

Agenda Item No. 3.2

AGENDA ITEM BRIEFING

Submitted by: Phillip Ray, Office of the Vice Chancellor for Business Affairs
The Texas A&M University System

Subject: Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Aplin Center Project, Texas A&M University, College Station, Texas (Project No. 02-3420)

Background and Prior Actions:

The Aplin Center Project was included as a proposed project on the FY 2025 – FY 2029 A&M System Capital Plan approved by the Board at the May 2024 meeting with an FY 2025 start date and a planning amount of \$250,000,000.

Proposed Board Action:

- (1) Approve the project scope and budget.
- (2) Appropriate \$225,000,000 for construction services and related project costs. \$25,000,000 has been previously appropriated to this project.
- (3) Approve construction of the Aplin Center Project at Texas A&M University (Texas A&M).

Funding/Budget Amount:

<u>Funding Source</u>	<u>Budget Amount</u>	<u>Average Estimated Annual Debt Service</u>	<u>Debt Service Source</u>
Permanent University Fund Debt Proceeds	\$100,000,000	\$7,763,526	Available University Fund
Revenue Financing System Debt Proceeds	\$35,000,000	\$2,299,092	Designated Tuition
Cash (Investment Earnings)	\$83,000,000	N/A	N/A
Cash (Institutional Support)	\$17,000,000	N/A	N/A
Cash (Designated Tuition)	<u>\$15,000,000</u>	N/A	N/A
Total Project Funds	<u>\$250,000,000</u>		

Project Justification:

Texas A&M is creating the most comprehensive experiential academic center for food and nutrition sciences, retail, and hospitality in the nation. This academic center will also serve as the facility for welcoming prospective and former students, allowing them a place to connect and congregate. Situated in a pivotal location on campus and housing 16 different programmed spaces, the Aplin Center will be a point of transformation for the entire university community.

The current Appelt Aggieland Visitor Center, located in Rudder Tower, was opened in 1974, and the Aggieland Prospective Student Center, located on the first floor of the John J. Koldus Building, was opened in 2003. These two locations, totaling 3,027 square feet, have not been updated since their opening, and constraints on the current footprints prohibit expansions at each location. Despite the efforts of recruiters, visitor center staff, and student ambassadors to create a dynamic and inviting campus experience, the facilities are largely inadequate and severely impact the overall visitor experience. Prospective students, families, and guests must visit multiple locations to obtain enrollment information – the visitor center, the prospective student center, and potentially their respective college – making the current campus visit experience disjointed and complicated.

The current Aggieland welcome experience fails to represent the university as a leading, world-class institution due to its size and ability to welcome guests and communicate university resources and opportunities. The existing facility is simply too small to support the 80,000 guests who visit the campus on an annual basis. The video room seats 22 guests while each tour time supports up to 75; the lobby space seats an even smaller group of eight; and admissions staff must rent rooms within Rudder Tower that still do not meet current demand. The physical location on campus, embedded within Rudder Tower, is difficult to find, limits tour options, and does not accurately reflect the university's commitment to academic excellence.

The catalyst for the new project is a visionary gift commitment from Arch H. Aplin III. Mr. Aplin has been actively engaged with Texas A&M University in the design and programming for the new project and has committed to significant financial support for its construction and future programming. Given his active engagement and generous support, later this fall Texas A&M University intends to request formal board approval to name the new facility. For ease of reference, the name “Aplin Center” is used in this agenda item.

The newly programmed Visitor Center at The Aplin Center is set to become the university’s premier welcome experience — a dynamic, purpose-built space that will greet every guest with energy, hospitality, and pride. Conveniently located just inside the front doors and adjacent to the courtyard entrance, this vibrant hub redefines first impressions.

Spanning 2,540+ square feet, the Visitor Center features:

- A 100-person theater for presentations and immersive experiences
- A 70-seat multi-purpose room for events, meetings, and gatherings
- A 10-person dedicated conference room
- A 7-person call center for visitor inquiries and outreach
- A dedicated Ambassador Ready Room to support student hosts and guides
- A break room for staff comfort and connection
- Eight private offices for staff and one-on-one engagements

Agenda Item No. 3.2
Agenda Item Briefing

The new facility will house product development laboratories and food tasting centers which can be utilized in partnership with related industries. The Aplin Center will be a facility that will address capacity issues for a variety of colleges, dining needs, and provide flexible lab space.

The Aplin Center's variety of programs, classrooms, gathering spaces, as well as food and retail opportunities, will connect prospective students and visitors with the campus experience. Guests will have the unique experience of viewing each program and gaining insight into their discipline. Opportunities for non-curricular education are afforded through extension and evening events for team building or those who want to learn more. Additionally, industry partnerships, research, and trainings are available throughout the building.

The location, accessibility, and uniqueness of the Aplin Center will make it a destination for any trip to Aggieland. The Aplin Center has the potential to serve as the bookends of a student's Aggie experience, as their first stop on a campus visit while a prospective student, and the last stop after their commencement ceremony.

Scope:

The Aplin Center will be constructed on the main campus of Texas A&M. Situated on the university block bound by Wellborn Road to the east, John Kimbrough Blvd to the south, and Olsen Blvd to the west and north, the site currently serves as parking lot 100.

The project will construct a new immersive learning laboratory for students with hospitality, retail studies, and food product development programs. The planned 211,724 gross square foot, 3-story building will support degree programs, including viticulture, fermentation processes, coffee, and food science.

Capturing of the site occurred in August 2025 for pre-construction activities. Construction on this project is scheduled to start in September 2025, with substantial completion scheduled for February 2028. The total project budget is \$250,000,000.

Other Major Fiscal Impacts:

None.

Strategic Plan Imperative(s) this Item Advances:

The Aplin Center will support the Texas A&M University System (A&M System) Strategic Plan Imperatives 1, 3, 4, 5, and 7:

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 new Aggieland Visitor Center will be unique. Housed in a facility with teaching and learning labs in addition to classrooms, prospective students will get to see the unique opportunities that are available at Texas A&M. Many of the programs housed within the Aplin Center are considered non-traditional majors and will show students how they can be educated as

Agenda Item No. 3.2
Agenda Item Briefing

leaders in retail, hospitality, brewing, barbeque, wine, or coffee making. The hands-on approach of these programs will be very appealing to students looking beyond the typical classroom-based area of study.

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.”

Experiential learning is the bridge from the classroom to the workforce. Students at the Aplin Center will get hands-on experience in retail and restaurant operations beyond being a student worker by participating in purchasing, staffing, menu creation, and all aspects of the operation. Hands-on living laboratories in enology, fermentation sciences, coffee roasting, and meat science will prepare students for entrepreneurship in these rapidly growing fields or to be able to work for large employers and have an actual understanding of the product production process.

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

The Aplin Center will improve the facilities for already nationally ranked programs such as meat science and floral design. The food science department is currently leading the industry throughout the south, conducting research in extremely outdated and under-resourced facilities. A state-of-the-art new sensory kitchen able to conduct research for up to 30 participants at a time will catapult this program to the national forefront. Other programs do not currently have lab space to conduct research, such as viticulture, enology, fermentation science, dairy, retailing studies, and hospitality. New spaces for these programs will allow them to showcase their teaching and research.

Imperative No. 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.”

The Aplin Center has been envisioned to respond to industry demands and changing demographics. The department previously known as Recreation, Parks and Tourism Sciences has been renamed Hospitality, Hotel Management and Tourism with this facility in mind to respond to changing demographics and increased urbanization throughout Texas. Additionally, Texas has become the second fastest growing wine region in the country without a university program in the state to support the demand. Each of the areas in the center is designed to respond to the needs of industry by training students as future leaders and offering continuing education and partnership opportunities for industry leaders.

Imperative No. 7: “The A&M System will pursue pioneering/progressive opportunities to address national and global challenges.”

Many areas at the Aplin Center will give students and faculty the resources to take on global and national challenges. The Product Development kitchen can be used to innovate in food technology as our future of food production changes. Each of the food and beverage production areas can be used as a laboratory to solve challenges. The retail and restaurant space provides the opportunity for cutting-edge technology such as eye tracking and automated kiosks.

**THE TEXAS A&M UNIVERSITY SYSTEM
FACILITIES PLANNING AND CONSTRUCTION**

Office of the Vice Chancellor for Business Affairs

July 14, 2025

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 Aplin Center Project, Texas A&M University, College Station, Texas (Project No. 02-3420)

I recommend adoption of the following minute order:

“The project scope along with a project budget of \$250,000,000 for the Aplin Center Project is approved.

The amount of \$75,000,000 is appropriated from Account No. 01-084900, Permanent University Fund Debt Proceeds (AUF), the amount of \$35,000,000 is appropriated from Account No. 01-083540, Revenue Financing System Debt Proceeds (Designated Tuition), the amount of \$50,000,000 is appropriated from Account No. 01-020600, Sid Kyle Income, the amount of \$33,000,000 is appropriated from Account No. 02-808887, ERP-Reserve, the amount of \$17,000,000 is appropriated from Account No. 02-020026, Compass Revenues, and the amount of \$15,000,000 is appropriated from Account No. 02-243507, DT Contingent Income, for construction services and related project costs.

The Aplin Center 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,

[SIGNED BY]

Phillip Ray
Vice Chancellor for Business Affairs

Approval Recommended:

[SIGNED BY]

Glenn Hegar
Chancellor

[SIGNED BY]

Susan Ballabina, Ph.D.
Executive Vice Chancellor

[SIGNED BY]

Mark A. Welsh III, President
Texas A&M University

Approved for Legal Sufficiency:

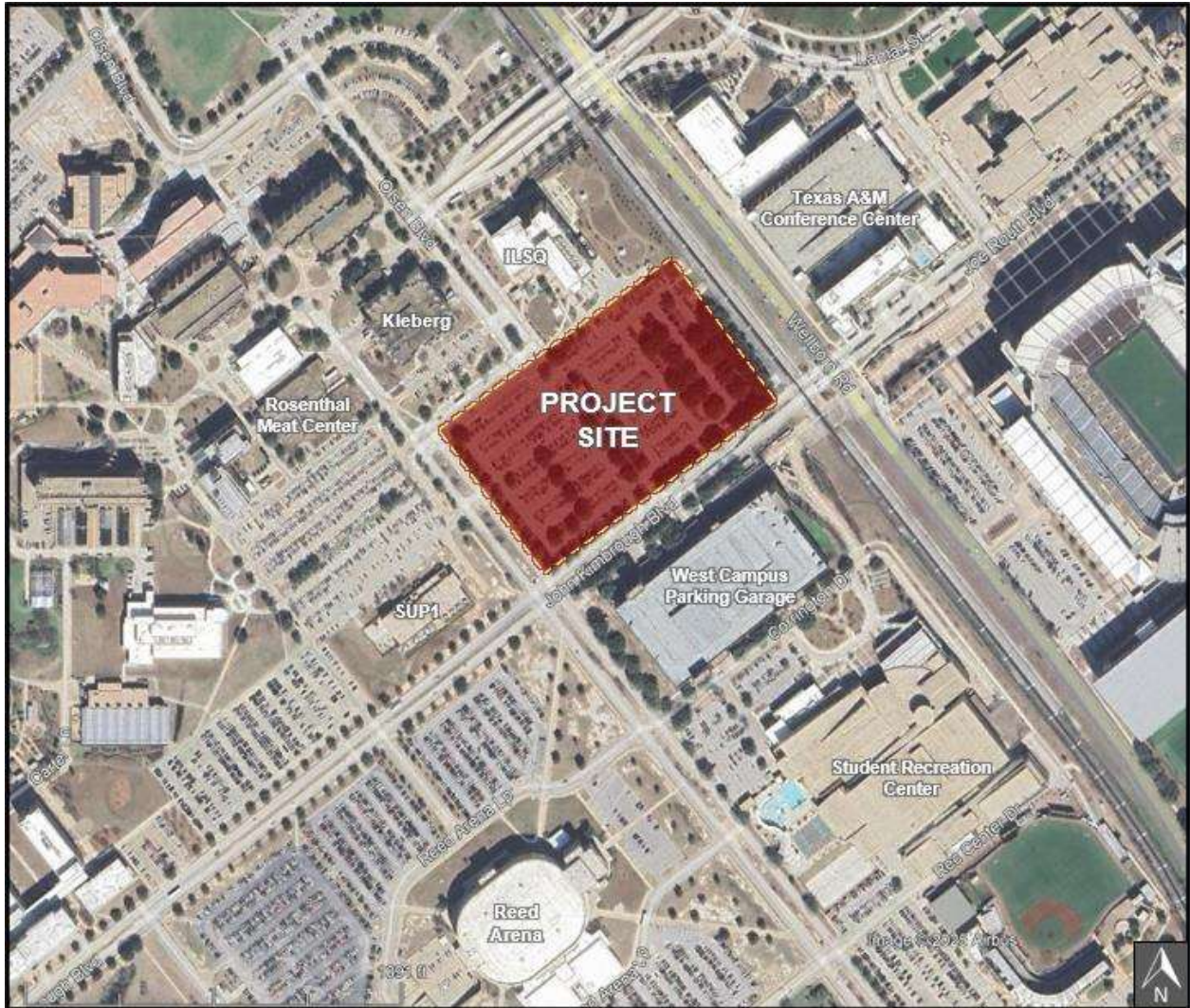
[SIGNED BY]

Ray Bonilla
General Counsel

APLIN CENTER TEXAS A&M UNIVERSITY PROJECT NO. 02-3420	PROJECT BUDGET
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1. Construction	\$186,426,290
2. Project Contingency	4,505,730
3. Program of Requirements.....	0
4. Pre-Construction Services	17,757,375
5. Commissioning.....	600,000
6. Construction Testing	1,425,000
7. Campus Services & Technology	2,780,000
8. Furnishings	5,240,000
9. Equipment	18,811,543
10. Other Project Costs.....	6,012,642
11. Project Management & Inspection	<u>\$6,441,420</u>
12. TOTAL ESTIMATED COST OF PROJECT	<u>\$250,000,000</u>

1. BOR Approval to Include in Capital Plan May 7, 2024
2. Issue A/E RFQ August 13, 2024
3. Issue CMAR RFP August 14, 2024
4. Receive A/E RFQ Responses..... September 13, 2024
5. Receive CMAR RFP Response September 17, 2024
6. Shortlist A/E Firms September 17, 2024
7. Shortlist CMAR Firms..... September 24, 2024
8. Interview A/E Firms September 24, 2024
9. A/E Ranked Order Approved by Chancellor September 30, 2024
10. Interview CMAR FirmsOctober 3, 2024
11. CMAR Ranked Order Approved by Chancellor.....October 14, 2024
12. Execute A/E AgreementNovember 13, 2024
13. A/E Design Kick-Off.....November 13, 2024
14. Execute CMAR AgreementNovember 25, 2024
15. Complete Schematic Design January 28, 2024
16. Complete Design Development May 12, 2024
17. Receive GMP from CMAR July 29, 2025
18. Submit THECB Application July 29, 2025
19. BOR Approval for Construction..... August 28, 2025
20. Begin Construction September 2025
21. Complete Construction DocumentsOctober 2025
22. Substantial Completion..... February 2028
23. Owner Occupancy..... May 2028



Aplin Center

Texas A&M University

Project No. 02-3420

**TEXAS A&M UNIVERSITY
PERMANENT UNIVERSITY FUND
02-3420 Aplin Center
Available University Fund**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total
BONDS	100,985,000.00			
YEAR 1	97,765,000.00	3,220,000.00	4,544,325.00	7,764,325.00
YEAR 2	94,405,000.00	3,360,000.00	4,399,425.00	7,759,425.00
YEAR 3	90,890,000.00	3,515,000.00	4,248,225.00	7,763,225.00
YEAR 4	87,220,000.00	3,670,000.00	4,090,050.00	7,760,050.00
YEAR 5	83,380,000.00	3,840,000.00	3,924,900.00	7,764,900.00
YEAR 6	79,370,000.00	4,010,000.00	3,752,100.00	7,762,100.00
YEAR 7	75,180,000.00	4,190,000.00	3,571,650.00	7,761,650.00
YEAR 8	70,800,000.00	4,380,000.00	3,383,100.00	7,763,100.00
YEAR 9	66,220,000.00	4,580,000.00	3,186,000.00	7,766,000.00
YEAR 10	61,435,000.00	4,785,000.00	2,979,900.00	7,764,900.00
YEAR 11	56,435,000.00	5,000,000.00	2,764,575.00	7,764,575.00
YEAR 12	51,210,000.00	5,225,000.00	2,539,575.00	7,764,575.00
YEAR 13	45,750,000.00	5,460,000.00	2,304,450.00	7,764,450.00
YEAR 14	40,045,000.00	5,705,000.00	2,058,750.00	7,763,750.00
YEAR 15	34,085,000.00	5,960,000.00	1,802,025.00	7,762,025.00
YEAR 16	27,855,000.00	6,230,000.00	1,533,825.00	7,763,825.00
YEAR 17	21,345,000.00	6,510,000.00	1,253,475.00	7,763,475.00
YEAR 18	14,540,000.00	6,805,000.00	960,525.00	7,765,525.00
YEAR 19	7,430,000.00	7,110,000.00	654,300.00	7,764,300.00
YEAR 20	-	7,430,000.00	334,350.00	7,764,350.00
		<u>\$ 100,985,000.00</u>	<u>\$ 54,285,525.00</u>	<u>\$ 155,270,525.00</u>

Estimated issuance costs and rounding of \$985,000 are included in this schedule.

Long-term rates are assumed to be 4.50%. Rates are subject to market change.

Prepared by the Office of the Treasurer - Treasury Services 06/26/2025

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
02-3420 Aplin Center
Designated Tuition

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 06/26/2025

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