

## **Capital Project for the New Business Building**

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

**February 20, 2025**

The Board of Visitors approved an \$8 million planning authorization in April 2022 to design a new building for the Pamplin College of Business (College) as part of the academic component of the Global Business and Analytics Complex (GBAC). This new building project has been on both the Campus Master Plan and the Six-Year Capital Outlay plan. The project completed preliminary designs in Fall 2024 and is in the working drawings design phase.

The New Business Building is envisioned as a four-story structure that will connect with the Data and Decision Sciences Building through a common area and provide expanded, modern, educational space sufficient to meet demand for the business programs. The site for the academic building is the northwest corner of campus near Prices Fork Road and West Campus Drive.

The project design for the approximately 92,300 gross square foot building is 80 percent complete, with construction expected to begin in August 2025. The university has obtained estimated construction costs based on the design documents from the Construction Manager at Risk and third-party cost estimators. Based on this information, the university estimates a total project cost of \$94 million inclusive of all hard and soft costs including design, construction, equipment and administration.

The funding plan for the \$94 million project budget calls for \$47 million of nongeneral fund resources earmarked for the project including private gifts, and \$47 million of debt that will be serviced by nongeneral fund revenues generated by the College. The actual debt amount may be adjusted downward for any revenues accumulated prior to the issuance of permanent debt.

With an established scope, schedule, delivery method, and funding plan for the cost estimate, the university is ready to move forward to complete the New Business Building project. 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 a \$86 million supplement to the existing \$8 million authorization for an adjusted \$94 million total authorization to complete the construction of the New Business Building project.

## **RESOLUTION FOR A CAPITAL PROJECT FOR THE NEW BUSINESS BUILDING**

**WHEREAS**, the Board of Visitors approved an \$8 million planning authorization for the New Business Building project in April 2022 and the project has completed preliminary design in Fall 2024 and is in the working drawings phase; and,

**WHEREAS**, the facility will house the Pamplin College of Business programs to provide expanded, modern, educational space sufficient to meet demand for the business programs; and,

**WHEREAS**, the design is for a four-story building acting as a companion structure and connected to the Data and Decision Sciences building located in the northwest corner of campus near Prices Fork Road and West Campus Drive; and,

**WHEREAS**, the design for an approximately 92,300 gross square foot is 80 percent complete with estimates that show an expected total project cost of \$94 million; and,

**WHEREAS**, the project is on pace to execute a single construction contract by August 2025; and,

**WHEREAS**, the total project budget inclusive of design, construction, equipment, and administration is \$94 million, and the university has developed an entirely nongeneral fund financing plan sufficient to support the project 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**, 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, and funding of nongeneral funded major capital outlay projects.

**NOW, THEREFORE, BE IT RESOLVED**, that the university be authorized to complete the New Business Building project for the Pamplin College of Business 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 \$94 million authorized for the total project budget, plus related issuance costs and financing expenses.

### **RECOMMENDATION:**

That the resolution authorizing Virginia Tech to complete the New Business Building be approved.

March 25, 2025