

**Capital Planning Project for the Dining Services Center****JOINT FINANCE AND RESOURCE MANAGEMENT COMMITTEE  
AND BUILDINGS AND GROUNDS COMMITTEE****October 9, 2025**

The Dining Services Center is on the current 2026-2032 Six-Year Capital Plan and is seen as a strategic priority for the university. The project holds demonstrable value for the university as enrollment of the largest consumer group of the on-campus dining program, undergraduate students, has grown over 60 percent in the time since the existing Dining Services facility at the Southgate Center was built in 1987. Its only significant renovation was an addition completed in 2002. In this timeframe, Dining Services opened many multi-venue dining halls on-campus including Turner Place, Owens Food Court, West End Market, and Perry Place within Hitt Hall.

The Southgate Center provides service to 14 different dining halls and the current total meal transactions per academic year are over 6.8 million. The current food production capabilities at Southgate are already lower than recommended for the student body population, presenting a stressor to the on-campus dining system.

The project is envisioned as an approximately 60,000 gross square foot single-story, high bay facility located on university owned property on Research Center Drive, near the Virginia Tech Montgomery Executive Airport. The project scope envisions shifting all food production and preparation to a modern, fully equipped, commercial food preparation facility with both cold and dry storage capacity.

As with all self-supporting projects, the university has developed a funding plan to support this planning project. The university worked conjointly with the dining program to develop a long-range financial model to support debt service as well as the ongoing operating costs for this facility.

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 \$4.4 million. The funding plan for this planning project calls for the use of internal cash resources derived from the dining 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, and funding of nongeneral fund capital outlay projects. This request is for a \$4.4 million planning authorization to complete working drawings for the Dining Services Center project. A subsequent request for full funding may be submitted after designs are underway and a firm scope, cost, funding, and schedule for the entire project are determined.

**RESOLUTION FOR A CAPITAL PLANNING PROJECT  
FOR THE DINING SERVICES CENTER**

**WHEREAS**, the 2026-2032 Six-Year Capital Outlay Plan include a New Dining Services Center and warehouse facility that is seen as a strategic priority for the university; and,

**WHEREAS**, the core of the Southgate Center, the current Dining Services Center, was constructed in 1987, and its only significant renovation was an addition that was completed in 2002; and,

**WHEREAS**, a new Dining Services Center would alleviate many of the stresses on the current dining system while providing modern and more efficient operations; and,

**WHEREAS**, the project is envisioned as an approximately 60,000 gross square foot single story, high bay facility located on university owned property on Research Center Drive, near the Virginia Tech Montgomery Executive Airport; and,

**WHEREAS**, the university is requesting a \$4.4 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 dining 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, and funding of nongeneral funded major capital outlay projects.

**NOW, THEREFORE, BE IT RESOLVED**, that the university be authorized to move forward with a \$4.4 million planning authorization to complete designs through working drawings for the Dining Services Center project.

**RECOMMENDATION:**

That the resolution authorizing Virginia Tech to plan the Dining Services Center project be approved.

November 18, 2025