

Agenda Item No. 3.2

AGENDA ITEM BRIEFING

Submitted by: Billy Hamilton, Deputy 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 Partial Construction for the Bright Area Development Project, Texas A&M University, College Station, Texas (Project No. 02-3343)

Background and Prior Actions:

At the November 2021 meeting, the Bright Area Development Project was approved to be added to the FY 2022 – FY 2026 A&M System Capital Plan with a FY 2022 start date and a total planning amount of \$205,000,000. At the February 2022 meeting, the revised total planning amount was approved at \$235,000,000.

Proposed Board Action:

- (1) Approve the project scope and budget.
- (2) Contingent upon the execution of a funding agreement and adoption of a resolution by the 12th Man Foundation, appropriate \$129,000,000 for construction services and related project costs for the Indoor Football Practice Facility, Outdoor Football Practice Fields, Indoor Track Facility and Kyle Field Suites. \$23,500,000 has been previously appropriated to this project.
- (3) Approve construction of the Indoor Football Practice Facility, Outdoor Football Practice Fields, Indoor Track Facility and Kyle Field Suites portion of the Bright Area Development Project at Texas A&M University (Texas A&M).

Funding/Budget Amount: (Overall Project)

<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	\$205,000,000	(\$205,000,000)	\$ 0	N/A	Stadium Revenue Funds
Revenue Financing System Debt Proceeds	\$30,000,000	\$5,000,000	\$35,000,000	\$2,299,092	Seat License Revenue*

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Revenue Financing System Debt Proceeds	\$	0	\$120,000,000	\$120,000,000	\$7,883,275	Gifts**
Cash (Investment Earnings)	\$	0	\$30,000,000	\$30,000,000	N/A	N/A
Cash (Gifts)	\$	0	\$25,000,000	\$25,000,000	N/A	N/A
Cash (Stadium Revenue)	\$	<u>0</u>	<u>\$25,000,000</u>	<u>\$25,000,000</u>	N/A	N/A
Total Project Cost***		<u>\$235,000,000</u>	<u>\$ 0</u>	<u>\$235,000,000</u>		

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

**For the RFS debt to be repaid with gifts, the university will 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 gift funds in hand and an additional 25% in documented pledges before approval for construction on the project is received. For any gift 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. To date, \$25,897.765 (18%) in gifts have been received and \$ 44,250,537.64 (31%) has been pledged but not received. Texas A&M has identified Investment Income and other available resources as unrestricted sources of funds for repayment of the debt if there is any shortfall.

Project Justification: (Overall Project)

As a continuation of the premier learning experience at its College Station campus, Texas A&M and the Athletic Department desire to improve the current area containing the Bright Football Complex (building), Indoor Football Practice Facility, and Indoor Track Facility with replacement and renovation of their current facilities and surrounding site. The importance of this project is the continued enhancements of the training and educational support system for the student athletes. The project elevates the athletic and education support programs to the top tier in the collegiate market. From a big picture perspective, the site exterior improvements will result in a more cohesive site that better organizes the pedestrian and vehicular circulation and provides varied landscape features that create an overall positive environment. The new Academic Support Center's focus is the education, nutrition and overall health of the student athlete and the current needs of these programs have outgrown their existing home in the Bright Football Complex (building). The new Indoor Football Practice Facility will provide an extended playing field and support spaces for the team to utilize both Indoor and adjacent Outdoor

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Football Practice Fields for more coordinated and efficient workout schedules that aren't attainable with the current facility. The renovation of the existing Bright Football Complex (building) will modernize the player meeting and locker room areas, as well as rehabilitation and coaches' areas to create the synergy for the highest caliber of athletic training. Dovetailed with these improvements is the addition of new premium suites at the south end of Kyle Field for the added benefit to the overall fan experience.

In addition, The Texas A&M University System and the Texas A&M Athletics Department desire to construct a new training and competition venue for the Indoor Track programs. With the proposed enhancements and expansion in the Bright Area Development Project, this facility will be necessary for continuity of training and the future success of the Men's and Women's Track programs. The project will re-establish Texas A&M as a leading host site of both SEC Championship and NCAA National Championship level competitions – providing national exposure for the programs and the university. The facility will consolidate the Indoor and Outdoor Track programs into a single destination on West Campus, allowing for maximum utilization of student-athlete, coaching, training, and media facilities located at E.B. Cushing Outdoor Track and the West Campus Player Development Center. This hub will solidify Texas A&M as the gold standard of track and field facilities and be a powerful tool in the recruitment of future national champions.

Scope: (Current Authorization Request)

The Texas A&M Athletics Department desires to redevelop the Bright Area including the following components:

- Redevelop the Bright Football Complex (building) and site including related athletics facilities at an estimated cost of \$72,500,000 to include the following:
 - Construct a new Indoor Football Practice Facility;
 - Construct new Outdoor Football Practice Fields and lighting;
- Add approximately 25 new suites to the South End Zone in Kyle Field at an estimated cost of \$25,000,000.
- Construct a new Indoor Track Facility adjacent to the Outdoor Track at an estimated cost of \$55,000,000.

Construction of this initial phase to redevelop the Bright Football Complex (building) and site including related athletics facilities is scheduled to start in June 2022 with the construction of the new Indoor Football Practice Facility. Construction of the new Outdoor Football Practice Fields and lighting is scheduled to start in January 2023. Substantial completion of the Indoor Football Practice Facility and Outdoor Football Practice Fields and lighting is expected in July 2023.

Construction on the 25 new Kyle Field Suites is scheduled to start in December 2022 with substantial completion scheduled for July 2023.

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Construction on the new Indoor Track Facility is scheduled to start in June 2022 with substantial completion scheduled for November 2023.

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 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
April 20, 2022

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 Partial Construction 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 project budget of \$235,000,000 for the Bright Area Development Project is approved.

Contingent upon the execution of a funding agreement and adoption of a resolution by the 12th Man Foundation, the amount of \$35,000,000 is appropriated from Account No. 01-083538, Revenue Financing System Debt Proceeds (Seat License Revenue), the amount of \$14,000,000 is appropriated from Account No. 01-083538, Revenue Financing System Debt Proceeds (Gifts), the amount of \$30,000,000 is appropriated from Account No. 02-808816, Capital Project Contingency, the amount of \$25,000,000 is appropriated from Account No. 02-512124, 12th Man Foundation Athletic Gifts, and the amount of \$25,000,000 is appropriated from Account No. 02-030009, Stadium Revenue Fund, for construction services and related project costs.

The Indoor Football Practice Facility, Outdoor Football Practice Fields, Indoor Track Facility and Kyle Field Suites portion of the Bright Area Development 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
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

BRIGHT AREA DEVELOPMENT
TEXAS A&M UNIVERSITY
PROJECT NO. 02-3343

PROJECT BUDGET
SUMMARY

1.	Construction	\$180,745,569
2.	Project Contingency	6,912,354
3.	Program of Requirements.....	660,000
4.	Pre-Construction Services	16,365,093
5.	Commissioning.....	562,008
6.	Construction Testing	2,090,000
7.	Campus Services & Technology	4,575,603
8.	Furnishings	9,150,000
9.	Equipment	6,673,627
10.	Other Project Costs.....	1,199,015
11.	Project Management & Inspection	<u>6,066,731</u>
12.	TOTAL ESTIMATED COST OF PROJECT	<u>\$235,000,000</u>

**BRIGHT AREA DEVELOPMENT
TEXAS A&M UNIVERSITY
PROJECT NO. 02-3343**

**PROJECT BUDGET
BRIGHT FOOTBALL COMPLEX and
RELATED ATHLETICS FACILITIES,
KYLE FIELD SUITES**

1.	Construction	\$139,495,569
2.	Project Contingency	4,849,854
3.	Program of Requirements.....	470,000
4.	Pre-Construction Services	12,723,593
5.	Commissioning.....	312,008
6.	Construction Testing	1,397,000
7.	Campus Services & Technology	3,545,103
8.	Furnishings	6,600,000
9.	Equipment	5,100,000
10.	Other Project Costs.....	860,015
11.	Project Management & Inspection	<u>4,646,858</u>
12.	TOTAL ESTIMATED COST OF PROJECT	<u>\$180,000,000</u>

**BRIGHT AREA DEVELOPMENT
TEXAS A&M UNIVERSITY
PROJECT NO. 02-3343**

**PROJECT BUDGET
INDOOR TRACK FACILITY**

1.	Construction	\$41,250,000
2.	Project Contingency	2,062,500
3.	Program of Requirements.....	190,000
4.	Pre-Construction Services	3,641,500
5.	Commissioning.....	250,000
6.	Construction Testing	693,000
7.	Campus Services & Technology	1,030,500
8.	Furnishings	2,550,000
9.	Equipment	1,573,627
10.	Other Project Costs.....	339,000
11.	Project Management & Inspection	<u>1,419,873</u>
12.	TOTAL ESTIMATED COST OF PROJECT	<u>\$55,000,000</u>

**BRIGHT AREA DEVELOPMENT
TEXAS A&M UNIVERSITY
PROJECT NO. 02-3343**

**PROJECT SCHEDULE
BRIGHT FOOTBALL COMPLEX and
RELATED ATHLETICS FACILITIES,
KYLE FIELD SUITES**

1. Issue A/E RFQ April 7, 2021
2. Receive A/E RFQ Responses..... April 27, 2021
3. Shortlist A/E Firms May 4, 2021
4. Interview A/E Shortlist May 11, 2021
5. A/E Ranked Order Approved by Chancellor May 17, 2021
6. Issue CMAR RFPOctober 22, 2021
7. Receive CMAR RFP ResponseNovember 12, 2021
8. CMAR Ranked Order Approved by Chancellor December 15, 2021
9. Execute A/E Agreement January 24, 2022
10. Execute CMAR Agreement March 11, 2022
11. Complete Schematic Design April 1, 2022
12. Receive GMP #1 from CMAR April 7, 2022
13. BOR Approval #1 for Construction May 19, 2022
14. Begin Construction – New Indoor Football Practice Facility June 1, 2022
15. Complete Design Development July 13, 2022
16. Receive GMP #2 from CMAROctober 14, 2022
17. BOR Approval #2 for ConstructionNovember 10, 2022
18. Submit THECB ApplicationNovember 15, 2022
19. Complete Construction Documents December 13, 2022
20. Begin Construction – Kyle Field Suites December 2022
21. Begin Construction – New Outdoor Football Practice Fields January 2023
22. Begin Construction – Bright Football Complex (building) Renovation January 2023
23. Begin Construction – New Academic Building March 2023
24. Substantial Completion – New Indoor Football Practice Facility July 2023
25. Substantial Completion – New Outdoor Football Practice Fields July 2023
26. Substantial Completion – Kyle Field Suites July 2023
27. Substantial Completion – Bright Building Renovation July 2023
28. Substantial Completion – New Academic Building July 2024
29. Owner Occupancy August 2024

**BRIGHT AREA DEVELOPMENT
TEXAS A&M UNIVERSITY
PROJECT NO. 02-3343**

**PROJECT SCHEDULE
INDOOR TRACK
FACILITY**

1. Issue CMAR RFPOctober 29, 2021
2. Receive CMAR RFP ResponseNovember 12, 2021
3. A/E Best Value RecommendationNovember 16, 2021
4. A/E Best Value Recommendation Approved by Chancellor.....November 23, 2021
5. CMAR Ranked Order Approved by Chancellor December 15, 2021
6. Execute A/E Agreement January 24, 2022
7. Execute CMAR Agreement March 15, 2022
8. Receive GMP from CMAR April 11, 2022
9. BOR Approval for Construction May 19, 2022
10. Complete Schematic Design May 19, 2022
11. Complete Design Development June 1, 2022
12. Begin Construction June 1, 2022
13. Submit THECB ApplicationNovember 15, 2022
14. Complete Construction DocumentsJanuary 6, 2023
15. Substantial CompletionNovember 2023
16. Owner Occupancy December 2023



Bright Area Development

Texas A&M University

Project No. 02-3343

**TEXAS A&M UNIVERSITY
REVENUE FINANCING SYSTEM
02-3343 Bright Area Development
Gifts**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
BONDS	121,185,000.00				
YEAR 1	119,360,000.00	1,825,000.00	6,059,250.00	7,884,250.00	9,066,887.50
YEAR 2	117,445,000.00	1,915,000.00	5,968,000.00	7,883,000.00	9,065,450.00
YEAR 3	115,435,000.00	2,010,000.00	5,872,250.00	7,882,250.00	9,064,587.50
YEAR 4	113,325,000.00	2,110,000.00	5,771,750.00	7,881,750.00	9,064,012.50
YEAR 5	111,105,000.00	2,220,000.00	5,666,250.00	7,886,250.00	9,069,187.50
YEAR 6	108,775,000.00	2,330,000.00	5,555,250.00	7,885,250.00	9,068,037.50
YEAR 7	106,330,000.00	2,445,000.00	5,438,750.00	7,883,750.00	9,066,312.50
YEAR 8	103,765,000.00	2,565,000.00	5,316,500.00	7,881,500.00	9,063,725.00
YEAR 9	101,070,000.00	2,695,000.00	5,188,250.00	7,883,250.00	9,065,737.50
YEAR 10	98,240,000.00	2,830,000.00	5,053,500.00	7,883,500.00	9,066,025.00
YEAR 11	95,270,000.00	2,970,000.00	4,912,000.00	7,882,000.00	9,064,300.00
YEAR 12	92,150,000.00	3,120,000.00	4,763,500.00	7,883,500.00	9,066,025.00
YEAR 13	88,875,000.00	3,275,000.00	4,607,500.00	7,882,500.00	9,064,875.00
YEAR 14	85,435,000.00	3,440,000.00	4,443,750.00	7,883,750.00	9,066,312.50
YEAR 15	81,825,000.00	3,610,000.00	4,271,750.00	7,881,750.00	9,064,012.50
YEAR 16	78,035,000.00	3,790,000.00	4,091,250.00	7,881,250.00	9,063,437.50
YEAR 17	74,055,000.00	3,980,000.00	3,901,750.00	7,881,750.00	9,064,012.50
YEAR 18	69,875,000.00	4,180,000.00	3,702,750.00	7,882,750.00	9,065,162.50
YEAR 19	65,485,000.00	4,390,000.00	3,493,750.00	7,883,750.00	9,066,312.50
YEAR 20	60,875,000.00	4,610,000.00	3,274,250.00	7,884,250.00	9,066,887.50
YEAR 21	56,035,000.00	4,840,000.00	3,043,750.00	7,883,750.00	9,066,312.50
YEAR 22	50,955,000.00	5,080,000.00	2,801,750.00	7,881,750.00	9,064,012.50
YEAR 23	45,620,000.00	5,335,000.00	2,547,750.00	7,882,750.00	9,065,162.50
YEAR 24	40,015,000.00	5,605,000.00	2,281,000.00	7,886,000.00	9,068,900.00
YEAR 25	34,130,000.00	5,885,000.00	2,000,750.00	7,885,750.00	9,068,612.50
YEAR 26	27,955,000.00	6,175,000.00	1,706,500.00	7,881,500.00	9,063,725.00
YEAR 27	21,470,000.00	6,485,000.00	1,397,750.00	7,882,750.00	9,065,162.50
YEAR 28	14,660,000.00	6,810,000.00	1,073,500.00	7,883,500.00	9,066,025.00
YEAR 29	7,510,000.00	7,150,000.00	733,000.00	7,883,000.00	9,065,450.00
YEAR 30	-	7,510,000.00	375,500.00	7,885,500.00	9,068,325.00
		<u>\$ 121,185,000.00</u>	<u>\$ 115,313,250.00</u>	<u>\$ 236,498,250.00</u>	<u>\$ 271,972,987.50</u>

Estimated issuance costs and rounding of \$1,185,000 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 03/29/2022

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
Seat License Revenue**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
BONDS	35,345,000.00				
YEAR 1	34,810,000.00	535,000.00	1,767,250.00	2,302,250.00	2,647,587.50
YEAR 2	34,250,000.00	560,000.00	1,740,500.00	2,300,500.00	2,645,575.00
YEAR 3	33,665,000.00	585,000.00	1,712,500.00	2,297,500.00	2,642,125.00
YEAR 4	33,050,000.00	615,000.00	1,683,250.00	2,298,250.00	2,642,987.50
YEAR 5	32,405,000.00	645,000.00	1,652,500.00	2,297,500.00	2,642,125.00
YEAR 6	31,725,000.00	680,000.00	1,620,250.00	2,300,250.00	2,645,287.50
YEAR 7	31,010,000.00	715,000.00	1,586,250.00	2,301,250.00	2,646,437.50
YEAR 8	30,260,000.00	750,000.00	1,550,500.00	2,300,500.00	2,645,575.00
YEAR 9	29,475,000.00	785,000.00	1,513,000.00	2,298,000.00	2,642,700.00
YEAR 10	28,650,000.00	825,000.00	1,473,750.00	2,298,750.00	2,643,562.50
YEAR 11	27,785,000.00	865,000.00	1,432,500.00	2,297,500.00	2,642,125.00
YEAR 12	26,875,000.00	910,000.00	1,389,250.00	2,299,250.00	2,644,137.50
YEAR 13	25,920,000.00	955,000.00	1,343,750.00	2,298,750.00	2,643,562.50
YEAR 14	24,915,000.00	1,005,000.00	1,296,000.00	2,301,000.00	2,646,150.00
YEAR 15	23,860,000.00	1,055,000.00	1,245,750.00	2,300,750.00	2,645,862.50
YEAR 16	22,755,000.00	1,105,000.00	1,193,000.00	2,298,000.00	2,642,700.00
YEAR 17	21,595,000.00	1,160,000.00	1,137,750.00	2,297,750.00	2,642,412.50
YEAR 18	20,375,000.00	1,220,000.00	1,079,750.00	2,299,750.00	2,644,712.50
YEAR 19	19,095,000.00	1,280,000.00	1,018,750.00	2,298,750.00	2,643,562.50
YEAR 20	17,750,000.00	1,345,000.00	954,750.00	2,299,750.00	2,644,712.50
YEAR 21	16,340,000.00	1,410,000.00	887,500.00	2,297,500.00	2,642,125.00
YEAR 22	14,855,000.00	1,485,000.00	817,000.00	2,302,000.00	2,647,300.00
YEAR 23	13,300,000.00	1,555,000.00	742,750.00	2,297,750.00	2,642,412.50
YEAR 24	11,665,000.00	1,635,000.00	665,000.00	2,300,000.00	2,645,000.00
YEAR 25	9,950,000.00	1,715,000.00	583,250.00	2,298,250.00	2,642,987.50
YEAR 26	8,150,000.00	1,800,000.00	497,500.00	2,297,500.00	2,642,125.00
YEAR 27	6,260,000.00	1,890,000.00	407,500.00	2,297,500.00	2,642,125.00
YEAR 28	4,275,000.00	1,985,000.00	313,000.00	2,298,000.00	2,642,700.00
YEAR 29	2,190,000.00	2,085,000.00	213,750.00	2,298,750.00	2,643,562.50
YEAR 30	-	2,190,000.00	109,500.00	2,299,500.00	2,644,425.00
		<u>\$ 35,345,000.00</u>	<u>\$ 33,627,750.00</u>	<u>\$ 68,972,750.00</u>	<u>\$ 79,318,662.50</u>

Estimated issuance costs and rounding of \$345,000 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 03/29/2022

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