

**Capital Project for Constructing the College of Veterinary Medicine  
Instruction Addition**

**JOINT BUILDINGS AND GROUNDS COMMITTEE  
AND FINANCE AND AUDIT COMMITTEE**

**May 3, 2011**

In March 2010, the Board of Visitors authorized a capital planning project for a Veterinary Medicine Instruction Addition project to address long standing deficiencies in the existing classrooms and faculty offices and to support planned enrollment growth.

The design is nearing the end of working drawings and the project will be ready to enter the construction phase this summer. The designed solution addresses the key instructional needs of the college with an approximately 24,000 gross square foot addition on the north-east side of the building. The design was reviewed and approved by the Buildings and Grounds Committee at its November 8, 2010 meeting, and the total project costs are within the not-to-exceed \$14 million budget, which is based on a resource plan developed by the college and the university. The funding plan calls for debt that will be serviced by nongeneral fund student fee revenues generated by the college. The actual debt amount may be adjusted downward for any revenues accumulated prior to the issuance of permanent debt.

Under the 2006 Management Agreement between the Commonwealth of Virginia and the university, the Board of Visitors has the authority to approve the budget, size, scope, and funding of nongeneral fund capital outlay projects. This request is for an authorization to move forward with construction of the Veterinary Medicine Instruction Addition project with a not-to-exceed total project budget of \$14 million.

## **RESOLUTION ON CAPITAL PROJECT FOR CONSTRUCTING THE COLLEGE OF VETERINARY MEDICINE INSTRUCTION ADDITION**

**WHEREAS**, the College of Veterinary Medicine enrolls approximately 360 Doctor of Veterinary Medicine and 100 graduate students, employs 95 faculty, is a leading biomedical and clinical research center, and provides professional continuing education services for veterinarians practicing throughout the two states; and,

**WHEREAS**, the existing classroom and office space in the College of Veterinary Medicine, constructed over twenty-five years ago, is no longer capable of meeting the needs and demands of the school's expanding modern clinically-based instruction program; and,

**WHEREAS**, the college and university have worked together on a funding plan that includes debt to be serviced by nongeneral fund revenues to support a \$14 million project budget; and,

**WHEREAS**, the university has completed a design solution that meets the needs of the college with a total cost within the not-to-exceed \$14 million budget; and,

**WHEREAS**, under the 2006 Management Agreement between the Commonwealth of Virginia and the university, the university has the authority to issue bonds, notes or other obligations that do not constitute state tax supported debt; and,

**WHEREAS**, the Finance and Audit Committee will further review and approve a financing resolution prior to securing permanent financing for the debt component of the project plus amounts needed to fund issuance costs, reserve funds, and other financing expenses; and,

**WHEREAS**, under the 2006 Management Agreement between the Commonwealth of Virginia and the university, the Board of Visitors has authority to approve the budget, size, scope, debt issuance, and overall funding of nongeneral funded major capital outlay projects; and,

**WHEREAS**, the university may address minor cost variances provided sufficient funds are available to support the full project costs;

**NOW THEREFORE BE IT RESOLVED**, that the university be authorized to move forward with the Veterinary Medicine Instruction Addition project with a not-to-exceed total project budget of \$14 million and to secure temporary short-term financing through any borrowing mechanism that prior to such borrowing has been approved by the Board, as applicable, in an aggregate principal amount not to exceed the \$14 million project authorization, plus related issuance costs and financing expenses.

### **RECOMMENDATION:**

That the resolution authorizing Virginia Tech to construct the Veterinary Medicine Instruction Addition be approved.

June 6, 2011