

AGENDA ITEM BRIEFING

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

Subject: Approval to Amend the FY 2024-FY 2028 Texas A&M University System Capital Plan to Add the MSC Annex Renovation Project, Approval of Project Scope and Budget, Appropriation for Pre-Construction and Construction Services, and Approval for Construction for The Texas A&M University System with an FY 2024 Start Date (Project No. 01-0257)

Proposed Board Action:

- (1) Amend the approved FY 2024-FY 2028 Texas A&M University System Capital Plan to add the MSC Annex Renovation Project for The Texas A&M University System with an FY 2024 start date and a total planning amount of not-to-exceed \$8,870,000.
- (2) Approve the project scope and budget.
- (3) Appropriate \$8,870,000 for pre-construction, construction services, and related project costs.
- (4) Approve construction of the MSC Annex Renovation Project for The Texas A&M University System (A&M System).

Funding/Planning Amount:

<u>Funding Source</u>	<u>Planning Amount</u>	<u>Average Estimated Annual Debt Service</u>	<u>Debt Service Source</u>
Permanent University Fund Debt Proceeds	<u>\$8,870,000</u>	\$718,950	Available University Fund
Total Project Cost	<u>\$8,870,000</u>		

Project Justification:

The first floor of the MSC Annex has significant deferred maintenance needs, to include building system upgrades, fire & life safety enhancement as well as in-wall/above-ceiling infrastructure refurbishment. This service area has not been upgraded since it was constructed in 1974. All systems will be upgraded to meet current standards, fire & life safety as well as Americans with Disabilities (ADA)/Texas Accessibility Standards (TAS) requirements.

The first-floor area contains documented asbestos material which requires abatement. Electrical power receptacles are not sufficient and require the use of extension cables during meetings or events. Lighting upgrades are required in a number of locations. Audio Visual (A/V) is outdated and insufficient and requires upgrading to the latest technology. Currently, A/V is provided by

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bringing in the equipment from off-site, so a more permanent solution is needed to include a 'back-of-house' control room.

The full-service kitchen is no longer optimal and will be converted to a catering-style kitchen to better serve events. The restrooms do not meet ADA/TAS requirements and will be renovated to bring them into code compliance. Sanitary sewer lines that serve the restrooms are aged and require replacement. The heating, ventilation & air conditioning (HVAC) system will be assessed with the possibility of a new system. At a minimum, the ducts and Variable Air Volume boxes will be replaced.

The current space is utilized to host a variety of meetings, dining, events, dignitaries, visitors, etc. throughout the year. These updates will improve the utilization of the space as well as increase the overall reliability and performance of the supporting systems.

Scope:

Each building system, within the first-floor area, will be assessed for potential upgrade as needed to provide an environment that is conducive to the efficient and optimal use of the space.

The area has been identified to contain asbestos. The project will abate any/all hazardous material to provide a safe, asbestos-free environment for the future.

The electrical system will provide the additional power receptacles to eliminate the heavy reliance on the use of extension cables during meetings or events as is the current practice. A significant lighting upgrade to the space is needed and planned. Along with this upgrade, a master lighting controller will be integrated into the system to provide the appropriate light levels needed for the different types of events hosted.

A/V will be upgraded to the latest technology that will enhance the audio and visual equipment for meetings and events. With this upgrade, the back-of-house control room is needed for the purposes of a technician to manage the technology during use. Currently, most of the equipment is stored off-site and temporarily set-up/removed as needed for meetings and events.

The full-service kitchen is being converted into a more accommodating catering-style kitchen. This new configuration will also allow for the addition of much needed storage space.

The restrooms do not meet ADA/TAS requirements. This upgrade will renovate the restrooms to meet these requirements.

The sanitary sewer line leading out of the restrooms is aged to the point that these lines will need to be removed and new sanitary lines installed. These new lines will be connected to the existing primary utility sewer line located several feet beyond the perimeter of the MSC.

Hot water and cold water lines in the crawl space require major upgrades. Additional natural gas service lines are also planned for the facility.

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The HVAC system within the space will be assessed to determine the system's condition, with the possibility of replacing it with a completely new system. The hydronic piping controls as well as building fire detection system will also all be evaluated and replaced as necessary.

The ADA-compliant ingress/egress area currently serving the west side of the MSC Annex (access to Stallings Blvd) will be reconfigured to enhance overall efficiency of this space.

Construction on this project is scheduled to start in February 2024 with substantial completion scheduled for August 2024.

Other Major Fiscal Impacts:

None.

Strategic Plan Imperative(s) this Item Advance

MSC Annex Renovation supports Strategic Plan Imperative 5, *“The A&M System will provide services that respond to the needs of the people of Texas and contribute to the strength of the state’s economy.”* This renovation will not only address the backlog of deferred maintenance accrued over the past ~50 years of use but it will also incorporate a number of system upgrades to enhance the services and support the A&M System provides on behalf of its constituents.

THE TEXAS A&M UNIVERSITY SYSTEM
FACILITIES PLANNING AND CONSTRUCTION
Office of the Deputy Chancellor and Chief Financial Officer
October 31, 2023

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

Subject: Approval to Amend the FY 2024-FY 2028 Texas A&M University System Capital Plan to Add the MSC Annex Renovation Project, Approval of Project Scope and Budget, Appropriation for Pre-Construction and Construction Services, and Approval for Construction for The Texas A&M University System with an FY 2024 Start Date (Project No. 01-0257)

I recommend adoption of the following minute order:

“The request to amend the FY 2024-FY 2028 Texas A&M University System Capital Plan to add the MSC Annex Renovation Project for The Texas A&M University System with an FY 2024 start date and a total planning amount of \$8,870,000 is approved.

The project scope along with a project budget of \$8,870,000 for the MSC Annex Renovation Project is approved.

The amount of \$8,870,000 is appropriated from Account No. 01-084243 Permanent University Fund Debt Proceeds (Available University Fund), for pre-construction services, construction services and related project costs.

The MSC Annex Renovation Project, The Texas A&M University System, 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
Deputy 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]

Phillip Ray
Vice Chancellor for Business Affairs

MSC ANNEX RENOVATION THE TEXAS A&M UNIVERSITY SYSTEM PROJECT NO. 01-0257	PROJECT BUDGET
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1. Construction	\$4,345,000
2. Owner Contingency.....	1,575,000
3. Pre-Construction Services	500,000
4. Construction Testing	10,000
5. Campus Services & Technology	50,000
6. Furnishings & Equipment	2,100,000
7. Other Project Costs.....	40,000
8. Project Management & Inspection	<u>250,000</u>
9. TOTAL ESTIMATED COST OF PROJECT	<u>\$8,870,000</u>

1. A/E Best Value Memo September 19, 2023
2. A/E Best Value Approved by ChancellorOctober 17, 2023
3. BOR Approval to Include in Capital Plan & Construction ApprovalNovember 9, 2023
4. Execute A/E AgreementNovember 2023
5. A/E Design Kick-OffNovember 2023
6. Job Order Contract ExecutedNovember 2023
7. Complete Schematic Design December 2023
8. Complete Design Development January 2024
9. Complete Construction Documents February 2024
10. Begin Construction February 2024
11. Substantial Completion August 2024
12. Owner Occupancy August 2024



MSC Annex Renovation

The Texas A&M University System

Project No. 01-0257

**TEXAS A&M UNIVERSITY SYSTEM
PERMANENT UNIVERSITY FUND
MSC Annex Renovation
Available University Fund**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total
BONDS	8,960,000.00			
YEAR 1	8,690,000.00	270,000.00	448,000.00	718,000.00
YEAR 2	8,405,000.00	285,000.00	434,500.00	719,500.00
YEAR 3	8,105,000.00	300,000.00	420,250.00	720,250.00
YEAR 4	7,790,000.00	315,000.00	405,250.00	720,250.00
YEAR 5	7,460,000.00	330,000.00	389,500.00	719,500.00
YEAR 6	7,115,000.00	345,000.00	373,000.00	718,000.00
YEAR 7	6,750,000.00	365,000.00	355,750.00	720,750.00
YEAR 8	6,370,000.00	380,000.00	337,500.00	717,500.00
YEAR 9	5,970,000.00	400,000.00	318,500.00	718,500.00
YEAR 10	5,550,000.00	420,000.00	298,500.00	718,500.00
YEAR 11	5,110,000.00	440,000.00	277,500.00	717,500.00
YEAR 12	4,645,000.00	465,000.00	255,500.00	720,500.00
YEAR 13	4,160,000.00	485,000.00	232,250.00	717,250.00
YEAR 14	3,650,000.00	510,000.00	208,000.00	718,000.00
YEAR 15	3,115,000.00	535,000.00	182,500.00	717,500.00
YEAR 16	2,550,000.00	565,000.00	155,750.00	720,750.00
YEAR 17	1,960,000.00	590,000.00	127,500.00	717,500.00
YEAR 18	1,340,000.00	620,000.00	98,000.00	718,000.00
YEAR 19	685,000.00	655,000.00	67,000.00	722,000.00
YEAR 20	-	685,000.00	34,250.00	719,250.00
		<u>\$ 8,960,000.00</u>	<u>\$ 5,419,000.00</u>	<u>\$ 14,379,000.00</u>

Estimated issuance costs and rounding of \$90,000 is 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 11/01/2023

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