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FOR
FACILITIES PLANNING AND CONSTRUCTION COMMITTEE**

Committee Meeting: 2/11/2015

Board Meeting: 2/12/2015
Austin, Texas

Alex M. Cranberg, Chairman
Ernest Aliseda
R. Steven Hicks
Wm. Eugene Powell
Robert L. Stillwell

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Convene	2:30 p.m. <i>Chairman Cranberg</i>		
1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration	2:30 p.m. Action	Action	278
<u>Additions to the CIP</u>			
2. U. T. Health Science Center - San Antonio: MARC North Clinical Facility - Amendment of the FY 2015-2020 Capital Improvement Program to include project (Preliminary Board approval)	2:35 p.m. Action <i>President Henrich</i>	Action	279
3. U. T. Health Science Center - San Antonio: MARC Plaza - Amendment of the FY 2015-2020 Capital Improvement Program to include project (Preliminary Board approval)	2:45 p.m. Action <i>President Henrich</i>	Action	281
4. U. T. M. D. Anderson Cancer Center: Mays Clinic - Replace Outside Air Handling Units - Amendment of the FY 2015-2020 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; and appropriation of funds (Final Board approval)	2:50 p.m. Action <i>Mr. Dixon</i>	Action	282
5. U. T. M. D. Anderson Cancer Center: Renovate Diagnostic Imaging Area A - Main Building - Floor 3 - Amendment of the FY 2015-2020 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; and appropriation of funds (Final Board approval)	2:55 p.m. Action <i>Mr. Dixon</i>	Action	283
6. U. T. M. D. Anderson Cancer Center: Renovate Outpatient Clinics - Main Building - Floor 7- Amendment of the FY 2015-2020 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; and appropriation of funds (Final Board approval)	2:57 p.m. Action <i>Mr. Dixon</i>	Action	284

	Committee Meeting	Board Meeting	Page
7. U. T. M. D. Anderson Cancer Center: Renovate Outpatient Clinics - Main Building - Floor 10 - Amendment of the FY 2015-2020 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; and appropriation of funds (Final Board approval)	3:00 p.m. Action Mr. Dixon	Action	286
<u>Design Development Approval</u>			
8. U. T. Dallas: Brain Performance Institute - Amendment of the FY 2015-2020 Capital Improvement Program to decrease total project cost; approval to revise funding sources; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)	3:05 p.m. Action Mr. Dixon	Action	288
9. U. T. Medical Branch - Galveston: Building 17 Expansion - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)	3:10 p.m. Action Mr. Dixon	Action	291
<u>Modifications to the CIP</u>			
10. U. T. Austin: Renovate Moore-Hill Dormitory - Amendment of the FY 2015-2020 Capital Improvement Program to increase total project cost; and appropriation of funds and authorization of expenditure (Final Board approval)	3:15 p.m. Action Mr. Dixon	Action	294
11. U. T. M. D. Anderson Cancer Center: RHI (Rotary House International) Renovations and Repairs - Amendment of the FY 2015-2020 Capital Improvement Program to increase total project cost; and appropriation of funds and authorization of expenditure (Final Board approval)	3:18 p.m. Action Mr. Dixon	Action	296
<u>Report/Discussion</u>			
12. U. T. Health Science Center - Houston and U. T. M. D. Anderson Cancer Center: Update and discussion concerning space needs for health institutions in Houston	3:20 p.m. Report/Discussion President Colasurdo President DePinho Mr. Dixon	Not on Agenda	
Adjourn	3:30 p.m.		

1. **U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, referred for Committee consideration**

RECOMMENDATION

The proposed Consent Agenda is located at the back of the book.

2. U. T. Health Science Center - San Antonio: MARC North Clinical Facility - Amendment of the FY 2015-2020 Capital Improvement Program to include project (Preliminary Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Henrich that the U. T. System Board of Regents amend the FY 2015-2020 Capital Improvement Program (CIP) to include the MARC North Clinical Facility project at U. T. Health Science Center - San Antonio as follows:

Project No.: 402-908

Project Delivery Method: Construction Manager-at-Risk

Substantial Completion Date: November 2016

Total Project Cost:	<u>Source</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds ¹	\$ 8,940,000
	Medical Services, Research and Development Plan/Professional Fees	\$ <u>7,810,000</u>
		\$16,750,000

Funding Note: ¹Revenue Financing System (RFS) proposed to be repaid from clinical revenues

- Investment Metrics:**
- Expand primary care and multispecialty services tailored to needs of patients
 - Increase patient visits by almost 50,000 within five years
 - Increase clinical fee-for-service revenues by \$1.9 million in one year and grow to \$6.5 million by Year Five
 - Reduce current space deficit of 224,400 square feet

BACKGROUND INFORMATION

This proposed project will provide a new ambulatory multispecialty clinical services center in North San Antonio. This clinical facility will serve as a gateway for referring patients who need additional services by improving patient access. The facility will provide services not provided at the Medical Arts and Research Center (MARC); provide expanded teaching venues for students and trainees; enhance clinical research; and expand the patient base of private and commercial patients. The project will construct an approximately 18,000 gross square foot commercial-grade facility to include exam rooms, conference rooms, offices for physicians, waiting rooms, and a full-service imaging center with an MRI, CT Scan, and general X-ray facilities.

U. T. Health Science Center - San Antonio has embarked on a clinical transformation plan that includes expanding and diversifying the services of the institution's thriving academic medical practice throughout San Antonio. The current primary outpatient practice site, the MARC in the South Texas Medical Center, will expand its functional clinical space locations beyond the South Texas Medical Center. This proposed satellite clinic will provide services in a developing location where demographic studies have shown a need for both high quality primary care and subspecialty medical services.

Proposed purchase of the land required for this project is included as Consent Agenda Item 63 on [Page 393](#).

This proposed project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date.

3. U. T. Health Science Center - San Antonio: MARC Plaza - Amendment of the FY 2015-2020 Capital Improvement Program to include project (Preliminary Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Henrich that the U. T. System Board of Regents amend the FY 2015-2020 Capital Improvement Program (CIP) to include the MARC Plaza project at U. T. Health Science Center - San Antonio as follows:

Project No.:	402-909	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	October 2016	
Total Project Cost:	<u>Source</u> Revenue Financing System Bond Proceeds ¹	<u>Proposed</u> \$16,000,000
Funding Note:	¹ Revenue Financing System (RFS) proposed to be repaid from parking fees and income from converted clinic space	
Investment Metrics:	<ul style="list-style-type: none"> • Reduce lease costs by over \$1.3 million per year • Replace 25,000 square feet of office space with revenue generating clinical space • Reduce current space deficit of 224,440 square feet 	

BACKGROUND INFORMATION

This proposed project includes a 75,000 gross square foot office building that will house personnel from the billing services operation and information technology operations, currently housed in leased space, and faculty and staff from the seventh and eighth floors of the Medical Arts and Research Center (MARC). The building will include offices, open work spaces, conference rooms, break rooms, and training rooms. A parking structure will provide 200 surface lot spaces with the capacity to expand as needed.

The Clinical Transformation, Phase I project approved by the Board on November 6, 2014, will convert faculty offices and administrative space to new functional clinical space in the MARC. This proposed project will provide necessary space for faculty and staff displaced by the expansion of new functional clinic space in the MARC. The project will also provide an opportunity to reduce overall administrative costs and consolidate operations currently in leased space.

This proposed project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date.

4. U. T. M. D. Anderson Cancer Center: Mays Clinic - Replace Outside Air Handling Units - Amendment of the FY 2015-2020 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; and appropriation of funds (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President DePinho that the U. T. System Board of Regents amend the FY 2015-2020 Capital Improvement Program (CIP) to include the Mays Clinic - Replace Outside Air Handling Units project at U. T. M. D. Anderson Cancer Center as follows:

Project No.:	703-X63	
Institutionally Managed:	Yes	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	January 2017	
Total Project Cost:	<u>Source</u> Hospital Revenues	<u>Proposed</u> \$6,000,000

- a. approve a total project cost of \$6,000,000 with funding from Hospital Revenues;
- b. authorize U. T. M. D. Anderson Cancer Center to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts; and
- c. appropriate funds.

BACKGROUND INFORMATION

This proposed project will replace the existing outside air handling units (OAHUs) for the Lowry and Peggy Mays Ambulatory Clinical Building (Mays Clinic). The four existing OAHUs and related control systems will be replaced with new OAHUs and control systems. Also included will be the acquisition and installation of a temporary OAHU to facilitate the removal and the installation of the new OAHUs.

In early Calendar Year 2014, one of the existing OAHUs underwent emergency repairs due to failure of the inlet cone, which collapsed and was drawn into the fan, causing extensive damage to the fan, motor, structural support, and housing. Subsequent investigation revealed that failure was due to corrosion caused by condensation and moisture carryover. Inspection of remaining OAHUs indicated the same degree of corrosion.

Pursuant to a Memorandum of Understanding effective August 26, 2004, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Facilities Planning and Construction. This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding will be presented to the President for approval at a later date.

5. U. T. M. D. Anderson Cancer Center: Renovate Diagnostic Imaging Area A - Main Building - Floor 3 - Amendment of the FY 2015-2020 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; and appropriation of funds (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President DePinho that the U. T. System Board of Regents amend the FY 2015-2020 Capital Improvement Program (CIP) to include the Renovate Diagnostic Imaging Area A - Main Building - Floor 3 project at U. T. M. D. Anderson Cancer Center as follows:

Project No.:	703-X64	
Institutionally Managed:	Yes	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	December 2016	
Total Project Cost:	<u>Source</u> Hospital Revenues	<u>Proposed</u> \$4,800,000

- a. approve a total project cost of \$4,800,000 with funding from Hospital Revenues;
- b. authorize U. T. M. D. Anderson Cancer Center to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts; and
- c. appropriate funds.

BACKGROUND INFORMATION

The proposed project will include extensive renovations of Diagnostic Imaging Area A on Floor 3 of the Main Building, which occupies approximately 14,300 gross square feet. Infrastructure renovations are needed to replace inner-lined ductwork, to replace obsolete air terminal boxes and control systems, and to ensure that the infrastructure systems can meet the needs of new diagnostic imaging equipment. Reconfiguration of interior partitions and the replacement of finishes are also included in the project.

This area of the Main Building was last renovated over 20 years ago. The proposed renovations will provide the opportunity to address patient access and flow issues that developed as the Main Building was extended to accommodate the sky bridge to the Lowry and Peggy Mays Ambulatory Clinical Building on the third floor.

Pursuant to a Memorandum of Understanding effective August 26, 2004, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Facilities Planning and Construction. This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding will be presented to the President for approval at a later date.

6. U. T. M. D. Anderson Cancer Center: Renovate Outpatient Clinics - Main Building - Floor 7 - Amendment of the FY 2015-2020 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; and appropriation of funds (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President DePinho that the U. T. System Board of Regents amend the FY 2015-2020 Capital Improvement Program (CIP) to include the Renovate Outpatient Clinics - Main Building - Floor 7 project at U. T. M. D. Anderson Cancer Center as follows:

Project No.:	703-X65	
Institutionally Managed:	Yes	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	December 2018	
Total Project Cost:	<u>Source</u> Hospital Revenues	<u>Proposed</u> \$9,047,500

- a. approve a total project cost of \$9,047,500 with funding from Hospital Revenues;
- b. authorize U. T. M. D. Anderson Cancer Center to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts; and
- c. appropriate funds.

BACKGROUND INFORMATION

The proposed project will provide extensive renovation of approximately 33,600 gross square feet of outpatient clinics located on Floor 7 of the Main Building, R. Lee Clark Clinic, and Margaret and Ben Love Clinic. The project will include demolition of interior partitions as well as removal of the ceiling and replacement of infrastructure systems that serve these areas, including mechanical, electrical, plumbing, information technology, life safety, and air distribution. The project will also include reconfiguration of interior partitions and the replacement of finishes.

This project will facilitate the expansion of the Gastrointestinal Center, the consolidation and expansion of the Endocrine Center currently split across four outpatient clinics, and the Child and Adolescent Center. In addition, removal of the aged inner-lined ductwork will improve air quality, and replacement of the air terminal units will aid in controlling energy costs.

Pursuant to a Memorandum of Understanding effective August 26, 2004, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Facilities Planning and Construction.

This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding will be presented to the President for approval at a later date.

7. U. T. M. D. Anderson Cancer Center: Renovate Outpatient Clinics - Main Building - Floor 10 - Amendment of the FY 2015-2020 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; and appropriation of funds (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President DePinho that the U. T. System Board of Regents amend the FY 2015-2020 Capital Improvement Program (CIP) to include the Renovate Outpatient Clinics - Main Building - Floor 10 project at U. T. M. D. Anderson Cancer Center as follows:

Project No.:	703-X66	
Institutionally Managed:	Yes	
Project Delivery Method:	Competitive Sealed Proposals	
Substantial Completion Date:	June 2017	
Total Project Cost:	<u>Source</u> Hospital Revenues	<u>Proposed</u> \$8,500,000

- a. approve a total project cost of \$8,500,000 with funding from Hospital Revenues;
- b. authorize U. T. M. D. Anderson Cancer Center to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts; and
- c. appropriate funds.

BACKGROUND INFORMATION

The proposed project will provide extensive renovation of approximately 21,700 gross square feet of outpatient clinics that are located in the interconnected Main Building, R. Lee Clark Clinic, and Margaret and Ben Love Clinic. The project will include demolition of interior partitions, removal of the ceiling, and replacement of infrastructure systems that serve this area including mechanical, electrical, plumbing, information technology, life safety, and air distribution. The project will also include reconfiguration of interior partitions and the replacement of finishes.

The project will facilitate the relocation of the Brain and Spine Center to co-locate with the Head and Neck Center. This will enhance the care of patients who are seen in both centers, facilitate faculty collaboration, and enhance patient experience with the Skull Base Program, which is jointly managed by the two Centers.

Pursuant to a Memorandum of Understanding effective August 26, 2004, U. T. M. D. Anderson Cancer Center has delegated authority for institutional management of construction projects under the continued oversight of the Office of Facilities Planning and Construction.

This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding will be presented to the President for approval at a later date.

8. U. T. Dallas: Brain Performance Institute - Amendment of the FY 2015-2020 Capital Improvement Program to decrease total project cost; approval to revise funding sources; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Daniel that the U. T. System Board of Regents approve the recommendations for the Brain Performance Institute project at U. T. Dallas as follows:

Project No.: 302-766
Project Delivery Method: Competitive Sealed Proposals
Substantial Completion Date: May 2017

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Gifts	\$33,100,000	\$18,416,300
	Permanent University Fund Bond Proceeds ¹	\$ 0	\$ 3,870,000
	Unexpended Plant Funds ²	\$ 0	\$ 3,713,700
	Revenue Financing System Bond Proceeds ³	<u>\$ 0</u>	<u>\$ 3,000,000</u>
		\$33,100,000	\$29,000,000

Funding Notes:

¹ Permanent University Fund (PUF) from previously approved U. T. System Research Incentive Program (UTRIP) funding
² Unexpended Plant Funds from Texas Research Incentive Program (TRIP) matching funds
³ Revenue Financing System (RFS) debt proposed to provide interim financing. RFS debt expected to be repaid from Gifts and will be supplemented with Designated Tuition, if necessary

Investment Metrics:

- Attract outstanding tenure-track faculty to support the University's Strategic Plan Imperative of growing to a total of 610 tenure-track faculty by 2017
- Attract research funding in support of the University's Strategic Plan Imperative of achieving over \$100 million per year in research expenditures by 2017

- a. amend the FY 2015-2020 Capital Improvement Program (CIP) to decrease the total project cost from \$33,100,000 to \$29,000,000;
- b. revise funding sources to include PUF Bond Proceeds, Unexpended Plant Funds, and RFS Bond Proceeds;
- c. approve design development plans;

- d. appropriate funds and authorize expenditure of \$29,000,000 with funding of \$18,416,300 from Gifts, \$3,870,000 from PUF Bond Proceeds, \$3,713,700 from Unexpended Plant Funds, and \$3,000,000 from RFS Bond Proceeds; and
- e. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$3,000,000.

BACKGROUND INFORMATION

Debt Service

The \$3,000,000 in RFS debt is expected to be repaid from Gifts. RFS debt will be issued, if necessary, to provide interim financing pending gift collections. As gifts are collected, they will be used to retire interim financing. Designated Tuition will be used to supplement gift receipts, if necessary, to fund interest expense on the interim financing. The debt service coverage for the institution is expected to be at least 1.4 times and average 2.3 times over FY 2015-2020.

Previous Board Action

On February 14, 2013, the project was included in the CIP with a total project cost of \$33,100,000 with funding from Gifts.

Project Description

This project involves construction of the national headquarters building for the Brain Performance Institute adjacent to the Center for BrainHealth (CBH) and in close proximity to U. T. Southwestern Medical Center. The Brain Performance Institute was conceived by U. T. Dallas visionaries, leaders at the University's Center for BrainHealth, cognitive neuroscience experts, research clinicians, and community advocates to address diminishing cognitive brainpower that affects every sector of society across the lifespan.

This three-story, iconic building will be approximately 62,000 gross square feet of combined educational, office, and clinical spaces with a focus on research. It will house all of the

programmatic functions including those designed for veterans, executives, teens, and those suffering from brain injury and disease. The Live Lobby located on the first floor will include a reception area, retail bookstore, coffee shop, an interactive media wall, two large brain exercise rooms, and approximately 4,000 square feet of shell space for a future MRI suite. A large multifunction room capable of seating up to 150 patrons will also be included. The second and third floors will include small and large classrooms, a large simulation lab and testing area, clinician offices, staff offices, and an administrative suite.

The Brain Performance Institute, an extension of the Center for BrainHealth at U. T. Dallas, will be the transformational epicenter for cognitive brain performance where the patented, scientifically-proven technologies and methodologies developed by the scientists and clinicians at the CBH will be utilized to maximize and extend brain performance at all ages in health, brain injury, and brain disease. The CBH is the research home to more than 130 scientists, research clinicians, and graduate students. The location is an ideal site, adjacent to the U. T. Southwestern campus where many BrainHealth faculty have joint appointments. Locating the Brain Performance Institute in close proximity to the CBH is mission-critical to furthering the translation of the latest research findings at the CBH into immediate application.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50-75 years
- Building Systems: 25-30 years
- Interior Construction: 10-20 years

The interior and exterior appearance and finish are consistent with other campus buildings and with the existing Campus Master Plan. The mechanical and electrical building systems are designed with sufficient flexibility and space for future capacity to allow for changes without significant disruption to ongoing activities.

9. U. T. Medical Branch - Galveston: Building 17 Expansion - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Callender that the U. T. System Board of Regents approve the recommendations for the Building 17 Expansion project at U. T. Medical Branch - Galveston (UTMB) as follows:

Project No.: 601-818

Project Delivery Method: Construction Manager-at-Risk

Substantial Completion Date: March 2017

Total Project Cost:	<u>Source:</u>	<u>Current</u>
	Permanent University Fund Bond Proceeds	\$30,500,000
	Revenue Financing System Bond Proceeds ¹	<u>\$11,500,000</u>
		\$42,000,000

Funding Note: ¹ Revenue Financing System debt to be repaid from Hospital Revenues

- Investment Metrics:**
- Maintain competitive position in research funding by containing operating costs of the Animal Resource Center through consolidation of animal facilities
 - Mitigate critical research assets from future flood damage
 - Address facility deficiency issues and assure accreditation

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$30,500,000 from Permanent University Fund (PUF) Bond Proceeds and \$11,500,000 from Revenue Financing System (RFS) Bond Proceeds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and

- UTMB, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$11,500,000.

BACKGROUND INFORMATION

Debt Service

The \$11,500,000 in Revenue Financing System (RFS) debt will be repaid from Hospital Revenues. Annual debt service on the \$11,500,000 RFS debt is expected to be \$791,000. The debt service coverage for the institution is expected to be at least 2.3 times and average 2.7 times over FY 2015-2020.

Previous Board Action

On December 12, 2013, the project was added to the Capital Improvement Program (CIP) with a total project cost of \$42,000,000 with funding of \$30,500,000 from PUF Bond Proceeds and \$11,500,000 from RFS Bond Proceeds.

Project Description

The project will construct a six-story, 93,000 gross square foot addition to the current Building 17. The project will replace critical research support space lost to Hurricane Ike in 2008, move critical functions to an elevation of 25 feet above mean sea level, and provide centrally-located vivarium space for functions that support all of UTMB's animal research. The ground floor will house noncritical functions such as lobby and meeting space. Floors 2, 3, and 4 will house animals and related facilities such as cage washing, veterinary support, pharmacy, and mechanical space. Floors 5 and 6, to be shelled during initial construction, will be dedicated to laboratory and office space.

Former Building 18, which was essential to UTMB's research pursuits, was heavily damaged during Hurricane Ike and was recently demolished, compromising to an even greater extent UTMB's already stressed animal research facilities. This proposed expansion of Building 17 is the final major component in the institution's \$1.2 billion recovery and rebuilding from the hurricane.

Building 17, formerly called the Multi-Purpose Research Building, then the Research Facilities Expansion, and now called the Research Building, located at 105 11th Street, was constructed in 2005 following Board of Regents' approval on February 9, 2000.

Beyond the existing renovation and mitigation efforts underway at UTMB, construction of this proposed facility is the highest priority for UTMB to assure greater opportunities for scientific collaboration, while providing a safe and secure location for staff and critical research assets. Maintaining adequately sized and state-of-the-art animal research facilities is critical to obtaining new grant awards in the current, highly competitive environment.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50-75 years
- Building Systems: 25-30 years
- Interior Construction: 10-20 years

The interior and exterior appearance and finish are consistent with other campus buildings and with the existing Campus Master Plan. The mechanical and electrical building systems are designed with sufficient flexibility and space for future capacity to allow for changes without significant disruption to ongoing activities.

10. U. T. Austin: Renovate Moore-Hill Dormitory - Amendment of the FY 2015-2020 Capital Improvement Program to increase total project cost; and appropriation of funds and authorization of expenditure (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Powers that the U. T. System Board of Regents approve the recommendations for the Renovate Moore-Hill Dormitory project at U. T. Austin as follows:

Project No.:	102-777		
Institutionally Managed:	Yes		
Project Delivery Method:	Competitive Sealed Proposals		
Substantial Completion Date:	August 2015		
Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Auxiliary Enterprises Balances ¹	\$8,800,000	\$14,800,000
Funding Note:	¹ Auxiliary Enterprises Balances from revenues collected from Division of Housing and Food Services Auxiliary Balances		

- a. amend the FY 2015-2020 Capital Improvement Program (CIP) to increase the total project cost from \$8,800,000 to \$14,800,000; and
- b. appropriate and authorize expenditure of an additional \$6,000,000 from Auxiliary Enterprises Balances.

BACKGROUND INFORMATION

Previous Board Actions

On August 22, 2013, the project was included in the CIP with funding of \$8,000,000 from Auxiliary Enterprises Balances. On October 31, 2013, the President approved design development plans and authorized expenditure of funds. On March 27, 2014, the President approved an increase in the total project cost to \$8,800,000 with additional funding of \$800,000 from Auxiliary Enterprises Balances.

Project Description

The original scope of the project upgraded mechanical systems in the building, including replacement of induction units in 209 student rooms and replacement of two air handlers. Select portions of the electrical and plumbing systems were replaced and upgraded and existing built-in furnishings in the student rooms were removed and new room finishes were provided.

The proposed increase in total project cost will renovate 15 community bathrooms, two accessible community bathrooms, four single bathrooms, and 10 Americans with Disabilities Act (ADA) compliant student rooms. Student rooms will also receive additional finish work.

Moore-Hill Dormitory's infrastructure is increasingly difficult to maintain due to age. Replacement of the existing systems will ensure that student occupants experience a long-term safe, healthy, and comfortable living environment. Upgrading and maintaining the facilities is necessary to remain competitive in the student housing market and provide quality on-campus housing.

11. U. T. M. D. Anderson Cancer Center: RHI (Rotary House International) Renovations and Repairs - Amendment of the FY 2015-2020 Capital Improvement Program to increase total project cost; and appropriation of funds and authorization of expenditure (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President DePinho that the U. T. System Board of Regents approve the recommendations for the RHI (Rotary House International) Renovations and Repairs project at U. T. M. D. Anderson Cancer Center as follows:

Project No.: 703-758

Institutionally Managed: Yes

Project Delivery Method: Design-Build

Substantial Completion Date: February 2016

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds ¹	\$ 9,000,000	\$ 9,000,000
	Auxiliary Enterprises Balances ²	<u>\$ 9,200,000</u>	<u>\$19,000,000</u>
		\$18,200,000	\$28,000,000

Funding Notes: ¹ Revenue Financing System (RFS) debt to be repaid from hotel revenues
² Auxiliary Enterprises Balances from hotel revenues

- a. amend the FY 2015-2020 Capital Improvement Program (CIP) to increase the total project cost from \$18,200,000 to \$28,000,000; and
- b. appropriate and authorize expenditure of an additional \$9,800,000 from Auxiliary Enterprises Balances.

BACKGROUND INFORMATION

Previous Board Actions

On August 23, 2007, the project was included in the CIP with a total project cost of \$18,200,000 with funding from Hospital Revenues. On November 15, 2012, the Board approved the revision of funding to \$9,000,000 from Revenue Financing System (RFS) Bond Proceeds and \$9,200,000 from Auxiliary Enterprises Balances.

Project Description

The proposed increase in funding will include approximately 40,000 gross square feet of renovations to the lobby areas on levels one and two, replacement of the fan coil units and controls in the patient rooms and common areas, upgrades to the fire alarm system, and repairs to the building's exterior waterproofing system.

The original project renewed 322 guest rooms, suites, and guest room corridors in the existing RHI facility.