Agenda Item No. 3.1

AGENDA ITEM BRIEFING

Submitted by: John A. Barton, Acting Vice Chancellor for Business Affairs
The Texas A&M University System

Subject: Approval of the Project Scope and Increased Budget, Appropriation for Construction Services, and Approval for Partial Construction for the Texas A&M Semiconductor Institute/Infrastructure/Equipment Project, The Texas A&M University System, Bryan, Texas (Project No. 01-3418)

Background and Prior Actions:

The Quantum and Artificial Intelligence Chip Fabrication project was included as a proposed project with an FY 2024 start date and a total planning amount of $100,000,000 on the FY 2024 – FY 2028 A&M System Capital Plan approved by the Board at the August 2023 meeting. The project was listed as CHIPs Institute/Infrastructure/Equipment as an approved project on the FY 2025 – FY 2029 A&M System Capital Plan approved by the Board at the May 2024 meeting, with a total planning amount of $157,562,000 and an FY 2025 start date. The Board approved a project name change to the Texas A&M Semiconductor Institute/Infrastructure/Equipment Project and a budget increase to $189,000,000 at the November 2024 meeting.

The project has been designed as sub-projects. This request is for the first sub-project that includes the Texas A&M Semiconductor Institute Building and Storm Drainage. The remaining sub-projects include the RELLIS Water Well Infrastructure and Water Tower Replacement. These remaining sub-projects will be brought to the Board of Regents for construction approval at a later date.

Proposed Board Action:

(1) Approve the project scope and increased budget.

(2) Appropriate $161,800,500 for construction services and related project costs. $18,900,000 has been previously appropriated to this project; $16,144,500 of this amount is designated for the first sub-project.

(3) Approve construction of the Texas A&M Semiconductor Institute Building and Storm Drainage portion of the Texas A&M Semiconductor Institute/Infrastructure/Equipment Project for The Texas A&M University System (A&M System).

Funding/Budget Amount (Overall Project):

Funding Source	Project Budget	Proposed Adjustment	Proposed Budget	Average Estimated Annual Debt Service	Debt Service Source
Permanent University Fund Debt Proceeds	$32,562,000	$15,500,000	$48,062,000	$3,731,483	Available University Fund
Cash (General Revenue)	$156,438,000	$1,000,000	$157,438,000	N/A	N/A
Total Project Cost	$189,000,000	$16,500,000	$205,500,000		

Change Justification:

The thermal water demands required to operate the Texas A&M Semiconductor Institute (TSI) would exceed the RELLIS Campus' current thermal water capacity. The additional funds being requested would increase the thermal water capacity of the RELLIS Central Utility Plant (CUP) to meet this demand.

Project Justification: (Overall Project)

In order to address a critical shortage of domestic semiconductor manufacturing, the CHIPS and Science Act of 2022 was passed into law. In response, the Texas A&M Semiconductor Institute/Infrastructure/Equipment project was proposed and added to the A&M System Capital Plan. This project is planned to be a world-leading research facility for the advancement of semiconductor design, production, and innovation. It will feature an advanced clean room and support space to facilitate cutting-edge semiconductor fabrication and research activities. Due to related infrastructure needs at the RELLIS campus, the project includes specific infrastructure components of storm drainage and thermal utilities at the RELLIS CUP.

Scope: (Current Authorization Request)

The Texas A&M Semiconductor Institute (TSI) is a two-story building with approximately 73,000 gross square feet. The building showcases a reconfigurable cleanroom in a ballroom configuration supported by a full sub-fabrication (sub-fab) area directly below the cleanroom to house equipment and infrastructure for the cleanroom tools. The lower level will also include lithography rooms in a bay and chase configuration that will meet strict vibration criteria. The facility also includes an advanced technologies laboratory essential to the chip-making process at a research scale. Adjacent to the sub-fab and lithography spaces is a series of flexible research laboratories that will support the cleanroom activities. Above the research laboratories will be offices, conferencing, and collaboration spaces that support not only local administration and research but also provide workplace accommodation for visiting researchers as well as small-scale symposiums and

conferences. The south end of the facility is anchored by a series of support spaces, including loading docks, hazardous material handling, storage and distribution, and equipment rooms to house the mechanical, electrical and plumbing (MEP) systems and utilities that run the building. The TSI will be procuring and installing the semiconductor tools and equipment separately from the construction project. The project also includes additional infrastructure at the RELLIS CUP for two chillers, two cooling towers, and six boilers for TSI.

Construction on the Texas A&M Semiconductor Institute Building and Storm Drainage portion of the project is scheduled to start in March 2026 with substantial completion scheduled for January 2028. The total project budget for this portion is $177,945,000.

Other Major Fiscal Impacts:

None.

Strategic Plan Imperative(s) this Item Advances:

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

We will continue to encourage cross-institution and cross-discipline collaboration, and we will support our member institutions in their research pursuits, including obtaining emerging research status. TSI will support recruiting and retaining international semiconductor materials and bespoke tools to support the development of these materials.

Strategic Plan 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."*

We will continue to address the needs of Texas and use technology to reach citizens in new ways. The TSI will be a national shared-use facility designed to stimulate the local economy and become a significant contributor to the repatriation of low-cost semiconductor fabrication to the United States.

Agenda Item No. 3.1

THE TEXAS A&M UNIVERSITY SYSTEM
FACILITIES PLANNING AND CONSTRUCTION
Office of the Vice Chancellor for Business Affairs
January 6, 2026

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

Subject: Approval of the Project Scope and Increased Budget, Appropriation for Construction Services, and Approval for Partial Construction for the Texas A&M Semiconductor Institute/Infrastructure/Equipment Project, The Texas A&M University System, Bryan, Texas (Project No. 01-3418)

I recommend adoption of the following minute order:

"The project scope along with an increased project budget of $205,500,000 for the Texas A&M Semiconductor Institute/Infrastructure/Equipment Project is approved.

The amount of $113,738,500 is appropriated from Account No. 01-801010-00000, TSI - Building and Equipment, and the amount of $48,062,000 is appropriated from Account No. 01-084900 Permanent University Fund Debt Proceeds (AUF), for construction services and related project costs.

The Texas A&M Semiconductor Institute Building and Storm Drainage portion of the Texas A&M Semiconductor Institute/Infrastructure/Equipment Project, The Texas A&M University System, 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).”

Respectfully submitted,

[SIGNED BY]

John A. Barton
Acting Vice Chancellor for Business Affairs

System Approval Recommended:

[SIGNED BY]

Glenn Hegar
Chancellor

[SIGNED BY]

Susan Ballabina, Ph.D.
Executive Vice Chancellor

[SIGNED BY]

Ryan C. Griffin
Vice Chancellor and
Chief Financial Officer

System General Counsel Approved for Legal Sufficiency:

[SIGNED BY]

R. Brooks Moore
General Counsel

Board General Counsel Approved for Legal Sufficiency:

[SIGNED BY]

Nichole B. Bunker
General Counsel

TEXAS A&M SEMICONDUCTOR INSTITUTE/INFRASTRUCTURE/EQUIPMENT
THE TEXAS A&M UNIVERSITY SYSTEM
PROJECT NO. 01-3418

PROJECT BUDGET SUMMARY

1.	Construction	$167,431,500
2.	Project Contingency	8,717,405
3.	Program of Requirements	0
4.	Pre-Construction Services	13, 546,895
5.	Commissioning	444,665
6.	Construction Testing	1,448,000
7.	Campus Services & Technology	1,758,000
8.	Furnishings	1,066,000
9.	Equipment	0
10.	Other Project Costs	5,783,333
11.	Project Management & Inspection	$5,304,202
12.	TOTAL ESTIMATED COST OF PROJECT	$205,500,000

TEXAS A&M SEMICONDUCTOR INSTITUTE/INFRASTRUCTURE/EQUIPMENT
THE TEXAS A&M UNIVERSITY SYSTEM
PROJECT NO. 01-3418

PROJECT BUDGET
TSI BUILDING & STORM DRAINAGE

1.	Construction	$145,658,500
2.	Project Contingency	6,964,521
3.	Program of Requirements	0
4.	Pre-Construction Services	13,546,895
5.	Commissioning	334,000
6.	Construction Testing	1,048,000
7.	Campus Services & Technology	1,683,000
8.	Furnishings	1,066,000
9.	Equipment	0
10.	Other Project Costs	3,051,239
11.	Project Management & Inspection	$4,592,845
12.	TOTAL ESTIMATED COST OF PROJECT	$177,945,000

TEXAS A&M SEMICONDUCTOR INSTITUTE/INFRASTRUCTURE/EQUIPMENT
THE TEXAS A&M UNIVERSITY SYSTEM
PROJECT NO. 01-3418

PROJECT BUDGET
RELLIS WATER TOWER & WATER WELL

1.	Construction	$21,773,000
2.	Project Contingency	1,752,884
3.	Program of Requirements	0
4.	Pre-Construction Services	0
5.	Commissioning	110,665
6.	Construction Testing	400,000
7.	Campus Services & Technology	75,000
8.	Furnishings	0
9.	Equipment	0
10.	Other Project Costs	2,732,094
11.	Project Management & Inspection	$711,357
12.	TOTAL ESTIMATED COST OF PROJECT	$27,555,000

TEXAS A&M SEMICONDUCTOR INSTITUTE/INFRASTRUCTURE/EQUIPMENT
THE TEXAS A&M UNIVERSITY SYSTEM
PROJECT NO. 01-3418

PROJECT SCHEDULE
TSI BUILDING & STORM DRAINAGE

1. BOR Approval to Include in Capital Plan ..... August 17, 2023
2. Issue A/E RFQ ..... November 15, 2024
3. Issue CMAR RFP ..... November 15, 2024
4. Receive A/E RFQ Responses ..... December 5, 2024
5. Receive CMAR RFP Response ..... December 6, 2024
6. Shortlist A/E Firms ..... December 12, 2024
7. Shortlist CMAR Firms ..... December 12, 2024
8. Interview A/E Firms ..... January 8, 2025
9. Interview CMAR Firms ..... January 9, 2025
10. A/E Ranked Order Approved by Chancellor ..... January 27, 2025
11. CMAR Ranked Order Approved by Chancellor ..... February 11, 2025
12. Execute A/E Agreement ..... April 1, 2025
13. Execute CMAR Agreement ..... April 1, 2025
14. A/E Design Kick-Off ..... April 22, 2025
15. Complete Schematic Design ..... July 23, 2025
16. Complete Design Development ..... October 27, 2025
17. Receive GMP from CMAR ..... January 7, 2026
18. Submit THECB Application ..... January 7, 2026
19. BOR Approval for Construction ..... February 5, 2026
20. Begin Construction ..... March 2026
21. Complete Construction Documents ..... March 2026
22. Substantial Completion ..... January 2028
23. Owner Occupancy ..... May 2028

TEXAS A&M SEMICONDUCTOR INSTITUTE/INFRASTRUCTURE/EQUIPMENT
THE TEXAS A&M UNIVERSITY SYSTEM
PROJECT NO. 01-3418

PROJECT SCHEDULE
RELLIS WATER TOWER & WATER WELL

1. BOR Approval to Include in Capital Plan ..... August 17, 2023
2. Issue A/E RFQ ..... February 28, 2025
3. Receive A/E RFQ Responses ..... April 4, 2025
4. Shortlist A/E Firms ..... April 9, 2025
5. Interview A/E Firms ..... April 15, 2025
6. A/E Ranked Order Approved by Chancellor ..... April 28, 2025
7. Execute A/E Agreement ..... June 20, 2025
8. A/E Design Kick-Off ..... August 26, 2025
9. Complete Schematic Design, Water Tower ..... November 19, 2025
10. Complete Schematic Design, Water Well ..... January 29, 2026
11. Complete Design Development, Water Tower ..... March 2026
12. Complete Design Development, Water Well ..... May 2026
13. Complete Construction Documents, Water Tower ..... May 2026
14. Advertise for CSP, Water Tower ..... June 2026
15. BOR Approval for Construction, Water Tower ..... August 2026
16. Begin Construction, Water Tower ..... September 2026
17. Complete Construction Documents, Water Well ..... September 2026
18. Advertise for CSP, Water Tower ..... September 2026
19. BOR Approval for Construction, Water Well ..... November 2026
20. Begin Construction, Water Well ..... December 2026
21. Substantial Completion, Water Well ..... March 2028
22. Substantial Completion, Water Tower ..... March 2028
23. Owner Occupancy ..... April 2028

Texas A&M Semiconductor Institute/Infrastructure/Equipment

The Texas A&M University System **Project No. 01-3418**

TEXAS A&M UNIVERSITY SYSTEM
Permanent University Fund
01-3418 Texas A&M Semiconductor Institute/Infrastructure/Equipment
Available University Fund

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total
BONDS	48,540,000.00			
YEAR 1	46,990,000.00	1,550,000.00	2,184,300.00	3,734,300.00
YEAR 2	45,375,000.00	1,615,000.00	2,114,550.00	3,729,550.00
YEAR 3	43,685,000.00	1,690,000.00	2,041,875.00	3,731,875.00
YEAR 4	41,920,000.00	1,765,000.00	1,965,825.00	3,730,825.00
YEAR 5	40,075,000.00	1,845,000.00	1,886,400.00	3,731,400.00
YEAR 6	38,145,000.00	1,930,000.00	1,803,375.00	3,733,375.00
YEAR 7	36,130,000.00	2,015,000.00	1,716,525.00	3,731,525.00
YEAR 8	34,025,000.00	2,105,000.00	1,625,850.00	3,730,850.00
YEAR 9	31,825,000.00	2,200,000.00	1,531,125.00	3,731,125.00
YEAR 10	29,525,000.00	2,300,000.00	1,432,125.00	3,732,125.00
YEAR 11	27,120,000.00	2,405,000.00	1,328,625.00	3,733,625.00
YEAR 12	24,610,000.00	2,510,000.00	1,220,400.00	3,730,400.00
YEAR 13	21,985,000.00	2,625,000.00	1,107,450.00	3,732,450.00
YEAR 14	19,245,000.00	2,740,000.00	989,325.00	3,729,325.00
YEAR 15	16,380,000.00	2,865,000.00	866,025.00	3,731,025.00
YEAR 16	13,385,000.00	2,995,000.00	737,100.00	3,732,100.00
YEAR 17	10,255,000.00	3,130,000.00	602,325.00	3,732,325.00
YEAR 18	6,985,000.00	3,270,000.00	461,475.00	3,731,475.00
YEAR 19	3,570,000.00	3,415,000.00	314,325.00	3,729,325.00
YEAR 20	-	3,570,000.00	160,650.00	3,730,650.00
		$ 48,540,000.00	$ 26,089,650.00	$ 74,629,650.00

Estimated Issuance Costs of $478,000 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 01/13/2026

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