

## Capital Budget Request

### Supplement Renovate Dietrick Hall, First Floor and Plaza

#### Overview

Agency	Virginia Polytechnic Institute and State University (208)
Project Code	18358
Project Type	Improvements-Other
Biennium	2018-2020
Budget Round	Amended Bill
Request Origin	Previously Approved
Project Location	Roanoke Area
Facility/Campus	Other
Source of Request	Agency Request
Infrastructure Element	Dining / Food Service
Contains significant technology costs? No	
Contains significant energy costs? No	
Project will be used by other than a state or local governmental entity? No	

#### Agency Narrative

##### Agency Description

This request is to increase the nongeneral fund debt authorization for the Improvements: Renovate Dietrick First Floor and Plaza project, project number 208-18358, authorized in Chapter 2, items C-20 and C-53 of the 2018 Acts of Assembly.

The total authorized project budget is \$7 million and the budget is entirely funded by nongeneral fund resources. The existing \$7 million authorization includes \$2 million of nongeneral fund 9(d) revenue bonds and \$5 million of auxiliary enterprise operating funds.

As part of the preparations to manage hurricane Florence, the University determined a full building generator must be added to this dining facility to ensure the 9,000 students living on campus can be fed during an extended power outage.

The adjusted total project authorization needed to accommodate the building generator and cost escalations is \$10.8 million.

The revised funding plan includes \$5.8 million of nongeneral fund 9(d) revenue bonds and \$5 million of auxiliary enterprise operating funds (cash). Thus, the nongeneral fund 9(d) revenue bonds authorization needs to increase by \$3.8 million.

This request is to increase the 9(d) debt authorization to \$5.8 million from \$2.0 million, a \$3.8 million increase. This request is for authorization to issue an additional \$3.8 million of 9(d) debt through the VCBA to finance project costs. This project request is in accordance with category three, noted within the capital budget request instructions, as a funding supplement to a previously approved capital project.

##### Justification

Dietrick Hall was built and placed in service in 1970 with its most recent renovation in 2004 for major improvements to the second floor food service venues and support infrastructure. The first floor of Dietrick Hall was last renovated in 1999 and has reached an age and condition that requires improvements to meet the service expectations of the students. During the 2018 Budget session, the University reached the conclusion of schematic design and determined that the actual total project costs exceed the \$7 million for the authorized scope. The full project scope is necessary to meet the needs of the dining program and student expectations, and the University's Board approved a supplement to the project in June 2018 to keep the project schedule can remain intact for a fall 2019 substantial completion. Additionally, as part of the preparations to manage hurricane Florence, the University determined a full building generator must added to this dining facility to ensure the 9,000 students living on campus can be fed during an extended power outage.

In order to record all expenses in the state project, this request is to increase nongeneral fund 9d bond financing to \$5.8 million from \$2.0 million. The adjusted total project authorization, if approved, would be \$10.8 million including \$5.8 million of nongeneral fund 9(d) revenue bonds and \$5 million of auxiliary enterprise operating funds. The additional nongeneral fund 9d bond financing would be serviced from Dining Program auxiliary revenue and impact dining rates by approximately 0.7 percent.

The estimated fee impact for the debt issuance is shown below and is the same for Virginia and Non-Virginian domicile students.

- System Wide Board Fee Increase - \$28
- Annual System Wide Board Fee Increase - \$448,113

Authorization to finance the permanent debt issuance for the project through the VCBA 9d program will allow for more favorable financing terms, reducing the cost of capital which would benefit students. Participating in a stand-alone issuance is four times more expensive for cost of issuance than participating in the pooled bond program. The significant savings on the cost of issuance is passed on to students through lower fees. The debt service will be covered by Dining Programs auxiliary revenue.

Alternatives Considered:

The option considered but not pursued was delaying the project or not including a generator. Delaying the project is not a viable option because expand dining services is needed during peak meal times to meet student demand. New construction cannot provide the need dining capacity as quickly as a renovation project.

Alternatives Considered

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Costing Methodology

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**Agency Funding Request**

Phase	Year	Fund	Subject	Requested Amount
Supplemental Funding	2019	08150 - 9(D) Rev Bonds-Construction	2322 - Construction, Buildings	\$3,800,000
Total				\$3,800,000

**Project Costs**

Cost Type	Requested Funding	DGS Rec
Acquisition Cost	\$0	
Building & Built-in Equipment	\$3,800,000	
Sitework & Utility Construction	\$0	
<b>Construction Cost Total</b>	<b>\$3,800,000</b>	
<b>DESIGN &amp; RELATED SERVICE ITEMS</b>		
A/E Basic Services	\$0	
A/E Reimbursables	\$0	
Specialty Consultants (Food Service, Acoustics, etc.)	\$0	
CM Design Phase Services	\$0	
Subsurface Investigations (Geotech, Soil Borings)	\$0	
Land Survey	\$0	
Archeological Survey	\$0	
Hazmat Survey & Design	\$0	
Value Engineering Services	\$0	
Cost Estimating Services	\$0	
Other Design & Related Services	\$0	
<b>Design &amp; Related Services Total</b>	<b>\$0</b>	
<b>INSPECTION &amp; TESTING SERVICE ITEMS</b>		
Project Inspection Services (inhouse or consultant)	\$0	
Project Testing Services (conc., steel, roofing, etc.)	\$0	
<b>Inspection &amp; Testing Services Total</b>	<b>\$0</b>	
<b>PROJECT MANAGEMENT &amp; OTHER COST ITEMS</b>		
Project Management (inhouse or consultant)	\$0	
Work By Owner	\$0	
BCOM Services	\$0	
Advertisements	\$0	
Printing & Reproduction	\$0	

Moving & Relocation Expenses	\$0
AV Cabling	
IT Cabling	\$0
Telephone Cabling	\$0
AV Equipment	\$0
IT Equipment	\$0
Telephone Equipment	\$0
Signage	\$0
Demolition	\$0
Hazardous Material Abatement	\$0
Utility Connection Fees	\$0
Utility Relocations	\$0
Commissioning	\$0
Miscellaneous Other Costs	\$0
<b>Project Management &amp; Other Costs Total</b>	<b>\$0</b>
Furnishings & Movable Equipment	\$0
Construction Contingency	\$0
<b>TOTAL PROJECT COST</b>	<b>\$3,800,000</b>

**Capacity**

Cost Type	Unit of Measure	Units	Cost Per Unit
Acquisition Cost		0	\$0
Construction Cost		0	\$0
Total Project Cost		0	\$0

**Operating and Maintenance Costs (Agency)**

Cost Type	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
GF Dollars	\$0	\$0	\$0	\$0	\$0	\$0
NGF Dollars	\$0	\$0	\$0	\$0	\$0	\$0
GF Positions	0.00	0.00	0.00	0.00	0.00	0.00
NGF Positions	0.00	0.00	0.00	0.00	0.00	0.00
GF Transfer	\$0	\$0	\$0	\$0	\$0	\$0
GF Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Layoffs	0	0	0	0	0	0

Planned start date of new O&M costs (if different than the beginning of the fiscal year):---

**Supporting Documents**

File Name	File Size	Uploaded By	Upload Date	Comment

**Workflow History**

User Name	Claimed	Submitted	Step Name	Submit Action
Jennifer Hundley	09/24/2018 02:20 PM	09/24/2018 02:20 PM	Enter Capital Budget Request	Continue Working
Jennifer Hundley	09/24/2018 02:25 PM	09/24/2018 02:27 PM	Continue Drafting	Continue Working
Jennifer Hundley	09/24/2018 03:24 PM	09/24/2018 03:32 PM	Continue Drafting	Continue Working
Rob Mann	09/27/2018 02:15 PM	09/27/2018 02:26 PM	Continue Drafting	Continue Working
Rob Mann	10/05/2018 09:01 AM	10/05/2018 09:20 AM	Continue Drafting	Submit for Agency Review
Rob Mann	10/05/2018 09:53 AM	10/05/2018 09:53 AM	Agency Review Step 1	Return for Further Data Entry

Jennifer Hundley	10/05/2018 09:55 AM	10/05/2018 09:56 AM	Continue Drafting	Continue Working
Jennifer Hundley	10/05/2018 03:45 PM	10/05/2018 04:32 PM	Continue Drafting	Continue Working
Rob Mann	10/06/2018 04:46 PM	10/06/2018 04:48 PM	Continue Drafting	Continue Working
Rob Mann	10/08/2018 04:39 PM	10/08/2018 04:40 PM	Continue Drafting	Continue Working
Rob Mann	10/08/2018 04:43 PM	10/08/2018 04:44 PM	Continue Drafting	Continue Working
Jennifer Hundley	10/08/2018 05:38 PM	10/08/2018 05:39 PM	Continue Drafting	Continue Working
Rob Mann	10/08/2018 05:50 PM	10/08/2018 05:51 PM	Continue Drafting	Continue Working
Jennifer Hundley	10/08/2018 05:53 PM	10/08/2018 06:08 PM	Continue Drafting	Continue Working
Rob Mann	10/09/2018 12:17 PM	10/09/2018 12:28 PM	Continue Drafting	Submit for Agency Review
Rob Mann	10/09/2018 04:32 PM	10/09/2018 04:33 PM	Agency Review Step 1	Ready for DPB Bulk Submit
Rob Mann	10/09/2018 04:46 PM	10/09/2018 04:46 PM	Ready for DPB Submission	Submit to DPB
Anne Smith	10/17/2018 07:42 PM	10/17/2018 07:48 PM	DPB Review	Continue Review
Anne Smith	10/23/2018 02:42 PM	10/23/2018 02:49 PM	DPB Review	Continue Review
			DPB Review	