

AGENDA ITEM BRIEFING

Submitted by: M. Katherine Banks, Vice Chancellor and Dean of Engineering
Texas A&M Engineering Experiment Station

Subject: Approval of the Project Renaming, Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Health Technologies Building Renovation Project, Texas A&M Engineering Experiment Station, College Station, Texas (Project No. 2017-1610-01)

Background and Prior Actions:

The Haynes Coastal Engineering Lab 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) Change the project name from “Haynes Coastal Engineering Lab” to “Health Technologies Building Renovation.”
- (2) Approve the project scope and budget.
- (3) Appropriate \$6,500,000 for construction services and related project costs.
- (4) Approve construction of the Health Technologies Building Renovation Project at Texas A&M Engineering Experiment Station (TEES).

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	<u>\$6,500,000</u>	\$504,583	Indirect Cost Recoveries
Total Project Funds	<u>\$6,500,000</u>		

Project Justification:

The justification to renovate this facility has three parts. First, Texas A&M’s College of Engineering has launched an effort to have 25,000 engineering students by the year 2025 – an initiative titled “25 by 25.” This initiative is prompting a physical space reallocation and

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expansion effort. Existing engineering research space on main campus will be moved to other campus locations to make way for an expansion of academic space dedicated to the College of Engineering.

Second, the large wave and towing tank currently housed in the facility are underutilized. The coastal engineering research currently housed in the facility will be moved to other facilities and make greater use of smaller tanks, computer modeling, simulation and data visualization for their research.

Third, TEES was recently awarded a \$20M grant for a National Science Foundation Engineering Research Center (ERC) for Precise Advanced Technologies and Health Systems for Underserved Populations (PATHS-UP). It will develop cost-effective technologies and systems at the point-of-care to improve healthcare access for underserved populations. This research center will be housed in the renovated facility.

Scope:

In support of its mission, TEES engineering and technology research programs continue to evolve and expand. To support this growth, TEES proposes to repurpose and renovate the interior of Building 1610 Health Technologies Building to provide for much needed research laboratory space to support the PATHS-UP initiative. Renovation of this facility will provide for modern labs that support interdisciplinary engineering research teams in a collaborative environment. Additionally, “flexible” laboratory design will provide for the long-term reduction of renovation costs and lab downtime. The renovated facility will capitalize on its location near the recently completed Giesecke Engineering Research Building (GERB) in the Texas A&M University Research Park, creating a unique destination that will showcase the depth and diversity of TEES’s research programs.

Construction on this project is scheduled to start in May 2018 with substantial completion scheduled for January 2019. The total project budget is \$6,500,000.

Other Major Fiscal Impacts:

None.

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TEXAS A&M ENGINEERING EXPERIMENT STATION

Office of the Vice Chancellor and Dean of Engineering

March 5, 2018

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

Subject: Approval of the Project Renaming, Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Health Technologies Building Renovation Project, Texas A&M Engineering Experiment Station, College Station, Texas (Project No. 2017-1610-01)

I recommend adoption of the following minute order:

“The change of the project name from “Haynes Coastal Engineering Lab” to “Health Technologies Building Renovation” is approved.

The project scope along with a project budget of \$6,500,000 for the Health Technologies Building Renovation Project is approved.

The amount of \$6,500,000 is appropriated from Account No. 01-083540 Revenue Financing System Debt Proceeds (Indirect Cost Recoveries), for construction services and related project costs.

The Health Technologies Building Renovation Project, Texas A&M Engineering Experiment Station, 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]

M. Katherine Banks
Vice Chancellor and Dean of Engineering
Director, Texas A&M Engineering Experiment Station

Approval Recommended:

Approved for Legal Sufficiency:

[ORIGINAL SIGNED BY]

John Sharp
Chancellor

[ORIGINAL SIGNED BY]

Ray Bonilla
General Counsel

[ORIGINAL SIGNED BY]

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

HEALTH TECHNOLOGIES BUILDING RENOVATION TEXAS A&M ENGINEERING EXPERIMENT STATION PROJECT NO. 2017-1610-01	PROJECT BUDGET
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1. Amount Available for Construction Contract	\$5,291,093
2. Architectural/Engineering Fees	\$ 423,024
3. Voice, Data and Wireless Equipment.....	\$ 79,317
4. Commissioning (Cx)	\$ 52,878
5. Moving Expenses and Campus Services.....	\$ 41,439
6. Project Management and Inspection Fees	\$ 189,225
7. Owner’s Contingency	<u>\$ 423,024</u>
8. TOTAL ESTIMATED COST OF PROJECT	<u>\$6,500,000</u>

1. BOR Approval to Include in Capital Plan August 24, 2017
2. Issue A/E RFQ August 11, 2017
3. Receive A/E RFQ Responses..... August 29, 2017
4. Shortlist/Select A/E Firm August 31, 2017
5. Execute A/E AgreementOctober 30, 2017
6. A/E Design Kick-Off September 27, 2017
7. Complete Schematic DesignOctober 20, 2017
8. Complete Design Development December 8, 2017
9. Complete Construction Documents February 1, 2018
10. Receive CSPs March 1, 2018
11. Complete CSP Evaluation..... March 6, 2018
12. BOR Approval for Construction April 19, 2018
13. Begin Construction May 1, 2018
14. Substantial Completion January 31, 2019
15. Owner Occupancy February 1, 2019

**TEXAS A&M ENGINEERING EXPERIMENT STATION
REVENUE FINANCING SYSTEM
Health Technologies Building
Indirect Cost Recoveries**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
BONDS	6,565,000.00				
YEAR 1	6,355,000.00	210,000.00	295,425.00	505,425.00	581,238.75
YEAR 2	6,135,000.00	220,000.00	285,975.00	505,975.00	581,871.25
YEAR 3	5,905,000.00	230,000.00	276,075.00	506,075.00	581,986.25
YEAR 4	5,665,000.00	240,000.00	265,725.00	505,725.00	581,583.75
YEAR 5	5,415,000.00	250,000.00	254,925.00	504,925.00	580,663.75
YEAR 6	5,155,000.00	260,000.00	243,675.00	503,675.00	579,226.25
YEAR 7	4,885,000.00	270,000.00	231,975.00	501,975.00	577,271.25
YEAR 8	4,600,000.00	285,000.00	219,825.00	504,825.00	580,548.75
YEAR 9	4,300,000.00	300,000.00	207,000.00	507,000.00	583,050.00
YEAR 10	3,990,000.00	310,000.00	193,500.00	503,500.00	579,025.00
YEAR 11	3,665,000.00	325,000.00	179,550.00	504,550.00	580,232.50
YEAR 12	3,325,000.00	340,000.00	164,925.00	504,925.00	580,663.75
YEAR 13	2,970,000.00	355,000.00	149,625.00	504,625.00	580,318.75
YEAR 14	2,600,000.00	370,000.00	133,650.00	503,650.00	579,197.50
YEAR 15	2,215,000.00	385,000.00	117,000.00	502,000.00	577,300.00
YEAR 16	1,810,000.00	405,000.00	99,675.00	504,675.00	580,376.25
YEAR 17	1,385,000.00	425,000.00	81,450.00	506,450.00	582,417.50
YEAR 18	945,000.00	440,000.00	62,325.00	502,325.00	577,673.75
YEAR 19	485,000.00	460,000.00	42,525.00	502,525.00	577,903.75
YEAR 20	-	485,000.00	21,825.00	506,825.00	582,848.75
		<u>\$ 6,565,000.00</u>	<u>\$ 3,526,650.00</u>	<u>\$ 10,091,650.00</u>	<u>\$ 11,605,397.50</u>

Estimated issuance costs and rounding of \$65,000 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.



Health Technologies Building Renovation

Texas A&M Engineering Experiment Station

Project No. 2017-1610-01