

Capital Project for Planning a New Residence Hall
JOINT FINANCE AND RESOURCE MANAGEMENT COMMITTEE
AND BUILDINGS AND GROUNDS COMMITTEE

November 18, 2025

In August of 2025, the Board of Visitors (BOV) approved a planning authorization for a New Residence Hall with a target of 600 new beds. In response to the Rector's request to convene a group on university housing, BOV members, in partnership with university staff, have analyzed a renovation and new residential construction concept that includes the previously approved 600 new beds and explored how an additional 600 beds would impact a long-term renovation schedule to address aging inventory. That analysis demonstrated that building 1,200 total new beds, paired with a long-term residence hall renovation strategy, results in more favorable financial outlook, project management, and student experience.

The additional 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 first year students to fully immerse themselves in the Virginia Tech experience. This remains 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 this project's cost including new debt service and other residential program costs within the operating and maintenance plan.

At this time, the university is requesting a planning authorization to prepare design documents for additional residence hall facilities with a 600-bed target. This requested authorization, combined with the planning authorization approved at the August BOV meeting, will result in approximately 1,200 new beds on campus. The cost to complete planning work for the additional 600 beds through the working drawing phase is \$6 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 planning authorization up to \$6 million 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, in August of 2025, the Board of Visitors (BOV) approved a planning authorization for a New Residence Hall with a target of 600 beds; and,

WHEREAS, further analysis indicates additional new beds, paired with a long-term residence hall renovation strategy, results in more favorable financial outlook, project management, and student experience; and,

WHEREAS, the additional targeted 600 new beds, and the August BOV approved residence hall, will increase residential capacity by 1,200 total new beds, allowing for campus renovations to occur without significantly impacting the current residential programs; and,

WHEREAS, the university is requesting a planning authorization of up to \$6 million 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 planning authorization up to \$6 million 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.

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