

**AGENDA ITEM BRIEFING**

**Submitted by:** Mark A. Welsh III, President  
Texas A&M University

**Subject:** Approval to Amend the FY 2024 – FY 2028 Texas A&M University System Capital Plan to Change the Fiscal Year Designation for Project Initiation and Decrease the Project Planning Amount for the Academic Building Renovations Project for Texas A&M University

**Background and Prior Actions:**

The project was included as a proposed project on the FY 2024 – FY 2028 Texas A&M System (A&M System) Capital Plan approved by the Board at the August 2023 meeting with an FY 2025 start date and a total planning amount of \$35,000,000.

**Proposed Board Action:**

- (1) Amend the approved FY 2024 – FY 2028 A&M System Capital Plan to change the fiscal year designation for project initiation for the Academic Building Renovations Project from FY 2025 to FY 2024 with a decreased planning amount of \$9,800,000.
- (2) Appropriate \$980,000 for pre-construction services and related project costs.

**Funding/Planning Amount:**

<u>Funding Source</u>	<u>Planning Amount</u>	<u>Proposed Adjustment</u>	<u>Proposed Planning Amount</u>	<u>Average Estimated Annual Debt Service</u>	<u>Debt Service Source</u>
Permanent University Fund Debt Proceeds	\$9,000,000	\$800,000	\$9,800,000	\$794,463	Available University Fund
Cash (Available University Fund)	<u>\$26,000,000</u>	<u>(\$26,000,000)</u>	<u>\$0</u>	N/A	N/A
Total Project Cost	<u>\$35,000,000</u>	<u>(\$25,200,000)</u>	<u>\$9,800,000</u>		

**Change Justification:**

The project was added to FY 2024 – FY 2028 A&M System Capital Plan with the original intent that the project scope would include both the exterior building envelope repairs as well as

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renovations to the building interior to support the recently established College of Arts & Sciences. The condition of the exterior masonry has deteriorated to the point that repairs and remediation need to begin immediately to prevent further damage and restore the dignity of the iconic campus building. Reducing the planning amount and scope of work to include only these exterior repairs will allow the building envelope to be suitably repaired while the more detailed planning effort for interior renovations can be undertaken.

**Project Justification:**

The Academic Building endures as one of the oldest extant campus buildings and an iconic structure for Texas A&M University. No other campus building is featured so prominently in the hearts and minds of Aggies everywhere. The building has been a landmark on campus since 1914 and is symbolic of the rich culture and history of the institution it serves. For 109 years the building has been the site of storied traditions, witnessed countless university events, housed various academic departments, and continues to welcome campus visitors to this day.

Age and weather have taken a significant toll on the building over its 109-year lifespan. As such, repairs/renovations to the exterior envelope are needed to prevent further influx of moisture through the exterior walls. Moisture infiltration has already caused damage to interior finishes and will continue to do so until repairs are undertaken. Additionally, repair of spalled/damaged masonry finishes on the exterior of the building is required to eliminate potential hazards to the public and to restore the building to its original aesthetic appearance and place of prominence as an iconic campus landmark.

**Scope:**

The project will make necessary repairs to prevent further water infiltration through the exterior walls into the interior of the Academic Building. The project will also repair and/or restore damaged exterior masonry and cast stone to bring back the original constructed aesthetic of the building.

**Other Major Fiscal Impacts:**

None.

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

The Academic Building Renovations project supports A&M System strategic imperative 6, to display prudent financial stewardship and sustainability. By addressing the exterior water infiltration and masonry degradation issues with the building, long-term costs to the university will be minimized and the useful life of the Academic Building will be extended.

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**TEXAS A&M UNIVERSITY**

Office of the President

December 21, 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 Change the Fiscal Year Designation for Project Initiation and Decrease the Project Planning Amount for the Academic Building Renovations Project for Texas A&M University

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 change the fiscal year designation for project initiation from FY 2025 to FY 2024 and decrease the project planning amount to \$9,800,000 for the Academic Building Renovations Project for Texas A&M University is approved.**

**The amount of \$980,000 is appropriated from Account No. 01-084243, Permanent University Fund Debt Proceeds (AUF), for pre-construction services and related project costs.**

**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]**

Mark A. Welsh III  
President

**Approval Recommended:**

**[ORIGINAL SIGNED BY]**

John Sharp  
Chancellor

**[ORIGINAL SIGNED BY]**

Billy Hamilton  
Deputy Chancellor and  
Chief Financial Officer

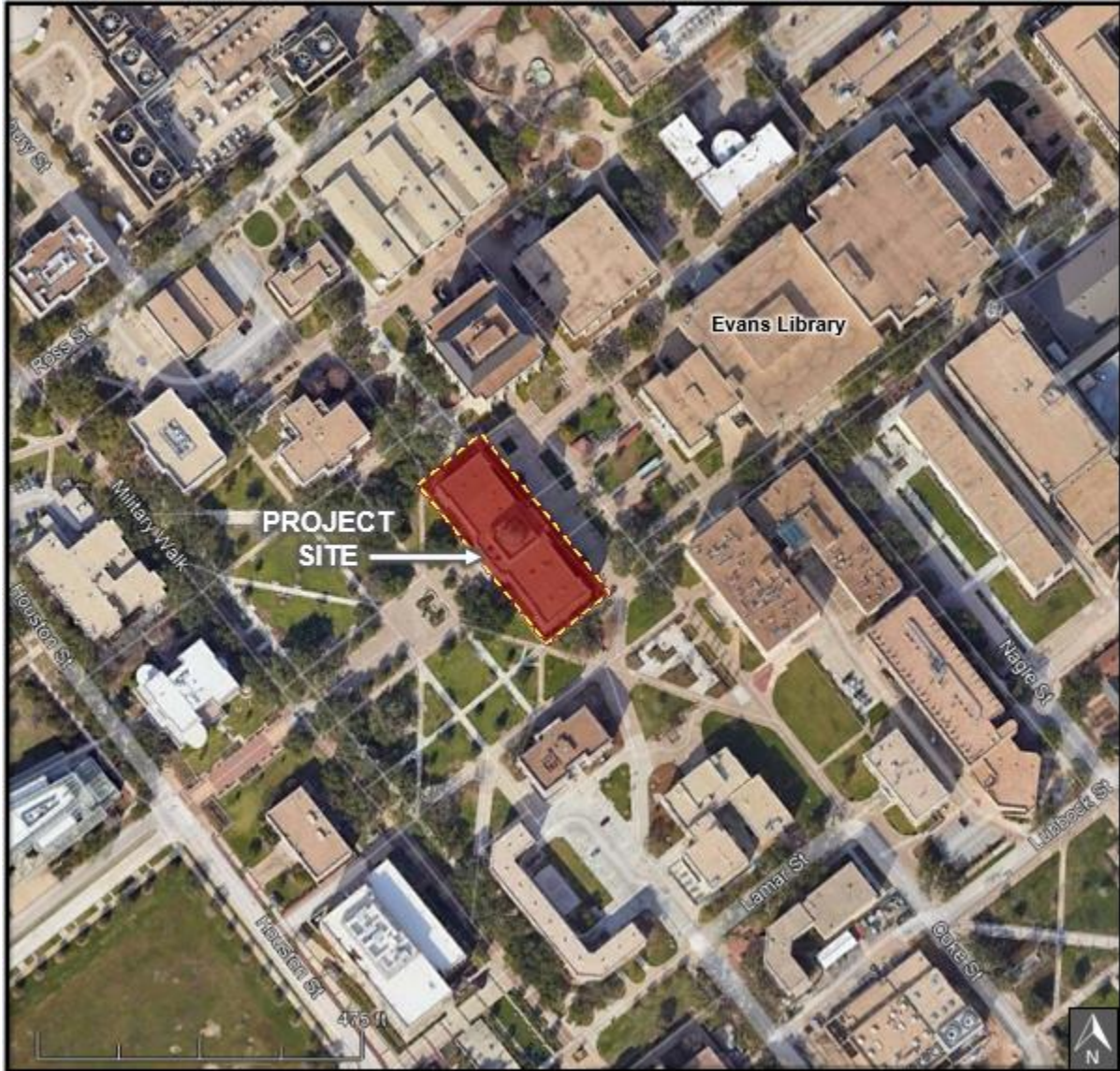
**[ORIGINAL SIGNED BY]**

Phillip Ray  
Vice Chancellor for Business Affairs

**Approved for Legal Sufficiency:**

**[ORIGINAL SIGNED BY]**

Ray Bonilla  
General Counsel



## Academic Building Renovations

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Texas A&M University

**TEXAS A&M UNIVERSITY  
PERMANENT UNIVERSITY FUND  
Academic Building Renovations  
Available University Fund**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total
BONDS	9,900,000.00			
YEAR 1	9,600,000.00	300,000.00	495,000.00	795,000.00
YEAR 2	9,285,000.00	315,000.00	480,000.00	795,000.00
YEAR 3	8,955,000.00	330,000.00	464,250.00	794,250.00
YEAR 4	8,610,000.00	345,000.00	447,750.00	792,750.00
YEAR 5	8,245,000.00	365,000.00	430,500.00	795,500.00
YEAR 6	7,865,000.00	380,000.00	412,250.00	792,250.00
YEAR 7	7,465,000.00	400,000.00	393,250.00	793,250.00
YEAR 8	7,045,000.00	420,000.00	373,250.00	793,250.00
YEAR 9	6,605,000.00	440,000.00	352,250.00	792,250.00
YEAR 10	6,140,000.00	465,000.00	330,250.00	795,250.00
YEAR 11	5,650,000.00	490,000.00	307,000.00	797,000.00
YEAR 12	5,140,000.00	510,000.00	282,500.00	792,500.00
YEAR 13	4,600,000.00	540,000.00	257,000.00	797,000.00
YEAR 14	4,035,000.00	565,000.00	230,000.00	795,000.00
YEAR 15	3,440,000.00	595,000.00	201,750.00	796,750.00
YEAR 16	2,815,000.00	625,000.00	172,000.00	797,000.00
YEAR 17	2,160,000.00	655,000.00	140,750.00	795,750.00
YEAR 18	1,475,000.00	685,000.00	108,000.00	793,000.00
YEAR 19	755,000.00	720,000.00	73,750.00	793,750.00
YEAR 20	-	755,000.00	37,750.00	792,750.00
		<u>\$ 9,900,000.00</u>	<u>\$ 5,989,250.00</u>	<u>\$ 15,889,250.00</u>

Estimated issuance costs and rounding of \$100,000 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 12/04/2023

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