

**AGENDA ITEM BRIEFING**

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

**Subject:** Approval of the Revised Project Scope and Budget, and Appropriation for Pre-Construction Services for the Bright Area Development Project, Texas A&M University, College Station, Texas (Project No. 02-3343)

**Background and Prior Actions:**

The Bright Area Development Project was approved by the Board and added to the FY 2022 – FY 2026 A&M System Capital Plan for FY 2022 for \$205,000,000 at the November 2021 meeting.

**Proposed Board Action:**

- (1) Approve the revised project scope and budget.
- (2) Appropriate \$3,000,000 for pre-construction services. \$20,500,000 has been previously appropriated.

**Funding/Budget Amount:**

<u>Funding Source</u>	<u>Project Budget</u>	<u>Proposed Adjustment</u>	<u>Proposed Budget</u>	<u>Average Estimated Annual Debt Service</u>	<u>Debt Service Source</u>
Revenue Financing System Debt Proceeds	\$25,000,000	\$5,000,000	\$30,000,000	\$1,970,842	Seat License Revenue*
Revenue Financing System Debt Proceeds	<u>\$180,000,000</u>	<u>\$25,000,000</u>	<u>\$205,000,000</u>	\$13,467,050	Stadium Revenue Funds**
Total Project Cost***	<u>\$205,000,000</u>	<u>\$30,000,000</u>	<u>\$235,000,000</u>		

\*For the RFS debt to be repaid with Seat License Revenue, Texas A&M University (Texas A&M) will enter into an agreement with the 12th Man Foundation to provide the amount required to pay debt service.

\*\*Texas A&M is starting a fund-raising effort for this project and has plans to replace a minimum of \$150 million of the cost with gifts as the debt service source. For the RFS debt to be repaid with gifts, the university plans to obtain a guarantee from the 12th Man Foundation to cover any shortfall in gift revenue and any shortfall in total revenue to cover the required 1.15x debt service coverage. RFS debt will be repaid or replaced with gift funds as received.

\*\*\*System policy requires 50% of the gifts 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.

**Project Justification:**

During the programming of the Bright Building Area Development and Kyle Field Suites project, several potential additional improvements to both existing as well as proposed facilities were identified but were not fully attainable due to funding limitations at the time. Upon recent completion of the programming, the University and Athletic Department Leaderships have identified additional funding to facilitate the complete list of enhancements requested by Coach Fisher and the Athletic Department Staff due to their anticipated positive impacts on the success of the program. These additional improvements to the project scope are considered significant positive steps in advancing our position as a top tier institution.

**Scope:**

The project enhancements included as part of this item for consideration include:

The new indoor football practice facility will be expanded to include a larger and more expansive playing field, and be modified to include a filming and observation mezzanine and upgraded exterior wall systems. The new academic support center will be enlarged to provide additional auditorium, lobby and circulation spaces, and be modified to include hard walled support offices, state of the art food service equipment and a steel building structure. Portions of the existing Bright Building will be renovated including remodeling the locker rooms, players lounges and training rooms. The renovated outdoor practice facility will be enhanced with new field lighting.

The suites proposed for the south end of Kyle Field will continue to be investigated to maximize the total number of suites, and if a club area is both feasible and cost effective. The suites constructed will now include sub-roofing and millwork to be more consistent with existing premium product at this venue.

**Other Major Fiscal Impacts:**

None.

**Strategic Plan Imperative(s) this Item Advances:**

The Bright Area Development Project firmly supports the A&M System Strategic Plan imperative #3 “Our students will leave the A&M System as responsible and engaged citizens prepared for successful careers in an increasingly global economy.” As noted earlier, the main emphasis of this project is adding and enhancing the opportunities for the success of the student athlete both on and off the playing field. In upgraded athletic training components, the project also focuses on the furthering of the students’ educational goals so that they have the necessary skills to meet the demands of their desired profession in the global workplace. Opportunities for group and individual tutoring sessions in new classrooms with the latest technology will be available to support their learning process and ultimate graduation. Additionally, this project provides training and support methods for a healthy lifestyle with nutritional and mental health support mechanisms that can be utilized throughout their adult life.

The new Indoor Track and Field project supports the Texas A&M Strategic Plan imperative #1 “All qualified students will find a place in the A&M System and will have an array of pathways to pursue their ambitions and interests.” A clear example of this imperative in action was on

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display in the summer of 2021 when 12 current and former Texas A&M Track and Field athletes competed in the Tokyo Olympics. Texas A&M provided these student-athletes with the opportunity to receive a world-class education while pursuing their dreams of representing their countries at the highest level of international competition. The project will not only continue, but enhance the Track and Field program's ability to provide this type of opportunity.

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**THE TEXAS A&M UNIVERSITY SYSTEM  
FACILITIES PLANNING AND CONSTRUCTION**  
Office of the Deputy Chancellor and Chief Financial Officer  
January 19, 2022

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

Subject: Approval of the Revised Project Scope and Budget, and Appropriation for Pre-Construction Services for the Bright Area Development Project, Texas A&M University, College Station, Texas (Project No. 02-3343)

I recommend adoption of the following minute order:

**“The project scope along with a revised project budget of \$235,000,000 for the Bright Area Development Project is approved.**

**The amount of \$3,000,000 is appropriated from Account No. 01-083538, Revenue Financing System Debt Proceeds (Stadium Revenue Funds), for pre-construction services.**

**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  
Deputy 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]**

Phillip Ray  
Vice Chancellor for Business Affairs

**[ORIGINAL SIGNED BY]**

M. Katherine Banks, Ph.D., President  
Texas A&M University

**TEXAS A&M UNIVERSITY  
REVENUE FINANCING SYSTEM  
02-3343 Bright Area Development  
Seat License Revenue**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
BONDS	30,300,000.00				
YEAR 1	29,845,000.00	455,000.00	1,515,000.00	1,970,000.00	2,265,500.00
YEAR 2	29,365,000.00	480,000.00	1,492,250.00	1,972,250.00	2,268,087.50
YEAR 3	28,860,000.00	505,000.00	1,468,250.00	1,973,250.00	2,269,237.50
YEAR 4	28,330,000.00	530,000.00	1,443,000.00	1,973,000.00	2,268,950.00
YEAR 5	27,775,000.00	555,000.00	1,416,500.00	1,971,500.00	2,267,225.00
YEAR 6	27,195,000.00	580,000.00	1,388,750.00	1,968,750.00	2,264,062.50
YEAR 7	26,585,000.00	610,000.00	1,359,750.00	1,969,750.00	2,265,212.50
YEAR 8	25,945,000.00	640,000.00	1,329,250.00	1,969,250.00	2,264,637.50
YEAR 9	25,270,000.00	675,000.00	1,297,250.00	1,972,250.00	2,268,087.50
YEAR 10	24,565,000.00	705,000.00	1,263,500.00	1,968,500.00	2,263,775.00
YEAR 11	23,820,000.00	745,000.00	1,228,250.00	1,973,250.00	2,269,237.50
YEAR 12	23,040,000.00	780,000.00	1,191,000.00	1,971,000.00	2,266,650.00
YEAR 13	22,220,000.00	820,000.00	1,152,000.00	1,972,000.00	2,267,800.00
YEAR 14	21,360,000.00	860,000.00	1,111,000.00	1,971,000.00	2,266,650.00
YEAR 15	20,455,000.00	905,000.00	1,068,000.00	1,973,000.00	2,268,950.00
YEAR 16	19,505,000.00	950,000.00	1,022,750.00	1,972,750.00	2,268,662.50
YEAR 17	18,510,000.00	995,000.00	975,250.00	1,970,250.00	2,265,787.50
YEAR 18	17,465,000.00	1,045,000.00	925,500.00	1,970,500.00	2,266,075.00
YEAR 19	16,365,000.00	1,100,000.00	873,250.00	1,973,250.00	2,269,237.50
YEAR 20	15,210,000.00	1,155,000.00	818,250.00	1,973,250.00	2,269,237.50
YEAR 21	14,000,000.00	1,210,000.00	760,500.00	1,970,500.00	2,266,075.00
YEAR 22	12,730,000.00	1,270,000.00	700,000.00	1,970,000.00	2,265,500.00
YEAR 23	11,395,000.00	1,335,000.00	636,500.00	1,971,500.00	2,267,225.00
YEAR 24	9,995,000.00	1,400,000.00	569,750.00	1,969,750.00	2,265,212.50
YEAR 25	8,525,000.00	1,470,000.00	499,750.00	1,969,750.00	2,265,212.50
YEAR 26	6,980,000.00	1,545,000.00	426,250.00	1,971,250.00	2,266,937.50
YEAR 27	5,360,000.00	1,620,000.00	349,000.00	1,969,000.00	2,264,350.00
YEAR 28	3,660,000.00	1,700,000.00	268,000.00	1,968,000.00	2,263,200.00
YEAR 29	1,875,000.00	1,785,000.00	183,000.00	1,968,000.00	2,263,200.00
YEAR 30	-	1,875,000.00	93,750.00	1,968,750.00	2,264,062.50
		<u>\$ 30,300,000.00</u>	<u>\$ 28,825,250.00</u>	<u>\$ 59,125,250.00</u>	<u>\$ 67,994,037.50</u>

Estimated issuance costs and rounding of \$300,000 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 01/13/2022

**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  
02-3343 Bright Area Development  
Stadium Revenue Funds**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
BONDS	207,020,000.00				
YEAR 1	203,905,000.00	3,115,000.00	10,351,000.00	13,466,000.00	15,485,900.00
YEAR 2	200,635,000.00	3,270,000.00	10,195,250.00	13,465,250.00	15,485,037.50
YEAR 3	197,200,000.00	3,435,000.00	10,031,750.00	13,466,750.00	15,486,762.50
YEAR 4	193,595,000.00	3,605,000.00	9,860,000.00	13,465,000.00	15,484,750.00
YEAR 5	189,805,000.00	3,790,000.00	9,679,750.00	13,469,750.00	15,490,212.50
YEAR 6	185,830,000.00	3,975,000.00	9,490,250.00	13,465,250.00	15,485,037.50
YEAR 7	181,655,000.00	4,175,000.00	9,291,500.00	13,466,500.00	15,486,475.00
YEAR 8	177,270,000.00	4,385,000.00	9,082,750.00	13,467,750.00	15,487,912.50
YEAR 9	172,665,000.00	4,605,000.00	8,863,500.00	13,468,500.00	15,488,775.00
YEAR 10	167,830,000.00	4,835,000.00	8,633,250.00	13,468,250.00	15,488,487.50
YEAR 11	162,755,000.00	5,075,000.00	8,391,500.00	13,466,500.00	15,486,475.00
YEAR 12	157,425,000.00	5,330,000.00	8,137,750.00	13,467,750.00	15,487,912.50
YEAR 13	151,830,000.00	5,595,000.00	7,871,250.00	13,466,250.00	15,486,187.50
YEAR 14	145,955,000.00	5,875,000.00	7,591,500.00	13,466,500.00	15,486,475.00
YEAR 15	139,785,000.00	6,170,000.00	7,297,750.00	13,467,750.00	15,487,912.50
YEAR 16	133,305,000.00	6,480,000.00	6,989,250.00	13,469,250.00	15,489,637.50
YEAR 17	126,505,000.00	6,800,000.00	6,665,250.00	13,465,250.00	15,485,037.50
YEAR 18	119,365,000.00	7,140,000.00	6,325,250.00	13,465,250.00	15,485,037.50
YEAR 19	111,865,000.00	7,500,000.00	5,968,250.00	13,468,250.00	15,488,487.50
YEAR 20	103,990,000.00	7,875,000.00	5,593,250.00	13,468,250.00	15,488,487.50
YEAR 21	95,720,000.00	8,270,000.00	5,199,500.00	13,469,500.00	15,489,925.00
YEAR 22	87,040,000.00	8,680,000.00	4,786,000.00	13,466,000.00	15,485,900.00
YEAR 23	77,925,000.00	9,115,000.00	4,352,000.00	13,467,000.00	15,487,050.00
YEAR 24	68,355,000.00	9,570,000.00	3,896,250.00	13,466,250.00	15,486,187.50
YEAR 25	58,305,000.00	10,050,000.00	3,417,750.00	13,467,750.00	15,487,912.50
YEAR 26	47,755,000.00	10,550,000.00	2,915,250.00	13,465,250.00	15,485,037.50
YEAR 27	36,675,000.00	11,080,000.00	2,387,750.00	13,467,750.00	15,487,912.50
YEAR 28	25,040,000.00	11,635,000.00	1,833,750.00	13,468,750.00	15,489,062.50
YEAR 29	12,825,000.00	12,215,000.00	1,252,000.00	13,467,000.00	15,487,050.00
YEAR 30	-	12,825,000.00	641,250.00	13,466,250.00	15,486,187.50
		<u>\$ 207,020,000.00</u>	<u>\$ 196,991,500.00</u>	<u>\$ 404,011,500.00</u>	<u>\$ 464,613,225.00</u>

Estimated issuance costs and rounding of \$2,020,000 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 01/13/2022

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## Bright Area Development

Texas A&M University

Project No. 02-3343