

Capital Project for Planning the Slusher Hall Replacement

JOINT FINANCE AND RESOURCE MANAGEMENT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE

April 24, 2018

The overall instructional mission of Virginia Tech is the “education of the whole person” which recognizes that a significant and important part of student education happens outside of the classroom. Slusher Hall was built in 1972 and is approximately 125,860 gross square feet with housing capacity for about 630 students. The facility has received few improvements since its original construction, does not meet student expectations, carries a significant deferred maintenance backlog, and requires frequent repairs that interrupt services.

Attracting high quality students in higher education is competitive, and the Housing program is often a critical factor for students because of its link to quality of life and academic support. The residential program has a long-range plan for renovations to refurbish its housing stock. Replacing Slusher Hall is the next facility on this plan, and is part of the program for the Residential Renovations of 1000 beds by 2024 included on the university’s 2018-2024 Capital Outlay Plan approved by the Board of Visitors on September 17, 2017.

The university has determined, because of Slusher Hall’s condition, that the facility should be replaced rather than renovated. To support strategic enrollment growth goals, the university has developed a strategy to ensure maximum bed counts as soon as possible. Under this strategy, the university will first build and occupy a new residential facility neighboring the existing Slusher Hall, then demolish and remove Slusher Hall, and, then build a second building on the site. The total bed count of the new facilities will equal or exceed the existing 630 beds with the intention to maximize the number of beds to the extent practical. The actual size and occupancy of each component will be determined as part of planning activities.

At this time, the university is requesting a \$3.5 million planning authorization to prepare design documents through the preliminary design phase. As with all self-supporting projects, the university has developed a financing plan to provide assurance regarding the financial feasibility of this planning project. This funding plan calls for the temporary use of internal cash resources from the Residential Program reserves. This use will be a temporary loan that may be reimbursed as part of a permanent financing package at such time as the entire project moves forward.

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 a \$3.5 million planning authorization to complete preliminary design documents for the Slusher Hall Replacement project. A subsequent request for full project funding may be submitted after designs are underway and a firm scope, cost, funding, and schedule for the entire project are determined.

RESOLUTION OF A CAPITAL PROJECT FOR PLANNING THE SLUSHER HALL REPLACEMENT

WHEREAS, Slusher Hall was built in 1972 with a scope of about 125,860 gross square feet and housing capacity for about 630 students; and,

WHEREAS, the facility has received few improvements since its original construction, does not meet student expectations, carries a significant deferred maintenance backlog, and requires frequent repairs that interrupt services; and,

WHEREAS, the university has determined, because of Slusher Hall's condition, that the facility should be replaced rather than renovated; and,

WHEREAS, to support strategic enrollment growth goals, the university has developed a strategy to ensure maximum bed counts as soon as practical; and,

WHEREAS, the university will first build and occupy a new residential facility neighboring the existing Slusher Hall, then demolish and remove Slusher Hall, and, then build a second building on the site; and,

WHEREAS, the total bed count of the new facilities will equal or exceed the existing 630 beds with the intention to maximize the number of beds to the extent practical; and,

WHEREAS, the university is requesting a \$3.5 million planning authorization to complete preliminary design documents and to fund the planning project with 100 percent nongeneral fund resources derived from Residential Program auxiliary revenues; and,

WHEREAS, the university may submit a subsequent request for full project funding after designs are underway and a firm scope, cost, funding, and schedule for the entire project are determined; and,

WHEREAS, under the 2006 Management Agreement between the Commonwealth of Virginia and Virginia Tech, the Board of Visitors has authority to approve the budget, size, scope, 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 \$3.5 million planning authorization for the Slusher Hall replacement project.

RECOMMENDATION:

That the resolution authorizing Virginia Tech to plan the Slusher Hall replacement project be approved.

June 4, 2018