

## **Capital Project for ACC Network Studio**

### **JOINT FINANCE AND RESOURCE MANAGEMENT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE**

**February 8, 2018**

The university's Six-Year Capital Outlay Plan approved by the Board of Visitors at its September 11, 2017 meeting includes a project for an ACC Broadcast Studio expansion. As a member of the Atlantic Coast Conference, Virginia Tech will participate in the new ACC Network channel to be launched in 2019. Improved and expanded broadcasting facilities are needed to meet required telecasts of games on the new channel.

The scope of work to establish the necessary broadcasting facilities include interior renovations to an existing control room, constructing two new control rooms, two new studios, installing new fiber and internet cabling in the facility, installing a new archive and edit system, upgrading the HVAC system to handle the cooling and heating requirements, installing new fiber optic channels and duct banks to connect the studio to sports venues outside the stadium and to the campus fiber optic system, and broadcasting equipment.

To meet the schedule expectations of the ACC network for a Fall 2019 launch, the Athletics program desires to start the renovations in Spring 2018, complete the project by early Spring 2019, and operate the studios for several months prior to network broadcasting. The estimated project cost inclusive of design, construction, infrastructure improvements, and equipment is \$10 million. Because the project includes distinct infrastructure, interior renovations, and specialty equipment integration, the project will be procured and implemented in multiple contracts and multiple phases. As with all self-supporting projects, the university has developed a financing plan to provide assurance regarding the financial feasibility of the project. This plan calls for the use of short term debt which will be repaid by Athletics auxiliary revenue received from the ACC Network.

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, debt issuance, and overall funding of nongeneral fund capital outlay projects. This request is for authorization to proceed with the design, construction, and infrastructure improvements for a \$10 million ACC Network Studio project.

## **RESOLUTION OF A CAPITAL PROJECT FOR ACC NETWORK STUDIO**

**WHEREAS**, Virginia Tech will participate in the new ACC Network channel to be launched in fall 2019; and,

**WHEREAS**, improved and expanded broadcasting facilities are needed to meet required telecasts of games on the new channel; and,

**WHEREAS**, The scope of work to establish the necessary facilities include interior renovations to an existing control room, constructing two new control rooms, two new studios, installing new fiber and internet cabling in the facility, installing a new archive and edit system, upgrading the HVAC system, installing new exterior fiber optic channels and duct banks to connect the studio to sports venues outside the stadium and to the campus fiber optic system, and broadcasting equipment; and,

**WHEREAS**, the work will be implemented as an umbrella project with multiple contracts and phases; and,

**WHEREAS**, the university has developed a 100 percent nongeneral fund resource plan sufficient for the total project costs of \$10 million; 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 university will secure temporary short-term financing for the project that will be repaid by Athletics auxiliary revenue received from the ACC Network; 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.

**NOW, THEREFORE BE IT RESOLVED**, that the university be authorized to move forward with a \$10 million authorization for the ACC Network Studio project 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 \$10 million authorization, plus related issuance costs and financing expenses.

### **RECOMMENDATION:**

That the above resolution authorizing Virginia Tech to complete the ACC Network Studio be approved.

March 26, 2018