

Capital Project for Planning a New Residence Hall

JOINT FINANCE AND AUDIT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE

July 15, 2025

The Campus Master Plan as well as the 2026-2032 Nongeneral Fund Capital Outlay Plan include a New Residence Hall project, located in the northwest corner of campus near the Virginia Tech Inn and Alumni Center. The project envisions a new residential facility, targeting up to 600 modern beds which would increase residential capacity to allow for campus residential renovations to occur without significantly impacting the current residential and dining programs.

The new residence hall will allow the university to continue to sustain moderate growth over time, provide increased residential capacity as high priority residential renovation projects are completed and allow for first year students to fully immerse themselves in the Virginia Tech experience. This is consistent with the university's goal of "the holistic education of the entire person" that recognizes that a significant and important part of student education takes place outside of the classroom.

As with all self-supporting projects, the university has developed a funding plan to support this planning project. The university worked conjointly with the residential program to develop a long-range financial model to support new debt service on this project and other residential program costs within the university's six-year operating plan. This total project funding plan calls for the use of debt which may be serviced from residential program's auxiliary revenue. The target total project budget is \$100 million, and the plan is sufficient to cover this amount, including the use of internal cash resources generated by the residential auxiliary.

At this time, the university is requesting a planning authorization to prepare design documents for the project. The costs to complete planning work through the working drawing phase is \$10 million. The funding plan for this planning project calls for the use of internal cash resources derived from the residential auxiliary program revenues.

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 \$10 million planning authorization to complete working drawing documents for the New Residence Hall project. A subsequent request for construction funding may be submitted after designs are underway and a firm scope, cost, funding plan, and schedule for the entire project are determined.

RESOLUTION FOR A CAPITAL PLANNING PROJECT FOR A NEW RESIDENCE HALL

WHEREAS, the Campus Master Plan and the 2026-2032 Six-Year Capital Outlay Plan include a New Residence Hall; and,

WHEREAS, the 2018 Campus Master Plan envisioned a residential system with the flexibility to adjust capacity incrementally through a series of actions including: replacing Slusher Hall, constructing new facilities for the 21st Century Living Learning District, and the renovation and expansion of Oak Lane facilities to address residential system goals; and,

WHEREAS, subsequent to the board's November 2018 approval of the 2018 Campus Master Plan, the costs to implement these three actions proved to be prohibitive; and,

WHEREAS, the university is planning to sustain moderate undergraduate growth as well as renovate existing residential assets; and,

WHEREAS, the residential components include a residential facility targeting up to 600 total beds which would increase residential capacity to allow for campus renovations to occur without significantly impacting the current residential programs; and,

WHEREAS, the new residence hall request shall render all prior unexecuted residential planning or construction authorizations for a new building(s) null; and,

WHEREAS, the university is requesting a \$10 million planning authorization to complete working drawings and to fund the planning project with an entirely nongeneral fund resource plan including resources generated from the residential auxiliary program sufficient to support the entire project; and,

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

WHEREAS, the Finance and Resource Management 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 capital outlay projects.

NOW, THEREFORE, BE IT RESOLVED, that the university be authorized to move forward with a \$10 million planning authorization to complete designs through working drawings for the New Residence Hall project.

RECOMMENDATION:

That the resolution authorizing Virginia Tech to plan the New Residence Hall project be approved.

August 20, 2025