

General Fund Capital Outlay Plan for 2026-2032

JOINT FINANCE AND RESOURCE MANAGEMENT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE

February 20, 2025

Background:

The university prepares an updated Six-Year Capital Outlay Plan (Plan) every two years as part of its normal financial planning processes. The Plan is a critical component of positioning the university for state support of Educational and General capital projects and for advancing high priority projects that may be funded partially with nongeneral fund resources.

The state requires each institution's Board of Visitors to approve the Plan prior to submitting requests through the state capital budget process. Virginia Tech's delegated authority as a Tier III institution under the Higher Education Restructuring Act further requires the university, with Board of Visitor approval, to develop and maintain a capital plan that defines its capital needs.

The university sets a six-year planning period, identifying two lists of projects: i) a list of General Fund projects for submission in the state budget process and ii) a list of projects the university anticipates funding entirely through nongeneral funds. The plan for projects funded entirely with nongeneral fund resources is still under development and will be presented to the Board of Visitors at a later date.

The Plan is updated biennially to coincide with the state's capital budget process. Typically, the state releases instructions for capital budget submissions in the summer of odd-numbered years. Based on that timetable, the university should be prepared to submit a plan to the state in June of 2025. At this time, the state has not yet provided instructions or specific guidance for the development of those requests.

The prioritized rankings of General Fund projects for both the University Division and the Cooperative Extension/Agricultural Experiment Station (CE/AES) are shown in Attachment A and a brief description of each project is shown in Appendix 1.

Approval of the Plan by the Board of Visitors does not approve funding or action for any of the projects listed in the Plan. The Board of Visitors must approve separately requests to initiate design and construction for a project listed on the Plan. To the extent the university determines that issuing debt is necessary to support the cash flow requirements of a capital project, the Board of Visitors must also approve the debt issuance.

Process to Identify and Select Projects for the Plan:

In preparation for the 2026-2032 Plan update, the university engaged with its deans and vice presidents to identify a comprehensive list of space and facility needs for the planning period and to select the highest priority items for funding.

The process identified 148 needs, which included nine duplicate requests, and are shown in Appendix 2 by senior management area with their priority ranking. The 139 unique needs were then filtered and grouped into the six subsets listed below. A description of the filtering process for the subsets is shown in Appendix 3.

Subsets:

1. Projects that do not meet the capital project threshold (i.e., expenditures of at least \$3 million and/or at least 5,000 square feet) that may be addressed as operating projects (20 items);
2. Projects logistically beyond the six-year planning period that will be held until their precursors are underway (13 items);
3. Projects that must be referred for further planning to better define the program and/or funding plan (61 items);
4. Agency 208 projects that are “actionable,” meaning they can be executed in the six-year time horizon and have funding plans sufficient to meet the anticipated needs of the project, (38 items); and
5. Agency 229 projects that are actionable (5 items).
6. VT Foundation projects that are actionable (2 items).

The lists of 45 actionable projects for Agency 208, Agency 229 and VT Foundation are then grouped by those that meet state qualifications for General Fund support and those that must be funded entirely with nongeneral funds or for which the university has developed an entirely nongeneral fund plan.

Strategic Priorities for the Planning Period:

The university established four strategic priorities to guide the needs identification for the planning period. The priorities include:

- Global Distinction
- Facility Asset Management and Renewal,
- Student Experience and Success, and
- Alignment with state capital funding priorities.

Planning Constraints:

Estimated financial resources for any planning period are finite and constrain the size of a plan and the likely pace of progress to implement projects on the plan. The five key financial constraints for the planning period are described below:

1. General Fund for Agency 208:

The level of the state capital funding program ebbs and flows over time, with large bond programs over the past five years that advanced multiple projects at Virginia Tech. The availability of state funding depends on the priorities of the Governor and General Assembly, the Commonwealth's financial position, and the backlog of capital projects previously funded. Based on internal analyses of the state's historical investments in capital outlay, Virginia Tech could expect to position for approximately \$350 million of capital appropriations during the six-year planning period.

2. General Fund for Agency 229:

The state funding program for agency 229 is expected to generally follow the same pattern as agency 208 but at a smaller scale with an optimistic positioning for approximately \$75 million during the planning period.

3. Nongeneral Fund Cash for Projects:

Educational and General operating dollars, including General Fund appropriations and tuition, are not used to support capital outlays.

Nongeneral fund revenues for capital outlays include auxiliary enterprise rates for residential and dining, auxiliary enterprise sales and services, comprehensive fees, overhead generated from indirect cost recoveries from grants and contracts, and private gifts.

In general, the scale of these revenue sources is efficient relative to the costs they are designated to support; thus, the university does not generally accumulate large cash reserves that may be used to support capital projects.

The cash that does accumulate is normally the result of cash flows that are positioned to service debt. To the extent these stores are available, the university uses them as a source in a capital project budget to reduce the amount of debt that would otherwise be required.

The exception is private gifts designated for capital outlays. The university strives for private gift payments to be structured over a five-year payment schedule which is a very close alignment to the cash outflows of a capital project; thus, any amount of debt required to carry pledge payments should be minimal.

4. Nongeneral Fund Revenues for Debt Service:

The nongeneral fund sources described in item 3 above may also be used to support debt service.

The use of the university's debt capacity for a project is first determined by the strength of revenues to support debt service obligations. The university's budget and planning processes include extensive due diligence and business planning work to ensure a high

level of confidence that future revenues will be available and sufficient to service and retire any planned debt issuances, including long term leases.

Conversely, without the assurance that a revenue source will be available and sufficient for the entire repayment term of an issuance, debt is not allocated to a project.

5. Debt Financing:

Projects with nongeneral fund support, including portions of some gift campaigns, may use external debt to finance a portion of the project. Each potential debt financing undergoes an internal financial feasibility assessment to ensure resources are sufficient to cover the full debt service term without unnecessary financial risk to the unit's operations.

The positioning of debt is further analyzed to ensure the university does not exceed the parameters of the university debt policy or debt management practices, which sets a maximum limit of a six percent ratio of total annual debt service to total operating expenses. This evaluation is projected six-years out and includes anticipated issuances for projects in the Plan.

The Board of Visitors reviews and approves an annual report of debt capacity and debt ratio and authorizes individual debt packages prior to an issuance. These practices provide an important set of controls to ensure the institution's debt obligations do not become a point of inflexibility in reaching the operational goals of the institution, to ensure the university is holding sufficient debt capacity for its highest priorities, and to ensure compliance with restructuring requirements for credit ratings and debt ratios.

A projection of the timing and amount of expected debt issuances is shown in Appendix 4. The appendix shows the planned debt issuances would remain within the six percent debt ratio guideline established by the Board of Visitors and would provide approximately \$319 million of unallocated capacity for unforeseen and/or unexpected opportunities that may arise during the planning period. Beyond the planning period, debt capacity returns with an estimated \$492 million of unallocated capacity by FY32, which also climbs to \$840 million of unallocated capacity by FY35.

General Fund Project List, Attachment A:

The highest priority projects requesting General Fund resources are listed under each division of Virginia Tech in their priority order, which reflects the strategic priorities of the university and state priorities as understood at this time. Notably, five of the ten projects under the university division are facilities that support programs in science, technology, engineering and biomedical sciences with the remaining projects targeted to ensuring appropriate facility renewal. The total dollar value of the list exceeds projected resources likely to be allocated to Virginia Tech during the planning period. By including a variety of high priority needs in the listing, the university ensures it has the flexibility to adapt to various state capital funding programs that may emerge over the upcoming 12 months.

The state requires that an institution's Board of Visitors review and approve projects prior to submission in the state budget process. Because the submission date to the state may occur before the June 2025 Board of Visitors meeting, the university is seeking the review and approval of the Plan at the March 2025 meeting of the Board of Visitors.

When guidance and instructions are received from the state, the university will prepare and submit its capital budget items based upon the projects included in Attachment A. If future instructions and/or guidance from the state necessitate a change in the rankings or arrangement of projects in the General Fund listing, a final list with adjustments as submitted to the state will be brought to the Board of Visitors for review and ratification at a subsequent meeting.

Nongeneral Fund Project List, Attachment B

The plan for projects funded entirely with nongeneral fund resources is still in development and will be presented to the Board of Visitors at a later date.

Project Costs:

The university uses two parametric-based cost estimating methods for each project which are then compared and reconciled to inform the cost amounts used in the Plan.

The first method is the Commonwealth's July 2024 Department of General Services (DGS) Construction Cost Database plus a 1.3 regional market premium factor with a 1.13 escalation rate to reach a July 2028 midpoint of construction. [Note: escalation rates for this planning period are aligned with historical norms of approximately 1.12 to 1.14.]

The second method is based on historical data reflecting actual project costs for similar projects escalated to a date that matches the "as of date" of the DGS cost database and then escalated to the same July 2028 midpoint of construction.

These cost estimates provide a reasonable order of magnitude for planning purposes. Actual project budgets and costs may stray from the amounts used in the plan when escalation runs at a pace significantly different from the rates used in these estimates and/or the approved project scope is modified when design is authorized to proceed.

Summary:

The university's updated General Fund Plan for the 2026-2032 period, as shown in Attachment A, provides a compliment of projects to advance the goals of i) garnering Global Distinction, ii) addressing facility asset management and renewal to ensure the continuity of ongoing programs and services, iii) strengthening the student experience and success, and iv) alignment with state capital funding priorities.

The Plan positions the university to compete for future state capital funding programs and is based on sound financial planning.

Because the university maintains an active capital program with a portfolio that is continually loading new projects and discharging completed projects, the university updates its Six-Year Capital Plan every two years.

RECOMMENDATION:

That the General Fund Capital Outlay Plan for 2026-2032, which seeks state funding support, be approved and for the university to submit the items in Attachment A in the state's capital budget process in accordance with future instructions and guidance from the state.

March 25, 2025

ATTACHMENT A - General Fund
Six-Year Capital Outlay Plan for 2026-2032
as of February 18, 2025

		Dollars in Thousands Escalated to July 2028			
University Division		General Fund	Nongeneral Fund	Debt	Total
Academic Construction and Renovation					
1	Virginia Tech Carilion School of Medicine and Fralin Biomedical Research Institute Expansion	(1) \$ 138,300	\$ -	\$ 26,200	\$ 164,500
2	Chemistry/Physics Facilities Renovation and Expansion (Hahn)	101,000	-	35,000	136,000
3	Renovate and Renew Academic Buildings Phase II (RRAB II)				
	Robeson Hall	30,525	6,475	-	37,000
	Price Hall	34,200	3,800	-	38,000
	Architecture Annex	8,000	-	-	8,000
	RRAB II Subtotal	72,725	10,275	-	83,000
4	Derring Hall Renovation	115,625	-	9,375	125,000
5	Newman Library Renovation	82,000	-	-	82,000
6	Burruss Hall Renovation	140,000	-	-	140,000
7	Classroom Renovations	25,000	-	-	25,000
Infrastructure and Safety					
1	Derring Hall Envelope Repair	(1) 23,000	-	-	23,000
2	Utilities Infrastructure Renewal Phase I	48,000	-	12,000	60,000
3	Life, Health, Safety, Code Compliance Package	8,000	-	-	8,000
	Total University Division Projects	<u>\$ 753,650</u>	<u>\$ 10,275</u>	<u>\$ 82,575</u>	<u>\$ 846,500</u>
Cooperative Extension / Agriculture Experiment Station Division (CE/AES)					
1	Agricultural Research and Extension Centers Improvements	(2) \$ 64,000	\$ -	\$ -	\$ 64,000
2	Relocate Plant-Based Facilities from Glade Road	14,000	-	-	14,000
3	Plant and Zoonotic Disease Research Facility (HABB-II)	83,000	-	-	83,000
4	Renew Animal and Livestock Facilities	31,000	-	-	31,000
5	Brooks Center: Sustainable Packaging Laboratory Addition	13,000	-	-	13,000
	Total CE/AES Division Projects	<u>\$ 205,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,000</u>
Total General Fund Capital Plan for 2026-2032		<u>\$ 958,650</u>	<u>\$ 10,275</u>	<u>\$ 82,575</u>	<u>\$ 1,051,500</u>

Notes:

(1) Project has State Planning Authorization

(2) AREC Improvements include the Eastern Shore AREC (with current State Planning Authorization), Southern Piedmont AREC and Tidewater AREC

APPENDIX 1

Project Descriptions for the 2026-2032 Capital Outlay Plan

JOINT FINANCE AND RESOURCE MANAGEMENT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE

February 19, 2025

General Fund Projects – Listed in Attachment A:

University Division: Academic Construction and Renovation

1. Virginia Tech-Carilion School of Medicine and Fralin Biomedical Research Institute Expansion

This project envisions 125,000 gross square feet (GSF) of new construction including parking, to double the enrollment of the School of Medicine, and a backfill renovation of 51,000 GSF of the vacated space to expand the Fralin Biomedical Research Institute.

2. Chemistry/Physics Facilities Renovation and Expansion (Hahn Hall South)

Hahn Hall was constructed in 1988 with an addition in 2002, and no major renovations since construction was completed. The proposed project includes renovating the entire 71,100 GSF existing building for modern research laboratory and classroom space for the chemistry program and expanding with an addition to provide needed space for instructional classrooms, laboratory space, and support space for the physics program.

3. Renovate and Renew Academic Buildings Phase II (RRAB II)

The Renovate and Renew Academic Buildings Phase II project is a package of three academic buildings with renovation needs, which includes:

- Robeson Hall: Originally constructed in 1960, the proposed project includes a 66,200 GSF renovation for academic classroom, laboratory and support spaces for the College of Science,
- Price Hall: Originally built in 1907, the project would entail a 56,000 GSF academic renovation for the College of Agriculture and Life Sciences, and
- Architecture Annex: Originally built in 1916, the project envisions a 15,800 GSF classroom and office renovation for the College of Architecture, Art, and Design.

4. Derring Hall Renovation

Derring Hall was constructed in 1969 with only one major improvement via renovation since the original construction was completed. This request is to renovate and modernize

approximately 168,000 GSF of high demand instructional space for the physical sciences programs.

5. Newman Library Renovation

Newman Library was constructed in 1955 with an addition in 1980, with no major renovations since construction was completed. This project envisions constructing a new high-density library storage facility off-campus to hold volumes that need to be retained followed by a renovation of Newman Library to address outdated and undersized restroom and plumbing facilities, electrical systems, HVAC systems, and egress points to meet student demand for modern academic collaboration and interactive learning formats. The proposed project totals 242,000 GSF and includes the storage needs.

6. Burruss Hall Renovation

The proposed project includes renovating 158,000 GSF of academic and administration space. Burruss Hall was built in 1936 with additions in 1968 and 1970, and a renovation in 2007 to convert a portion of the north elevation to academic use. This project replaces and updates the major building systems within the historic building.

7. Classroom Renovations

This project will renovate 65,000 GSF of outdated and underutilized general assignment classroom space to modernize instructional spaces to meet the existing space demand for interactive learning and uphold the quality of education.

University Division: Infrastructure and Safety

1. Derring Hall Envelope Repair

Derring Hall was built in 1969, is 208,000 GSF, has a Facility Condition Index score of 55 percent, and is the university's largest undergraduate science laboratory instruction building. This project will address the significant spalling, delamination, and cracking of the exterior concrete walls, columns, parapets, and window sealants.

2. Utilities Infrastructure Renewal Phase I

The Utilities Infrastructure Renewal Phase I project has two main components. The first component includes a chiller water utility renewal, increasing capacity for existing facilities, and connecting the chilled water plants to the central chilled water loop. The second component is thermal distribution utility renewal, replacing a large portion of the centralized thermal heating distribution system network, a fifty-year old system serving 70 percent of the main Virginia Tech campus.

3. Life, Health, Safety, Code Compliance Package

The university's health, safety, and accessibility initiative for the campus is an ongoing effort, and the university includes a request for this program in each capital plan. This

project continues progress on needed campus improvements including accessibility improvements and life safety repairs that are beyond the scope of the Maintenance Reserve program.

Cooperative Extension / Agricultural Experiment Station Division

1. Agricultural Research and Extension Centers Improvements

This project will address the top priority infrastructure and renovation needs for three Agricultural Research and Extension Center sites: Eastern Shore (39,000 GSF), Tidewater (39,800 GSF), and Southern Piedmont (26,600 GSF). This project will make improvements for the research and extension programmatic needs at these locations via a combination of renovation and expansion.

2. Relocate Plant-Based Facilities from Glade Road

This project relocates plant and agricultural-based assets from the Glade Road area to more suitable permanent location near existing College of Agriculture and Life Sciences facilities on campus. The project includes the construction of multiple new buildings of approximately 34,000 GSF and the demolition of outdated assets.

3. Plant and Zoonotic Disease Research Facility (HABB-II)

This project is to provide a 94,000 GSF modern research laboratory space that will focus on infectious disease research and will include the laboratories, laboratory support spaces, faculty offices, and graduate student research space.

4. Renew Animal and Livestock Facilities

This project includes replacing approximately 100,000 GSF of outdated facilities primarily serving beef cattle, equine, sheep, and poultry. The replacement facilities consolidate functions and operational efficiencies.

5. Brooks Center: Sustainable Packaging Laboratory Addition

This project includes construction of a 17,000 GSF addition laboratory to the Brooks Forest Products Center, including fiber-based packaging materials and distribution packaging laboratories, offices and a loading dock. The laboratory will be equipped with cutting-edge technology to test and validate the performance of innovative sustainable packaging materials, accelerating their adoption to tackle pressing industry challenges.

APPENDIX 2

Project Needs

Proposals from Deans and Vice Presidents

2026-2032 Six-Year Capital Outlay Plan Update

December 9, 2024

The project proposals are listed by Academic, Support areas and Staff Initiated categories, containing the priority order of the specific Senior Management Area.

Academic

AP Arts

- 1 Music and Arts Building
- 2 Renovations: Armory, Media Annex, and Architecture Annex facilities
- 3 Special Collections and Cultural Center
- 4 College of Architecture, Arts and Design Building
- 5 Marching Virginian's Expansion

Architecture, Art and Design

- 1 New Music and Performing Arts Building
- 2 College of Architecture, Arts, and Design Building
- 3 Renovate Architecture Annex
- 4 Marching Virginians Facility Expansion
- 5 Renovate Armory
- 6 Road and Pedestrian Network out to Plantation Road
- 1-NC Plantation Road Research and Scholarship Buildings
- 2-NC Renovate Squires Performance Spaces

College of Agriculture and Life Sciences

- 1 Hutcheson and Smyth Hall Renovations
- 2 Saunders and Seitz Hall Renovation
- 3 Litton-Reaves Vivarium Refurbishment
- 229 - 1 System-wide AREC Improvements
- 229 - 2 Plant and Zoonotic Disease Research Facility - HABB II
- 229 - 3 Glade Road Research Center Replacement
- 229 - 4 Renew Animal Production and Livestock Facilities II
- 229 - 5 System-wide AREC Improvements

College of Engineering

- 1 Replace Randolph / Mitchell
- 2 Electrical and Computer Engineering Expansion Building

- 3 Transdisciplinary Biomedical Research Building
- 4 Patton Hall Renovation
- 5 Large Projects Building
- 6 Expand student-team project space for Engineering
- 7 Water Laboratory Facility
- 8 Relocate Turbo Lab and APPL
- 9 Blacksburg Component to Hitt Research Building in Falls Church
- 10 Norris Hall Renovation
- 11 Shared Support Research Facilities (i.e., Renovate Robeson Hall)

College of Liberal Arts and Human Sciences

- 1 Life Span and Family Services Research Center
- 2 School of Education Facility
- 3 Renovate Lane Hall (ADA Compliance)
- 4 Renovate Wallace Hall
- 5 Consolidate off-campus leases for TTAC and School of Education

College of Natural Resources and Environment

- 1 Cheatham Hall Renovation and Expansion
- 2 Paver Patio outside of Cheatham Hall
- 229 - 1 Brooks Center Renovation and Expansion

College of Science

- 1 Hahn Hall South Renovation and Expansion
- 2 Robeson Hall Renovation
- 3 Derring Hall Renovation
- 4 Instruction Swing Space for Robeson, Hahn, Derring renovations

College of Veterinary Medicine

- 1 Veterinary Teaching Hospital Expansion
- 2 Additional instructional space for Public Health Program
- 3 Space to grow One Health Research Program

Graduate School

- 1 Blacksburg: Graduate & professional student and family housing
NCR: Graduate & professional student and family housing
Roanoke: Graduate & professional student and family housing
- 2 Affordable childcare space on or adjacent to campus
NCR: Large Auditorium / Multipurpose Spaces

Health Sciences and Technology

- 1 VTC-School of Medicine and Fralin Biomedical Research Institute Expansion
- 2 Purchase of CNH CNRIC Phase one building
- 3 Upfit/Complete Phase II of Children's National Partnership
- 4 FBRI Cancer Research Facility
- 5 Expand the HS&T Campus: New program - Climate Health Sciences
- 6 Expand the HS&T Campus: New program - Pharmaceutical Sciences

Honors College

- 1 New Honors College Building / Expansion

Innovation Campus

- 1 Upfit ICAB I Floors 6 and 7
- 2 Innovation Campus: Innovation Building Lease
- 3 Regional central administrative services hub
- 4 VTRC-A Reconfiguration to advance NSI thematic alignment
- 5 Innovation Campus Academic Building II
- 6 Innovation Campus Academic Building III

Libraries

- 1 Library Storage Facility Expansion
- 2 Newman Library Renovation

Pamplin College of Business

- 1 New Business Building
- 2 Expand Scope and Grow within the Innovation Campus

Provost

- 1 General Assignment Classroom Renovations
- 2 Support of SLV, Vivarium, Nanofabrication, SOPA
- 3 Space for Transdisciplinary Engagement
- 4 Pamplin Hall Backfill Renovation

School of Medicine

- 1 VTC-School of Medicine and Fralin Biomedical Research Institute Expansion

Support

Advancement

- 1 Advocate for University Priorities

Athletics

- 1 Beamer Lawson Indoor Practice Facility Heating
- 2 Lane Stadium and Cassell Coliseum Scoreboards
- 3 Cassell Coliseum Renovation and Enhancements
- 4 Driving Range and other golf practice holes
- 5 Tennis Center Improvements
- 6 Softball Park Improvements
- 7 Soccer/Lacrosse Improvements

Auxiliary and Business Services

- 1 Parking Garage
- 2 Mail Services Facility

- 3 Inn at VT Renovations
- 4 VTSI Integration (Bookstore Renovation)
- 5 Support of ADA/Accessibility Projects

Diversity, Inclusion and Strategic Affairs

- 1 Cultural Community Focus Centers

Equity and Inclusion

- 1 Infinite Loop + Green Links
- 2 Auditorium Accessibility Renovation Package
- 3 Campus Infrastructure Accessibility Projects*
Auxiliary Accessibility Projects*
E&G Accessibility Projects*

Facilities

- 1 Fire and Life Safety Systems
- 2 Accessibility Improvements (with CAWG)
- 3 Burruss Hall Renovation (Phase I)
- 4 Burruss Hall Renovation (Phase II)
- 5 Sterrett Center Feasibility Study
- 6 North Chiller Plant Renewal
- 7 Thermal Infrastructure Distribution Renewal (Phase I)
- 8 Chilled Water Plant Renewal (Phase III)
- 9 Electric Bulk Feeder Renewal (West Campus Load)
- 10 New Thermal Utility Plant
- 11 Critical Utilities Renewal and Existing Plant Upgrades
- 12 Heritage Protection and Preservation feasibility study package
- 13 Solitude Preservation and Renewal

Finance

- 1 IT ERP Project

Foundation

- 1 U-Mall / Glade Rd Redevelopment
- 2 CRC Expansion

Information Technology

- 1 SLV Living Learning District Core Extension for IT
- 2 Owens Cabling Center Relocation for IT
- 3 Statewide Networking at each campus for IT
- 4 Blacksburg Campus Infrastructure Expansion for IT

Outreach and International Affairs

- 1 Replacement Space for International Affairs Offices
- 2 Relocate VP-OIA Office back to campus
- 3 Consolidated Global Facility

Public Safety

- 1 Rescue Squad Building
- 2 Security Cameras
- 3 Campus Buildings - Perimeter Access Control
- 4 Materials Management Facility Expansion
- 5 Police Training Facility
- 6 Landfill Closure Compliance
- 7 Message Board (VT Alerts) Replacement
- 8 Support of ADA/Accessibility Projects

Research and Innovation

- 1 Expand Vivarium Spaces
- 2 Comprehensive Nanofabrication Facility
- 3 Expansion of National Security Facilities
- 4 Wet Lab Expansion Building
- 5 ICTAS MAAP Drone Facility

Student Affairs

- 1 Food Processing Center and Warehouse
- 2 Student Life Village Phase 1
- 3 Student Life Village - Phase 2
- 4 Renovate Pritchard Hall
- 5 Student Life Village - Phase 3
- 6 Renovate Hoge Hall
- 7 Drillfield Residence Hall Renovations (Campbell and Eggleston)

Staff Initiated

Staff

Campus Mobility
Collapsing the temporary recreation facility, e.g., 'Big White Tent'
Lane Hall Renovation
Price Hall Renovation
Property Acquisitions
Renovate G. Burke Johnston Student Center
Renovate Media Building
Transdisciplinary Research Warehouse
Derring Hall Envelope
Renovate and Renew Academic Buildings Phase II
Campus Services: Mail, Surplus, and Storage
Renovate Henderson Hall

* Note: Multiple Accessibility Projects identified under these broader categories

APPENDIX 3

Capital Needs Filtering Process 2026-2032 Capital Outlay Plan Update February 19, 2025

A critical task of the Six-Year Plan update cycle is categorizing the collected capital needs and organizing them based on predetermined qualifiers. The 139 unique capital needs are classified into one of five subcategories based on the definitions below.

1. **Non-capital items:** This category is for facility and space needs with a scope less than \$3 million and/or 5,000 gross square feet. The solution may be implemented through normal operating processes with university departments such as Procurement, Facility Operations, or Real Estate Management. This category contains 20 projects.
2. **Projects Logistically Beyond Six Years:** This category is for capital needs that require prerequisite projects to be completed before advancing or for needs that are too far down the senior management area's priority list to be considered actionable during the Six-Year capital planning period. This category contains 13 projects.
3. **Projects Referred for Further Internal Planning:** This category is composed of capital needs that have not satisfied the nine qualifiers established to determine if a project can be considered actionable as a capital outlay activity. This category holds 61 projects. The qualifiers for this category include the following:
 - i. Program space chart completed in assignable square feet and gross square feet;
 - ii. Space solution identified: renovation, demolition and replacement, or new space;
 - iii. Location and site identified;
 - iv. Acquisition method identified: lease, purchase, PPEA, CM@Risk, Design-Build, Hard Bid;
 - v. Parametric cost estimate calculated for rough order of magnitude;
 - vi. Operating pro forma completed for auxiliary enterprise and research projects;
 - vii. Funding plan for the entire project costs;
 - viii. If external debt is part of the funding plan, sources committed for the entire debt service period; and
 - ix. Private fund component approved by central Office of Advancement.
4. **Agency 208 Projects Actionable Within Six Years:** This category is for Agency 208 capital needs that have satisfied the preceding qualifiers to be considered actionable during the planning period. This category contains 38 projects.
5. **Agency 229 Projects Actionable Within Six Years:** This category is for Agency 229 capital needs that have satisfied the preceding qualifiers to be considered actionable during the planning period. This category contains 5 projects.
6. **Virginia Tech Foundation Actionable Within Six Years:** This category is for VT Foundation needs that are considered actionable during the planning period. This category contains 2 projects.

**Illustration of Debt Allocations Within a Six Percent Ratio
FINANCE AND RESOURCE MANAGEMENT COMMITTEE
As of October 22, 2024
(Dollars in Thousands)**

	Planning Projections						Trailing Period					Total
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	
Authorized Projects												
<u>Debt Issuances</u>												
Building Envelope Repairs		\$15,250	\$15,250									\$30,500
<u>BOV Approved Leases</u>												
Children's National Lease Expansion, Phase II (Lease)						\$11,300						11,300
Children's National Lease Expansion, Phase II (Upfits)						8,700						8,700
	-	15,250	15,250	-	-	20,000	-	-	-	-	-	50,500
Placeholder Allocations for Six-Year Capital Outlay Plan												
<u>Debt Issuances</u>												
Pamplin College of Business		\$52,700										52,700
SLV Phase I - Utilities and Infrastructure		50,000										50,000
Rescue Squad			\$11,500									11,500
SLV Phase I - Recreation			10,000									10,000
SLV Phase I - Dining			40,000									40,000
SLV Phase I - Residential			115,000	\$115,000								230,000
Veterinary Teaching Hospital Expansion				20,000								20,000
Parking Structure at Blacksburg Campus				26,300								26,300
VTC-School of Medicine & FBRI Expansion				30,000								30,000
Hahn Hall South Renovation and Expansion					\$40,900							40,900
G. Burke Johnston Renovation						\$5,000						5,000
<u>BOV Approved Leases</u>												
Food Processing Center and Warehouse		15,000										15,000
Expand Vivarium Spaces		45,000										45,000
Replace Kmart Lease					11,000							11,000
	-	162,700	176,500	191,300	51,900	5,000	-	-	-	-	-	587,400
Total Authorized and Placeholder Issuances	\$ -	\$177,950	\$191,750	\$191,300	\$51,900	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$637,900
Net Debt Capacity (20-Year Present Value)	\$417,490	\$366,528	\$335,667	\$293,324	\$256,570	\$319,404	\$385,388	\$491,947	\$643,798	\$745,914	\$839,727	