

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 Construction for the STEM Education Center Project, Texas A&M-RELLIS, Bryan, Texas (Project No. 01-3372)

Background and Prior Actions:

The STEM Education Center Project was added to the FY 2022 – FY 2026 A&M System Capital Plan after legislative approval of the Capital Construction Assistance Projects (CCAP). The project was included as an approved project on the FY 2024 – FY 2028 A&M System Capital Plan approved by the Board at the August 2023 meeting.

Proposed Board Action:

- (1) Approve the project scope and budget.
- (2) Appropriate \$39,083,406 for construction services and related project costs. \$4,342,000 has been previously appropriated to this project.
- (3) Approve construction of the STEM Education Center Project at Texas A&M-RELLIS (RELLIS).

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>\$43,425,406</u>	\$3,786,700	Capital Construction Assistance Project
Total Project Funds	<u>\$43,425,406</u>		

Project Justification:

Due to the tremendous need for education and high-quality educational facilities specifically in support of STEM-related education disciplines, particularly benefiting student demographics present at RELLIS, the proposed STEM Education Center Project at RELLIS is of great interest to a large portion of employers across Texas. According to the Society for College and University Planning Journal, “the presence of a higher education academic makerspace provides a rich pool of qualitative and quantitative data that can be used to demonstrate compliance with accreditation criteria.”

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The facility will intentionally be a shared space specifically for students who are pursuing degrees through The Texas A&M University System (A&M System) programs and will make it possible for students to collaborate directly with industry and with A&M System STEM agencies.

The STEM Education Center Project will encourage hands-on learning and experimentation by serving an entire student population on a campus that houses two existing academic buildings serving 10 System universities, as well as the Blinn Community College RELLIS branch.

The user and responsible party for the maintenance and operations of the facility will be the Office of the Vice Chancellor for Research.

Scope:

The project will be located at the corner of Bryan Road and the Academic Complex parking lot. The building is approximately 50,000 gross square feet consisting of a large machine shop and wood shop, a digital and physical makerspace, a 3D printing and prototyping space, an augmented reality simulation space, and office support space. The spaces listed are designed as an “academic makerspace/fabrication laboratory” which will foster innovation, creativity and collaborative learning in STEM-related education disciplines.

This facility will be equipped with emerging high-tech hardware that can enable creative engineering challenges that would help prepare students for future careers – ranging from programming their own interactive virtual reality games to building artificial intelligence robotic devices, to designing new types of wearable tech powered by the Internet of Things – such as 3D printers, laser cutters, digital software systems, data analytics, and electronic stations.

Construction on this project is scheduled to start in December 2023, with substantial completion scheduled for September 2025. The total project budget is \$43,425,406.

Other Major Fiscal Impacts:

None.

Strategic Plan Imperative(s) this Item Advances:

The STEM Education Center Project supports the following Strategic Plan Imperatives:

Strategic Plan Imperative No. 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.”

The STEM Education Center Project will include makerspaces to support multiple programs at RELLIS. The interdisciplinary nature of the facility will provide spaces for creation and collaboration to ensure that students have a venue to pursue their academic interests.

Strategic Plan Imperative No. 3: “Our students will leave the A&M System as responsible and engaged citizens prepared for successful careers in an increasingly global economy.”

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In addition to providing state-of-the-art facilities for the creation and testing of student projects and designs, the STEM Education Center Project will provide dedicated spaces for collaboration with peer institutions and industry partners. The facility will provide officing and meeting spaces for industry partners to spur innovation and interaction between industry, faculty and students. This increased opportunity for interaction will ensure that students are prepared for successful careers.

Strategic Plan Imperative No. 4: “The A&M System will increase its prominence by building a robust and targeted research portfolio.”

The STEM Education Center Project will provide office, meeting and collaboration spaces for members of the Research Alliance. The Research Alliance brings together researchers and staff from member institutions and provides a home base for research efforts on the RELIS Campus. This facility will encourage cross-discipline and cross-institution collaboration and foster continued growth of the A&M System research portfolio. With the adjacent space dedicated to industry partners, additional collaboration and advancement opportunities will be realized.

THE TEXAS A&M UNIVERSITY SYSTEM
FACILITIES PLANNING AND CONSTRUCTION
Office of the Deputy Chancellor and Chief Financial Officer
October 2, 2023

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 STEM Education Center Project, Texas A&M-RELLIS, Bryan, Texas (Project No. 01-3372)

I recommend adoption of the following minute order:

“The project scope along with a project budget of \$43,425,406 for the STEM Education Center Project is approved.

The amount of \$39,083,406 is appropriated from Account No. 01-083540 Revenue Financing System Debt Proceeds, (CCAP), for construction services and related project costs.

The STEM Education Center Project, Texas A&M-RELLIS, Bryan, 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:

[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

[ORIGINAL SIGNED BY]

Joe Elabd, Ph.D.
Vice Chancellor for Research

[ORIGINAL SIGNED BY]

Kelly Templin, Director
Texas A&M-RELLIS

STEM EDUCATION CENTER TEXAS A&M-RELLIS PROJECT NO. 01-3372	PROJECT BUDGET
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1.	Construction	\$33,083,000
2.	Project Contingency	1,500,491
3.	Program of Requirements.....	0
4.	Pre-Construction Services	2,881,968
5.	Commissioning.....	125,000
6.	Construction Testing	330,203
7.	Campus Services & Technology	531,000
8.	Furnishings	1,900,000
9.	Equipment	1,900,000
10.	Other Project Costs.....	23,000
11.	Project Management & Inspection	<u>1,150,744</u>
12.	TOTAL ESTIMATED COST OF PROJECT	<u>\$43,425,406</u>

1. Issue A/E RFQ..... August 16, 2022
2. Issue CMAR RFP August 18, 2022
3. Receive A/E RFQ Responses..... September 8, 2022
4. Receive CMAR RFP Response September 9, 2022
5. Shortlist A/E and CMAR Firms..... September 15, 2022
6. Interview A/E Shortlist September 21, 2022
7. Interview CMAR Firms September 22, 2022
8. A/E Ranked Order Approved by ChancellorNovember 1, 2022
9. CMAR Ranked Order Approved by ChancellorNovember 8, 2022
10. Execute A/E Agreement December 14, 2022
11. Execute CMAR Agreement December 19, 2022
12. Complete Schematic Design April 18, 2023
13. Complete Design Development August 16, 2023
14. Receive GMP from CMAROctober 13, 2023
15. BOR Approval for ConstructionNovember 9, 2023
16. Submit THECB Application December 2023
17. Begin Construction December 2023
18. Complete Construction Documents January 2024
19. Substantial Completion September 2025
20. Owner OccupancyOctober 2025



STEM Education Center

Texas A&M-RELLIS

Project No. 01-3372

**THE TEXAS A&M UNIVERSITY SYSTEM
REVENUE FINANCING SYSTEM
01-3372 TAMUS STEM Education Center
Capital Construction Assistance Project (CCAP)**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total
BONDS	43,430,000.00			
YEAR 1	42,250,000.00	1,180,000.00	2,605,800.00	3,785,800.00
YEAR 2	41,000,000.00	1,250,000.00	2,535,000.00	3,785,000.00
YEAR 3	39,675,000.00	1,325,000.00	2,460,000.00	3,785,000.00
YEAR 4	38,270,000.00	1,405,000.00	2,380,500.00	3,785,500.00
YEAR 5	36,780,000.00	1,490,000.00	2,296,200.00	3,786,200.00
YEAR 6	35,200,000.00	1,580,000.00	2,206,800.00	3,786,800.00
YEAR 7	33,525,000.00	1,675,000.00	2,112,000.00	3,787,000.00
YEAR 8	31,750,000.00	1,775,000.00	2,011,500.00	3,786,500.00
YEAR 9	29,870,000.00	1,880,000.00	1,905,000.00	3,785,000.00
YEAR 10	27,875,000.00	1,995,000.00	1,792,200.00	3,787,200.00
YEAR 11	25,760,000.00	2,115,000.00	1,672,500.00	3,787,500.00
YEAR 12	23,520,000.00	2,240,000.00	1,545,600.00	3,785,600.00
YEAR 13	21,145,000.00	2,375,000.00	1,411,200.00	3,786,200.00
YEAR 14	18,625,000.00	2,520,000.00	1,268,700.00	3,788,700.00
YEAR 15	15,955,000.00	2,670,000.00	1,117,500.00	3,787,500.00
YEAR 16	13,125,000.00	2,830,000.00	957,300.00	3,787,300.00
YEAR 17	10,125,000.00	3,000,000.00	787,500.00	3,787,500.00
YEAR 18	6,945,000.00	3,180,000.00	607,500.00	3,787,500.00
YEAR 19	3,575,000.00	3,370,000.00	416,700.00	3,786,700.00
YEAR 20	-	3,575,000.00	214,500.00	3,789,500.00
		<u>\$ 43,430,000.00</u>	<u>\$ 32,304,000.00</u>	<u>\$ 75,734,000.00</u>

Estimated rounding of \$4,594 is included in this schedule.
Long-term rates are assumed to be 6.00%. Rates are subject to market change.
Prepared by the Office of the Treasurer - Treasury Services 09/11/2023

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