the 21st Century Classroom Building Project is approved.**

**The amount of \$63,000,000 is appropriated from Account No. 01-084243, Permanent University Fund Debt Proceeds (AUF), the amount of \$10,000,000 is appropriated from Account No. 02-243507, DT Contingent Income, and the amount of \$5,000,000 is appropriated from Account No. 02-808832, Provost Plant Funds, for construction services and related project costs.**

**The 21st Century Classroom Building 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).”**

Respectfully submitted,

**[ORIGINAL SIGNED BY]**

Billy Hamilton  
Executive Vice Chancellor and  
Chief Financial Officer

**Approval Recommended:**

**Approved for Legal Sufficiency:**

**[ORIGINAL SIGNED BY]**

John Sharp  
Chancellor

**[ORIGINAL SIGNED BY]**

Ray Bonilla  
General Counsel

**[ORIGINAL SIGNED BY]**

Michael K. Young, President  
Texas A&M University

|   |                       |
|---|-----------------------|
| <b>21ST CENTURY CLASSROOM BUILDING</b><br><b>TEXAS A&amp;M UNIVERSITY</b><br><b>PROJECT NO. 02-3236</b> | <b>PROJECT BUDGET</b> |
|---|-----------------------|

|     |  |                     |
|-----|--|---------------------|
| 1.  | Amount Available for Construction Contract ..... | \$62,500,000        |
| 2.  | Architectural/Engineering Fees .....             | \$ 5,985,728        |
| 3.  | Physical Plant/Facility Services .....           | \$ 50,000           |
| 4.  | Data / CIS .....                                 | \$ 1,569,564        |
| 5.  | Telecommunications .....                         | \$ 139,517          |
| 6.  | Security.....                                    | \$ 200,000          |
| 7.  | Testing and Air Balancing.....                   | \$ 261,594          |
| 8.  | Construction Materials Testing .....             | \$ 250,000          |
| 9.  | Envelope Testing.....                            | \$ 81,385           |
| 10. | Artwork / Graphics.....                          | \$ 200,000          |
| 11. | A/V Equipment.....                               | \$ 4,700,000        |
| 12. | Moveable Equipment .....                         | \$ 300,000          |
| 13. | Moveable Furnishings .....                       | \$ 1,800,000        |
| 14. | FP&C Project Management and Inspection Fees..... | \$ 2,194,350        |
| 15. | Owner's Contingency .....                        | \$ 2,687,500        |
| 16. | Miscellaneous.....                               | <u>\$ 2,080,362</u> |
| 17. | TOTAL ESTIMATED COST OF PROJECT .....            | <u>\$85,000,000</u> |

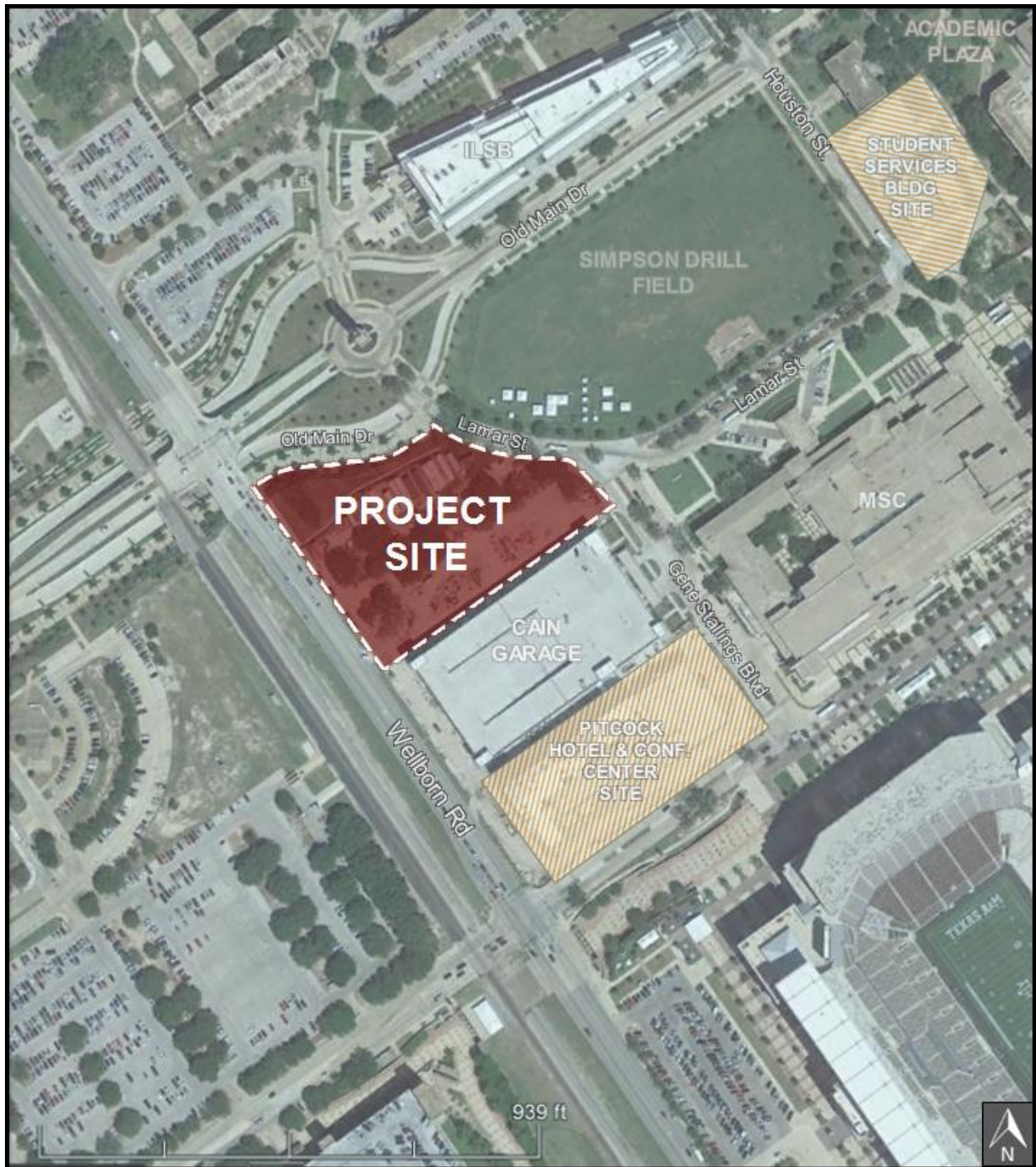
1. BOR Approval of Capital Plan ..... September 3, 2015
2. Issue A/E RFQ ..... March 7, 2017
3. Issue CMAR RFP ..... March 14, 2017
4. Receive A/E RFQ Responses..... March 29, 2017
5. Receive CMAP RFP Responses ..... April 4, 2017
6. Shortlist A/E Firms ..... April 11, 2017
7. Shortlist CMAR Firms ..... April 18, 2017
8. Interview A/E Shortlist ..... April 21, 2017
9. Interview CMAR Shortlist..... May 5, 2017
10. A/E Ranked Order Approved by Chancellor ..... May 9, 2017
11. CMAR Ranked Order Approved by Chancellor..... May 19, 2017
12. A/E Design Kickoff ..... June 29, 2017
13. Execute A/E Agreement ..... July 6, 2017
14. Execute CMAR Agreement ..... July 6, 2017
15. Complete Schematic Design .....November 14, 2017
16. Complete Design Development ..... March 9, 2018
17. Receive GMP from CMAR ..... March 20, 2018
18. BOR Approval for Construction..... April 19, 2018
19. Begin Construction ..... May 4, 2018
20. Complete Construction Documents ..... June 15, 2018
21. Submit THECB Application ..... June 2018
22. Substantial Completion..... May 2020
23. Owner Occupancy..... July 2020

**TEXAS A&M UNIVERSITY  
PERMANENT UNIVERSITY FUND  
02-3236 21st Century Classroom Building  
Available University Fund**

| Dates   | Outstanding<br>Principal | Principal<br>Amount     | Interest<br>Amount      | Annual Total             |
|---------|--------------------------|-------------------------|-------------------------|--------------------------|
| BONDS   | 70,690,000.00            |                         |                         |                          |
| YEAR 1  | 68,435,000.00            | 2,255,000.00            | 3,181,050.00            | 5,436,050.00             |
| YEAR 2  | 66,080,000.00            | 2,355,000.00            | 3,079,575.00            | 5,434,575.00             |
| YEAR 3  | 63,620,000.00            | 2,460,000.00            | 2,973,600.00            | 5,433,600.00             |
| YEAR 4  | 61,050,000.00            | 2,570,000.00            | 2,862,900.00            | 5,432,900.00             |
| YEAR 5  | 58,360,000.00            | 2,690,000.00            | 2,747,250.00            | 5,437,250.00             |
| YEAR 6  | 55,550,000.00            | 2,810,000.00            | 2,626,200.00            | 5,436,200.00             |
| YEAR 7  | 52,615,000.00            | 2,935,000.00            | 2,499,750.00            | 5,434,750.00             |
| YEAR 8  | 49,550,000.00            | 3,065,000.00            | 2,367,675.00            | 5,432,675.00             |
| YEAR 9  | 46,345,000.00            | 3,205,000.00            | 2,229,750.00            | 5,434,750.00             |
| YEAR 10 | 42,995,000.00            | 3,350,000.00            | 2,085,525.00            | 5,435,525.00             |
| YEAR 11 | 39,495,000.00            | 3,500,000.00            | 1,934,775.00            | 5,434,775.00             |
| YEAR 12 | 35,840,000.00            | 3,655,000.00            | 1,777,275.00            | 5,432,275.00             |
| YEAR 13 | 32,020,000.00            | 3,820,000.00            | 1,612,800.00            | 5,432,800.00             |
| YEAR 14 | 28,025,000.00            | 3,995,000.00            | 1,440,900.00            | 5,435,900.00             |
| YEAR 15 | 23,850,000.00            | 4,175,000.00            | 1,261,125.00            | 5,436,125.00             |
| YEAR 16 | 19,490,000.00            | 4,360,000.00            | 1,073,250.00            | 5,433,250.00             |
| YEAR 17 | 14,935,000.00            | 4,555,000.00            | 877,050.00              | 5,432,050.00             |
| YEAR 18 | 10,175,000.00            | 4,760,000.00            | 672,075.00              | 5,432,075.00             |
| YEAR 19 | 5,200,000.00             | 4,975,000.00            | 457,875.00              | 5,432,875.00             |
| YEAR 20 | -                        | 5,200,000.00            | 234,000.00              | 5,434,000.00             |
|         |                          | <u>\$ 70,690,000.00</u> | <u>\$ 37,994,400.00</u> | <u>\$ 108,684,400.00</u> |

Estimated issuance costs and rounding of \$690,000 are included in this schedule.  
Long-term rates are assumed to be 4.50%. Rates are subject to market change.  
Prepared by the Office of the Treasurer - Treasury Services 2/15/18

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



## 21st Century Classroom Building

Texas A&M University

Project No. 02-3236