

Capital Project for the Squires Commonwealth Ballroom Improvements

JOINT FINANCE AND RESOURCE MANAGEMENT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE

February 12, 2018

Squires Student Center was originally built in 1937 with renovations and additions occurring in 1969 and 1991. The Commonwealth Ballroom, located on the second floor of Squires, is the largest ballroom on campus. It hosts approximately 160 events each year by student organizations and university departments including major activities such as orientation, career fairs, Gobbler Nights, and Ring Dance. No other facility on campus has the capacity to support the large scale events held in the Commonwealth Ballroom. The ballroom has reached an age and condition with deferred maintenance that requires repairs and improvements to meet the university's expectations for event hosting.

The university originally planned to address the deferred maintenance under a maintenance reserve subproject and to address certain improvements as an operating activity funded by the Provost Office. The total costs of this work was expected to be under \$2 million. Thus, the university did not include a capital project for this work on the 2018-2024 Six-Year Capital Outlay Plan. During the planning phases for the work, the project encountered unexpected and unforeseen system requirements that increased the cost beyond the \$2 million capital outlay threshold. The proposed scope of work for the Commonwealth Ballroom project includes replacing outdated and nonfunctioning lighting systems, stage systems, ceiling tiles, and air handlers. A Skyfold dividing wall will be added to the Commonwealth Ballroom to increase usage capabilities by student organizations and the campus community. Construction is anticipated to start in Fall 2018 and be complete in Spring 2019 in time for commencement.

The total project costs for the Squires Commonwealth Ballroom Improvements is \$3.246 million. As with all self-supporting projects, the university has developed a financing plan to provide assurance regarding the financial feasibility of this project. The total project funding is \$3.246 million and calls for the use of \$2.812 million of Student Engagement and Campus Life auxiliary maintenance reserve funds and \$434 thousand of nongeneral fund sources from the Provost Office for the Skyfold dividing wall. The university Master Plan envisions a replacement facility, outside of Squires Hall, for hosting large university community events. A replacement facility is expected to be several years in the future. This refurbishment and enhancement of the Commonwealth Ballroom will ensure the university has access to an appropriate venue for hosting events until a replacement facility is available.

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 \$3.246 million authorization to complete the Squires Commonwealth Ballroom Improvements project.

RESOLUTION OF A CAPITAL PROJECT FOR SQUIRES COMMONWEALTH BALLROOM IMPROVEMENTS

WHEREAS, the Commonwealth Ballroom, located on the second floor of Squires, is the largest ballroom on campus; and,

WHEREAS, the ballroom has reached an age and condition with deferred maintenance that requires repairs and improvements to meet the university's expectations for event hosting; and,

WHEREAS, originally the improvements were scheduled to be an auxiliary maintenance reserve subproject, however, unforeseen and unexpected system requirements increased the costs beyond the \$2 million capital outlay threshold; and,

WHEREAS, the proposed scope of work includes replacement of lighting systems, stage systems, ceiling tiles, air handlers, and installation of a Skyfold dividing wall; and,

WHEREAS, the university has developed a 100 percent nongeneral fund resource plan sufficient for the total project costs of \$3.246 million; 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 the Squires Commonwealth Ballroom Improvements project with a total project cost not to exceed \$3.246 million.

RECOMMENDATION:

That the resolution authorizing Virginia Tech to complete the Squires Commonwealth Ballroom Improvements project be approved.

March 26, 2018