

TEXAS STATE TECHNICAL COLLEGE

**Executive Committee Meeting
of the Board of Regents**

Thursday, April 9, 2020

2:00pm

**Texas State Technical College
Teleconference**

**US Toll (415) 655-0003
Access Code 801 682 371**

- I. MEETING CALLED TO ORDER**
- II. DETERMINATION OF QUORUM**
- III. CHANCELLOR COMMENTS**
- IV. EXECUTIVE ACTION ITEMS**

EA 13-19 Approve the Project and Budget to Expand the Welding Technology Facilities in the Industrial Technology Building (200I) at Texas State Technical College in Harlingen and Authorize the Chancellor to Enter into and Execute Contracts for the Project in Excess of One Million Dollars (\$1,000,000).....2

Ray Fried

EA 14-19 Authorize the Resolution to Reimburse with Proceeds from Financing Obligations Issued to Acquire and Make Capital Improvements at Various Texas State Technical College Campuses and Authorize Submission of an Application to the Texas Bond Review Board to Issue a Series of Revenue Financing System Bonds for Such Projects.....5

Jonathan Hoekstra

- V. ADJOURN**





Executive Committee Meeting Date: April 9, 2020

Proposed Executive Action #: EA 13-20

Proposed By: Rick Herrera, Vice Chancellor & Chief Student Services Officer

Subject: **Approve the Project and Budget to Expand the Welding Technology Facilities in the Industrial Technology Building (200I) at Texas State Technical College in Harlingen and Authorize the Chancellor, or his designee, to Enter into and Execute Contracts for the Project in Excess of One Million Dollars (\$1,000,000).**

Background: The current welding lab located in the Industrial Technology Building at Texas State Technical College in Harlingen has approximately 100 dedicated welding booths plus additional booths for automation and layout/fabrication. The proposed project will add an additional 40 welding booths with associated mechanical and electrical infrastructure, automated welding and metallurgy lab space, renovation of existing classrooms and additional storage space. The expansion will be accomplished by repurposing existing space with the addition of a 5,000 SF pre-engineered structure.

Justification: The present student demand in the welding program exceeds the capacity of the existing facility. The proposed expansion will allow for increased enrollment.

Additional Information: The project is scheduled for occupancy in the Fall of 2020. The proposed project construction budget is \$2,000,000.

Action Schedule: Approve the Concept MO 07-20(c)
Approve the Project, Budget and Contract > \$1M EA 13-20

Fiscal Implications: Funds will be made available through appropriations.

Attestation: This Executive Action is in compliance with all applicable laws and regulations to the best of my knowledge.

Attachment(s): Letter from General Counsel

Recommended Executive Action: "The Texas State Technical College Board of Regents approves the project and budget to expand the Welding Technology facilities at Texas State Technical College in Harlingen and authorizes the Chancellor, or his designee, to enter into and execute contracts for the construction of this project in excess of One Million Dollars (\$1,000,000)"

Recommended By:

[ORIGINAL SIGNED BY]

Raymond D. Fried, Associate Vice Chancellor Facilities Planning Construction

March 31, 2020

Mr. Michael L. Reeser
Chancellor & CEO
Texas State Technical College
3801 Campus Drive
Waco, Texas 76705

Re: Approve the Project and Budget to Expand the Welding Technology Facilities in the Industrial Technology Building (200I) at Texas State Technical College in Harlingen and Delegate Authority to the Chancellor to Enter into and Execute Contracts for the Project in Excess of One Million Dollars (\$1,000,000).

As requested, I have reviewed and considered the legal ramifications of approving (1) the Project and Budget to expand the Welding Technology Facilities in the Industrial Technology Building (200I) at Texas State Technical College's Harlingen campus, and (2) the delegation of authority from the Texas State Technical College Board of Regents to the Chancellor, or his designee, to enter into and execute contracts for the Project in excess of One Million Dollars (\$1,000,000).

Generally, Chapter 135 of the Texas Education Code vests the organization and control of Texas State Technical College with the Board of Regents. This would include the ability to approve projects, and the budget for said projects, to expand any facilities.

During the 84th Legislative Session comprehensive changes were made to the Texas Government Code. Generally, the TSTC Board of Regents alone has authority to approve and sign contracts on behalf of TSTC with a value exceeding One Million Dollars (\$1,000,000.00). However, among the changes made to the Government Code is a provision that allows the TSTC Board of Regents to delegate this approval and signatory authority to the Chancellor or his designee.

Having reviewed the Texas Education Code and the Government Code, it is my opinion that the approval of (1) the Project and Budget to expand the Welding Technology Facilities in the Industrial Technology Building (200I) at Texas State Technical College's Harlingen campus, and (2) the delegation of authority from the Texas State Technical College Board of Regents to the Chancellor, or his designee, to enter into and execute contracts for the Project in excess of One Million Dollars (\$1,000,000), comports with state law and TSTC policy.

Should you have any questions or need additional information, please advise.

Respectfully Submitted,



Edward C. Vallejo
Associate General Counsel

cc: Rick Herrera
Vice Chancellor & Chief Student Services Officer



Executive Committee Meeting Date:	April 9, 2020	Proposed Executive Action #: EA 14-20
Proposed By:	Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer	
Subject:	Authorize the Resolution to Reimburse with Proceeds from Financing Obligations Issued to Acquire and Make Capital Improvements at Various Texas State Technical College Campuses and Authorize Submission of an Application to the Texas Bond Review Board to Issue a Series of Revenue Financing System Bonds for Such Projects	
Background:	<p>The Texas State Technical College (TSTC) Board of Regents approved the projects and budgets to expand the Industrial Technology Center and Electrical Lineworker Technology Facility at TSTC in Ft. Bend County, and the Welding Technology Facility in the Industrial Technology Center at TSTC in Waco on February 6, 2020, via Minute Orders 05-20(c) and 06-20(c).</p> <p>Additionally, the Board of Regents approved the concept to expand the Welding Technology Facility in the Industrial Technology Building in Harlingen, and the concept to renovate the Industrial Technology Center at TSTC in Waco on February 6, 2020, via Minute Orders 07-20(c) and 09-20(c).</p>	
Justification:	The projects outlined above are critical to the business operations and to address unmet student demand, and to continue critical sequencing of significant facilities projects (including the facilities abatement and demolition project at TSTC in Waco).	
Additional Information:	<p>The attached Resolution permits TSTC to use future bond proceeds to reimburse costs expended for the projects up to 18 months after the date the expenditures are paid.</p> <p>The attached Resolution also authorizes TSTC to submit to the Texas Bond Review Board an application to issue a series of Revenue Financing System Bonds for such projects.</p>	
Fiscal Implications:	Excess cash reserves will be used to fund the project costs in anticipation of reimbursement from the proceeds from a bond issuance in the following 18 months.	
Attestation:	This Executive Action is in compliance with all applicable laws and regulations to the best of my knowledge.	
Attachment(s):	Resolution Expressing Official Intent to Reimburse Costs Incurred to Acquire and Make Certain Capital Improvements to the System's Campuses Located in Fort Bend County and the Cities of Harlingen and Waco, and Authorizing Submission to the Texas Bond Review Board of an Application to Issue a Series of Revenue Financing System Bonds for Such Projects.	

**Recommended
Executive Action:**

“The Texas State Technical College Board of Regents expresses official intent to reimburse costs incurred to acquire and make Capital Improvements at various TSTC Campuses, and authorizes submission to the Texas Bond Review Board of an application to issue a series of Revenue Financing System Bonds for such projects pursuant to Resolution 14-20 attached hereto and incorporated herein.”

Recommended By:

[ORIGINAL SIGNED BY]

Jonathan Hoekstra, Vice Chancellor & Chief Financial Officer

RESOLUTION NO. 14-20

**RESOLUTION EXPRESSING OFFICIAL INTENT TO REIMBURSE WITH
PROCEEDS OF TAXABLE OR TAX-EXEMPT OBLIGATIONS COSTS
INCURRED TO ACQUIRE AND MAKE CERTAIN CAPITAL
IMPROVEMENTS TO THE TEXAS STATE TECHNICAL COLLEGE
SYSTEM'S CAMPUSES LOCATED IN FORT BEND COUNTY AND THE
CITIES OF HARLINGEN AND WACO, AND
AUTHORIZING SUBMISSION TO THE TEXAS BOND REVIEW
BOARD OF AN APPLICATION TO ISSUE A SERIES OF
REVENUE FINANCING SYSTEM BONDS FOR SUCH PROJECTS**

WHEREAS, the TEXAS STATE TECHNICAL COLLEGE SYSTEM (the "**System**") is an agency of the State of Texas and is an "institution of higher education" within the meaning of Sections 55.01 and 61.003(8), Texas Education Code; and

WHEREAS, pursuant to the provisions of Chapter 135, Texas Education Code, the organization and control of the System is vested in the Board of Regents of the System (the "**Board**"); and

WHEREAS, the Board hereby determines that it is necessary and desirable to make the following improvements at various campuses of the System (collectively, (the "**Projects**")):

- (i) renovate, expand, improve and equip existing facilities located at the System's campuses in Fort Bend County and in the Cities of Harlingen and Waco to be used primarily for their welding and/or electrical line worker programs;
- (ii) renovate, remodel and equip the Industrial Technology Center at the System's Waco campus to be used primarily for administrative office space; and
- (iii) acquire real estate at the System's Waco campus to be used primarily for campus expansion; and

WHEREAS, the Board has determined that it is in the best interests of the System to finance the Projects with proceeds derived from the issuance of a series of revenue bonds (herein referred to as the "**Series 2020 Bonds**") issued as "Parity Obligations" through the "Revenue Financing System" originally created and approved by the Board in 2002 pursuant to Section 55.002, Texas Education Code; and

WHEREAS, the Board expects that the System will pay, from available funds of the System, expenditures in connection with the Projects prior to the issuance of the Series 2020 Bonds to finance the Projects; and

WHEREAS, the Board finds, considers, and declares that the reimbursement of the System for the payment of such expenditures will be appropriate and consistent with the lawful objectives of the System and, as such, chooses to declare its intention, in accordance with the provisions of Section 1.150-2 of the United States Treasury Regulations (in the event the Series 2020 Bonds are issued as tax-exempt obligations under federal income tax law) and the laws of the State of Texas (particularly Section 1201.042(c), Texas Government Code), to reimburse itself for such payments at such time as the System issues the Series 2020 Bonds to finance the Projects; and

WHEREAS, pursuant to Chapter 1231, Texas Government Code, the System may not issue the Series 2020 Bonds unless it files an application with the Texas Bond Review Board as required by Section 1231.042, Texas Government Code, and thereafter the Texas Bond Review Board approves the issuance of the Series 2020 Bonds in accordance with Section 1231.041(a)(i), Texas Government Code; accordingly, the Board hereby determines that it is necessary and appropriate to authorize the submission of an application with the Texas Bond Review Board to receive approval for the issuance of the Series 2020 Bonds;

THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE TEXAS STATE TECHNICAL COLLEGE SYSTEM THAT:

SECTION 1. EXPECTATION TO INCUR DEBT. The System reasonably expects to issue the Series 2020 Bonds, with an aggregate maximum principal amount of \$30,000,000, for the purpose of paying the costs of the Projects; and

SECTION 2. REIMBURSEMENT OF PRIOR EXPENDITURES. All costs to be reimbursed pursuant hereto will be capital expenditures. No Series 2020 Bonds will be issued by the System in furtherance of this Resolution after a date which is later than 18 months after the later of (1) the date the expenditures are paid, or (2) the date on which the property, with respect to which such expenditures were made, is placed in service.

SECTION 3. THREE-YEAR LIMITATION FOR REIMBURSEMENT. The foregoing notwithstanding, no Series 2020 Bonds will be issued pursuant to this Resolution more than three years after the date any expenditure which is to be reimbursed is paid.

SECTION 4. AUTHORIZATION TO SUBMIT APPLICATION TO TEXAS BOND REVIEW BOARD. Officials of the System are hereby authorized to take all actions necessary to prepare and submit an application to the Texas Bond Review Board relating to the issuance of the Series 2020 Bonds in satisfaction of Section 1231.042, Texas Government Code, including making any required certifications and executing any documents related thereto on behalf of the System.

SECTION 5. INCORPORATION OF RECITALS. The Board hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the Board of Regents hereby incorporates such recitals as a part of this Resolution.

SECTION 6. EFFECTIVE DATE. This Resolution shall become effective immediately upon passage thereof.

***PASSED AND ADOPTED BY THE BOARD OF REGENTS OF THE TEXAS STATE
TECHNICAL COLLEGE SYSTEM DURING A SPECIAL MEETING HELD THIS 9TH DAY OF
APRIL, 2020.***

Chair, Board of Regents
Texas State Technical College System

Attest:

Secretary, Board of Regents
Texas State Technical College System

** **

Signature Page to Resolution Relating to
Reimbursement of Costs for Certain Capital Improvements
and Submitting an Application to the Texas Bond Review Board