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FOR
FACILITIES PLANNING AND CONSTRUCTION
COMMITTEE**

Committee Meeting: 8/18/2021

Board Meeting: 8/19/2021
Austin, Texas

R. Steven Hicks, Chairman
Christina Melton Crain
Nolan Perez
Stuart W. Stedman
Kelcy L. Warren
Rad Weaver

	Committee Meeting	Board Meeting	Page
Convene	<i>11:15 a.m.</i> <i>Chairman Hicks</i>		
1. U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	204
<u>Addition to the CIP</u>			
2. U. T. San Antonio: Classroom Upgrades - Amendment of the current Capital Improvement Program to include project; approval of total project cost; and appropriation of funds	Action <i>President Eighmy</i>	Action	205
<u>Design Development Approval</u>			
3. U. T. Health Science Center - San Antonio: Medical Office Building at Park West - Amendment of the current Capital Improvement Program to increase total project cost; approval to revise funding sources; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt	Action <i>President Henrich</i>	Action	208
Adjourn	<i>11:30 a.m.</i>		

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

RECOMMENDATION

No [Consent Agenda](#) items are assigned for review by this Committee.

2. U. T. San Antonio: Classroom Upgrades - Amendment of the current Capital Improvement Program to include project; approval of total project cost; and appropriation of funds

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents amend the current Capital Improvement Program (CIP) to include the Classroom Upgrades project at The University of Texas at San Antonio; approve a total project cost of \$20,000,000 to be funded with Designated Funds and Grants; and approve the appropriation of funds as may be required.

BACKGROUND INFORMATION

Previous Action

On June 30, 2021, the Chancellor approved this project for Definition Phase.

Project Description

The proposed project will update multiple classrooms in 14 buildings with new technology, heating, ventilation, and air conditioning (HVAC) systems, lighting, furniture, flooring, and paint. HVAC infrastructure is needed in older classrooms to provide adequate air changes to help address and minimize airborne infection. These renovations are associated with significant changes to the delivery of instruction due to the coronavirus. The pandemic has created a fundamental shift in the need for flexible instruction and innovative use of technology in the classroom.

UTSA currently has 131 buildings on four campuses. Most classrooms have not been updated to current technology, furniture, and finishes since they were built. This project will support student academic success, enhance student life, improve retention and graduation rates, and increase enrollment. Enrollment is forecasted to grow from 32,792 students in 2018 to 45,000, in 2028.

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. Pursuant to a Memorandum of Understanding effective September 1, 2019, U. T. San Antonio has delegated authority of institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas at San Antonio
Classroom Upgrades**

Project Information

Project Number	401-1354
CIP Project Type	Repair and Rehabilitation
Facility Type	Classroom, General
Management Type	Institutional Management
Institution's Project Advocates	Veronica Mendez, Chief Financial Officer and Senior Vice President for Business Affairs Kimberly Espy, Provost and Senior Vice President for Academic Affairs
Project Delivery Method	Competitive Sealed Proposals
Gross Square Feet (GSF)	67,856

Project Funding

Designated Funds	<u>Proposed</u> \$10,000,000
Grants	<u>10,000,000</u>
Total Project Cost	\$20,000,000

Project Cost Detail

	Cost
Building Cost	\$ 5,317,905
Fixed Equipment	10,990,948
Site Development	-
Furniture and Moveable Equipment	1,252,791
Institutionally Managed Work	118,220
Architectural/Design Services	429,948
Project Management	755,865
CIP Support Services	200,000
Insurance	-
Other Professional Fees	-
Project Contingency	934,323
Other Costs	-
Total Project Cost	\$20,000,000

**The University of Texas at San Antonio
Classroom Upgrades**
(continued)

Project Planning

Definition Phase Completed	Yes
Owner's Project Requirements	Yes
Basis of Design	Yes
Schematic Design	Yes
Detailed Cost Estimate	Yes

Project Milestones

Definition Phase Approval	June 2021
Addition to CIP	August 2021
Design Development Approval	November 2021
Construction Notice to Proceed	April 2022
Substantial Completion	July 2022

3. **U. T. Health Science Center - San Antonio: Medical Office Building at Park West - Amendment of the current Capital Improvement Program to increase total project cost; approval to revise funding sources; approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the institutional president that the U. T. System Board of Regents approve the recommendation for the Medical Office Building at Park West project at The University of Texas Health Science Center at San Antonio as follows:

- a. amend the current Capital Improvement Program (CIP) to increase the total project cost from \$61,100,000 to \$65,900,000;
- b. revise funding sources to include Designated Funds;
- c. approve design development plans;
- d. appropriate funds and authorize expenditure of \$65,900,000 with funding of \$61,100,000 from Revenue Financing System (RFS) Bond Proceeds and \$4,800,000 from Designated Funds from cash reserves; 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. Health Science Center - San Antonio, 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 \$61,100,000.

BACKGROUND INFORMATION

Debt Service

The \$61,100,000 in RFS debt will be repaid from Clinical Revenues. Annual debt service on the \$61,100,000 in RFS debt is expected to be \$3.4 million. The institution's Scorecard Rating of 5.7 at fiscal year-end 2020 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt.

Previous Actions

On February 17, 2021, the Chancellor approved this project for Definition Phase. On May 6, 2021, the project was included in the CIP with a total project cost of \$61,100,000 with funding from RFS Bond Proceeds.

Project Description

Scheduled to be located in one of the fastest growing areas in San Antonio, the Medical Office Building (MOB) at Park West will serve as a community-based campus, co-locating a nearly full continuum of services for multiple conditions well positioned for value-based care. The MOB will have exam rooms, procedure rooms, and advanced imaging to support clinical providers that include primary care, orthopedics, sports medicine, radiology, ophthalmology, otolaryngology, gynecology, and gastroenterology. The facility will also include an ambulatory surgery center to meet the increasing demand in outpatient surgeries and help grow and diversify U. T. Health Science Center at San Antonio's (UTHSCSA) revenue streams.

The proposed increase in cost will support the additional scope from a 4-story, 83,000 GSF facility to a 5-story, 108,125 GSF facility with 29% shell space. The shell space is planned to allow for expansion to meet future required program and clinical needs. The project will also include surface parking for 340 spaces for patients and staff. UTHSCSA's main campus clinic is projected to reach capacity in the next five years. San Antonio is experiencing significant growth in population, mainly to the suburbs where patients are searching for convenient access to low-acuity and intermediate care.

Medical equipment will be procured outside of this project at an estimated cost of \$10,500,000.

Pursuant to a Memorandum of Understanding effective July 1, 2019, U. T. Health Science Center - San Antonio has delegated authority of institutional management of construction projects under the continued oversight of the Office of Capital Projects.

**The University of Texas Health Science Center at San Antonio
Medical Office Building at Park West**

Project Information

Project Number	402-1345
CIP Project Type	New Construction
Facility Type	Healthcare Facility, Clinic
Management Type	Institutional Management
Institution's Project Advocate	James D. Kazen, Executive Vice President Facility Planning and Operations
Project Delivery Method	Construction Manager-at-Risk
Gross Square Feet (GSF)	108,125 GSF
Shell Space (GSF)	31,000 GSF

Project Funding

	<u>Current</u>	<u>Proposed</u>
Revenue Financing System Bond Proceeds ¹	\$61,100,000	\$61,100,000
Designated Funds	<u>0</u>	<u>4,800,000</u>
Total Project Cost	\$61,100,000	\$65,900,000

¹RFS to be repaid by Clinical Revenues

Project Cost Detail

Building Cost	\$46,235,444
Fixed Equipment	110,000
Site Development	4,069,743
Furniture and Moveable Equipment	1,750,000
Institutionally Managed Work	1,833,000
Architectural/Design Services	4,250,000
Project Management Fees	1,977,000
CIP Support Fee	500,000
Insurance	1,125,000
Other Professional Fees	165,000
Project Contingency	2,409,000
Other Costs	<u>1,475,813</u>
Total Project Cost	\$65,900,000

Building Cost per GSF Benchmarks (escalated to midpoint of construction)

Medical Office Building at Park West (with 29% Shell Space)	\$428
Medical Office Building at Park West (Estimated Total Finish-Out)	\$490
Texas Higher Education Coordinating Board Average for Healthcare Facility, Clinic	\$624

	Low Quartile	Median	High Quartile
Other U. T. System Projects	\$331	\$420	\$486
Other National Projects	\$329	\$404	\$708

**The University of Texas Health Science Center at San Antonio
Medical Office Building at Park West**

(continued)

Investment Metric

- Realize 300 daily patient visits by 2025
- Realize 4,000 ambulatory surgery center cases by 2025

Project Planning

Definition Phase Completed	Yes
Owner's Project Requirements	Yes
Basis of Design	Yes
Schematic Design	Yes
Detailed Cost Estimate	Yes

Project Milestones

Definition Phase Approval	February 2021
Addition to CIP	May 2021
Design Development Approval	August 2021
Construction Notice to Proceed	November 2021
Substantial Completion	October 2023

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 30 years
- Building Systems: 25 years
- Interior Construction: 20 years