

Contact: Joan Racki

REGISTER OF IOWA STATE UNIVERSITY
CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS

Action Requested: Consider approval of the following actions for the **Cyclone Sports Complex** project, a major capital project as defined by Board policy:

1. Acknowledge receipt of the University's final submission of information to address the Board's capital project evaluation criteria (see Attachment A);
2. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
3. Approve the schematic design, project description and budget (\$12,961,940) and financing plan for the project, with the understanding that approval will constitute final Board approval and authorization to proceed with construction, subject to completing the necessary reviews and approvals by the City of Ames and the Iowa Department of Natural Resources.
4. Authorize the University to enter into a financing agreement for the project, subject to necessary approvals by the Board Office.

Executive Summary: In October 2010, the Board granted the University permission to proceed with project planning for the **Cyclone Sports Complex** project to provide improved facilities for the women's soccer and softball, and men's and women's outdoor track and field programs. This complex, to be located on the playing field area east of the Towers Residence Halls, west of Ash Avenue and north of Mortensen Road, would replace deteriorated facilities at the Southwest Athletic Complex and relocate the soccer field from the Squaw Creek flood plain. The project would provide improved facilities for the athletes and spectators, and expanded facilities for the University's intramural and sports club programs at the Southwest Athletic Complex.

As part of the evaluation process, the University held two widely-attended community and neighborhood meetings (December 8, 2010 and February 15, 2011) to discuss the project and gather neighborhood input. In addition, two follow-up meetings with representatives of the South Campus Area Neighborhood Association (SCAN), and neighborhood and city representatives were held on December 13, 2010, and February 1, 2011. Attendees at the first meeting raised a number of neighborhood concerns including storm water management, lighting, noise, fencing, public access to the green space, parking and traffic, and the appropriateness of this site.

The University considered all of those concerns and made modifications to the plan to move the complex further south on the East of Towers site. The University also considered alternative locations, including the redevelopment of the Southwest Athletic Complex where the track and softball field are currently located. (See Attachment B for a comparison of the December 2010 and February 2011 East of Towers plans and the Southwest Athletic Complex plan.) However, the University reports that based upon the topography of that site, development of road access and parking surfaces would increase the cost of the project by \$2.5 to \$3 million. Additionally, the University would lose the existing baseball field and would not have as many playing fields for intramural and sports club programs, including soccer, lacrosse, rugby and cricket.

The University believes that the revised plan for the East of Towers site addresses the majority of the neighborhood concerns and provides the most cost effective solution and best land use for the athletic programs and intramural and sports club programs. It also provides recreational space adjacent to the Towers Residence Halls for students living in the residence halls west of the site. In addition, it permits the Southwest Athletic Complex to be effectively utilized by the intramural and sports club programs; the outdoor storage on the southern end of the site can also be retained for University facility operations.

The proposed site east of the Towers Residence Halls has been part of the University campus since the early 1900s. Originally, it was the University poultry farm until the Towers Residence Halls were constructed in the 1960s, when the area was converted to green space and playing fields. At that time, infrastructure (parking, utility connections, paving of Mortensen Road) was built to accommodate four high-rise residence halls housing over 2,400 students and staff, with dining and meeting space. Occupancy in these facilities approached 2,800 to 3,000 individuals. Two of the high rise residence halls were demolished in 2005, with on-site dining eliminated. Current occupancy in the two remaining residence halls is approximately 400 to 500 individuals. Consequently, existing University parking, access, road infrastructure and utility systems are adequate to accommodate the new facility. However, as part of the detailed project engineering and design, the University will be required to manage water and runoff from the site to meet City of Ames and Iowa Department of Natural Resources requirements.

In addition to storm water runoff from this site, the neighbors have indicated the need for improved storm water management by the City of Ames in the area. They have expressed concern that the addition of playing fields may increase runoff. The City of Ames has indicated it is reviewing the need to address the storm and sanitary sewer systems originally installed in the 1920s.

The proposed plan also addresses the other neighborhood issues. Access will be from the west using existing parking and road infrastructure. There will be landscaping, fencing and open green space to the north. The University believes that although the intercollegiate athletic events will draw fans, the number of home competitions and controlled access to the site may result in less overall use than the current intramural and sports club activities. These intramural and club activities will be relocated to the Southwest Athletic Complex and existing soccer fields in the Lied Recreation area.

Public access will continue to be available when the area is not being used for University activities. As the planning continues, the University will continue to communicate with the neighborhood.

A site plan for the East of Towers site is included as Attachment C.

The University plans to finance \$12 million of the approximate \$13 million cost of the sports complex. Based on an annual estimated interest rate of 5.75% and a fifteen year financing period, the annual payments would average approximately \$1.25 million per year. Funding for the additional \$1 million cost of the complex and the annual debt service payments would come from operating revenues and private gifts of the Athletics Department. No general University support or increased student fees would be used as a revenue source for financing this project or to fund operating or maintenance costs. Details of the financial plan are included as Attachment D.

Details of the Project:

Cyclone Sports Complex

<u>Project Summary</u>			
	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		Oct. 2010	Requested
Initial Review and Consideration of Capital Project Evaluation Criteria		Oct. 2010	Receive Report
Selection of RDG Planning and Design (Des Moines, IA)		Oct. 2010	Requested
Design Professional Agreement – RDG Planning and Design	\$ 1,042,482	Mar. 2011	Approved
Program Statement		Mar. 2011	Not Required*
Final Review and Consideration of Capital Project Evaluation Criteria		Mar. 2011	Receive Report
Schematic Design		Mar. 2011	Requested
Project Description and Budget	12,961,940	Mar. 2011	Requested

*Approved by Executive Director, consistent with Board policies

The design creates an intercollegiate complex that will be the home for the Department of Athletics intercollegiate track, softball, and soccer programs. The complex will be entered through masonry piers, with the buildings and spectator seating located together on the western edge of the complex. The remainder of the site will be open for the event fields.

The exterior of the buildings will be predominately brick and one story in height to relate to the adjacent residential neighborhood, and the complex would be secured with an ornamental fence with masonry piers at the west entry.

The entrance to the sports complex will be on an axis with the existing drive, through an entry plaza and will include concessions, men's and women's toilets, and a family restroom. The entrance building will be used to provide separation between the "public" areas and the athletes "private" areas of the complex.

The second structure, connected by a covered court yard, will contain locker rooms for soccer, softball, visiting teams, officials, and training.

The softball component will be located to the south of the entry plaza and will include the playing field and scoreboard, bleachers for 1,500 spectators, a press box, and batting cages.

The track and soccer complex is located to the north of the entry plaza and includes a 400 meter track, artificial turf soccer field, seating for 1,500 spectators, and press box. The field events, long jump, pole vault, and triple jump, will be located adjacent to the track with the shot, discus, hammer, and javelin placed in an open field to the north.

A track storage building will be located on the northwest corner of the track to store jumping mats and hurdles; it will also be used as a marshaling area for athletes during meets.

A maintenance building will be built at the southwest corner of the site for material and equipment storage.

It is anticipated that the design development and construction document phases will be completed by May 2011, the project bid in June 2011, and construction substantially complete by August 2012.

Project Budget

Construction	\$10,921,310
Design, Inspection and Administration	1,753,740
Project Contingency	<u>286,890</u>
TOTAL	<u>\$12,961,940</u>
Source of Funds:	
Athletic Debt Financing/Private Giving	<u>\$12,961,940</u>

Cyclone Sports Complex
Evaluation Criteria

Since the project meets the Board's definition of a major capital project, the University has provided the following information in response to the Board's evaluation criteria.

Institutional Mission/Strategic Plan: The current outdoor track and field facility, located at the Southwest Athletics Complex, has deteriorated beyond repair and is in dire need of replacement. The track is no longer utilized for meets or outdoor practice. The project proposes to relocate the soccer program out of the flood plain to a new all-weather surface for practice and competition. The softball field will be incorporated into the project to consolidate these venues at one site where patrons will have appropriate guest services with necessary support buildings. The new complex will provide these three sports with facilities on par with similar Big XII universities.

Other Alternatives Explored and Rationale for Proposed Project: The location selected for the new complex was chosen because it provides space to accommodate four sport programs; men's track, women's track, softball, and soccer. The site is not located in a flood plain, provides visibility and access from Mortensen Road, and has existing adjacent parking available.

Impact on Other Facilities: The project involves a reallocation of land between Athletics and Recreation Services. Athletics will develop the east portion of the Towers site with Recreation Services using the northwest quarter for club sports. The existing Southwest Athletic Complex will become fields for club sports and intramural fields for Recreation Services. The existing soccer complex will be abandoned by Athletics and Recreation Services will use the fields for club soccer.

Financial Resources for Construction Project: Debt financing and private giving. Athletics intends to service the debt from revenues generated from private giving and discretionary revenues. No general university support or student fees will be used as a revenue source for financing this project.

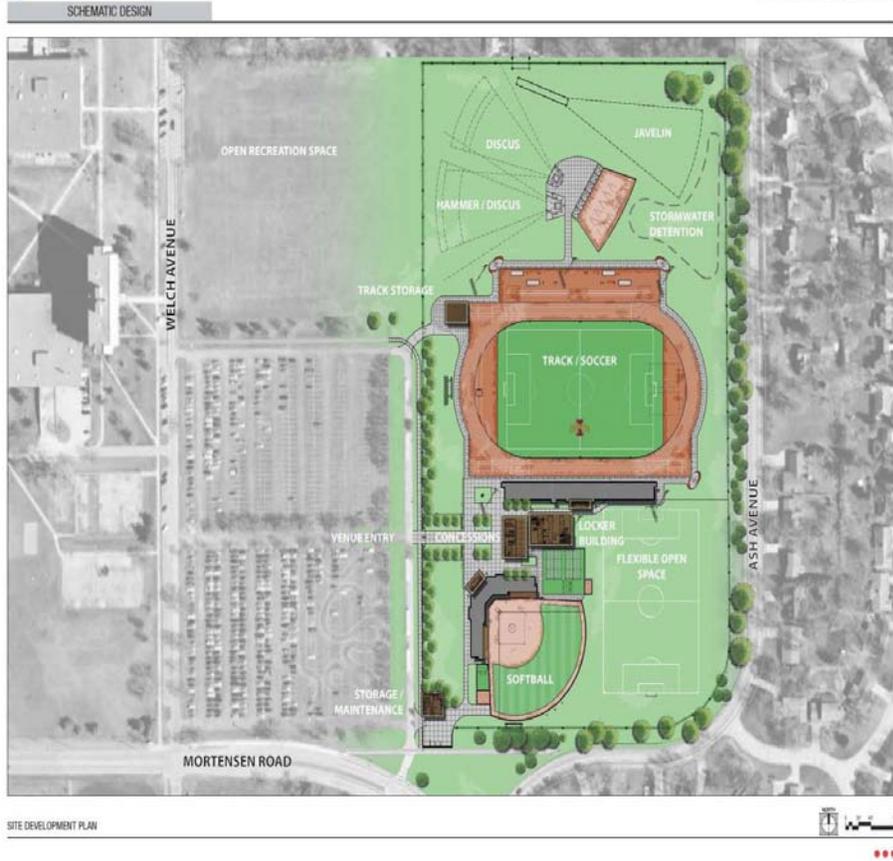
Financial Resources for Operations and Maintenance: Athletics will fund the ongoing operational and maintenance of the project from revenues generated from private giving and discretionary revenues

External Forces: None.

Revised February 2011 Proposed Plan for Playing Fields East of Towers Site



CYCLONE SPORTS COMPLEX



Perspective View of Revised February 2011 Proposed Plan for Playing Fields East of Towers Site



SCHEMATIC DESIGN

CYCLONE SPORTS COMPLEX



AERIAL VIEW LOOKING NORTHEAST

CHARACTER IMAGE



Original December 2010 Proposed Plan for Playing Fields at Towers Site



CYCLONE SPORTS COMPLEX



SITE DEVELOPMENT PLAN - INITIAL STUDY



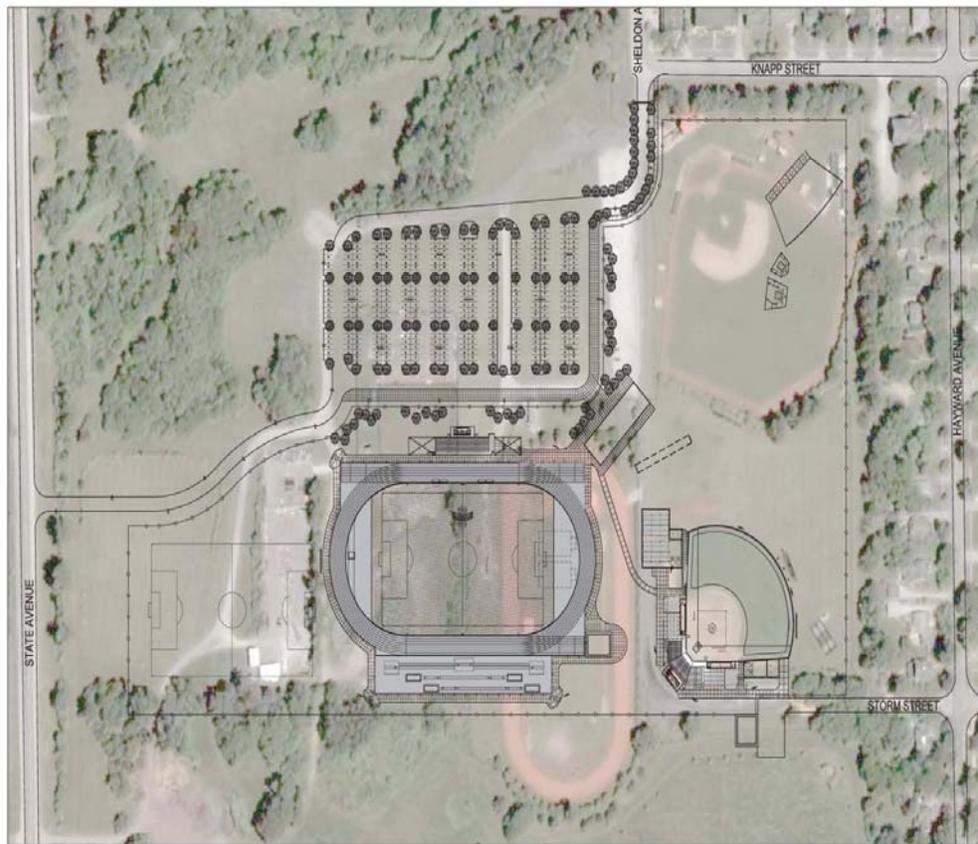
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Possible Southwest Athletic Complex Proposed Plan



CYCLONE SPORTS COMPLEX

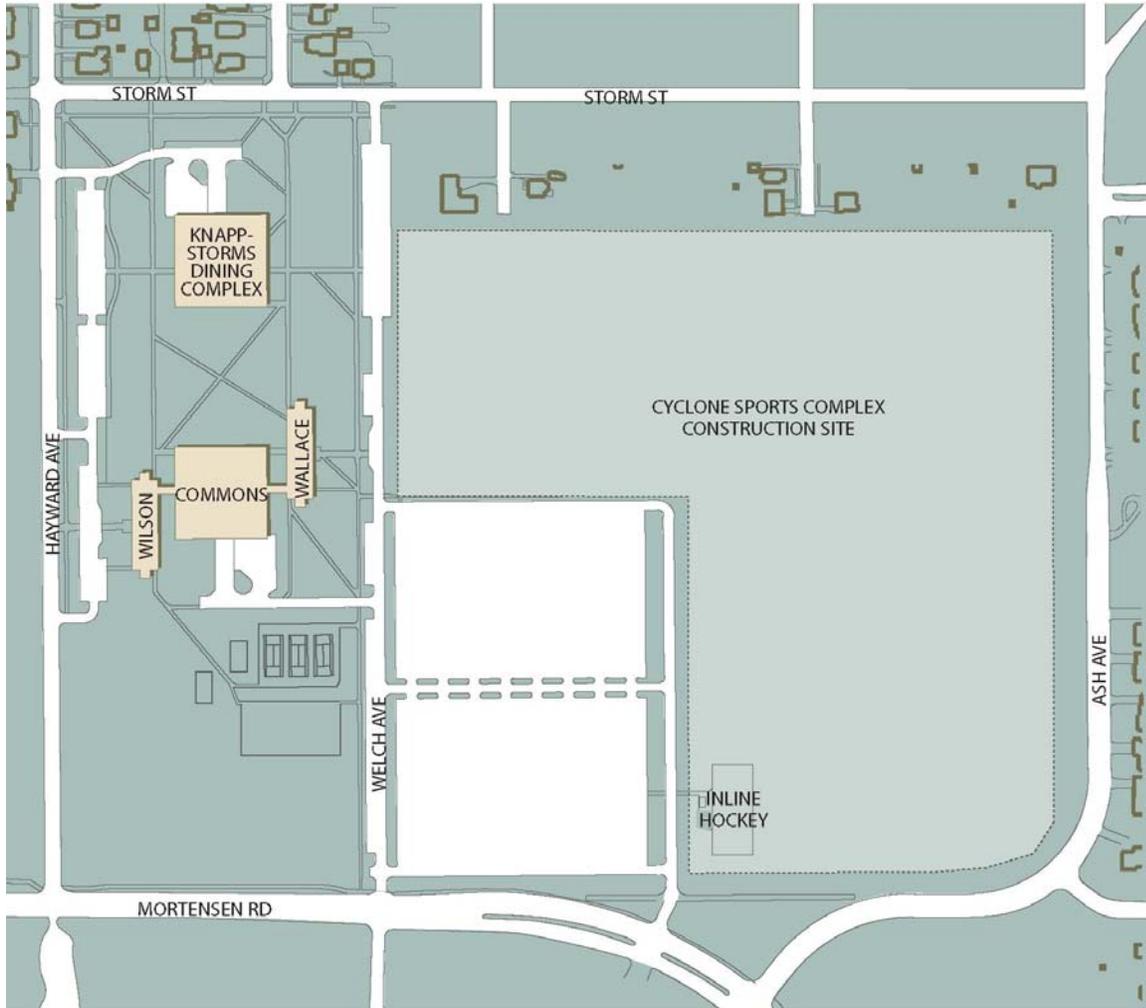
SCHEMATIC DESIGN



SITE DEVELOPMENT PLAN - SOUTHWEST ATHLETIC COMPLEX STUDY



Map





Iowa State University Department of Athletics
Statement of Operations - Multi-Year Forecast

	FY09 Actual	FY10 Actual	FY11 Forecast	FY12 Forecast	FY13 Forecast	FY14 Forecast	FY15 Forecast
Total revenues	\$ 39,734,787	\$ 40,287,422	\$ 42,547,293	\$ 44,253,026	\$ 46,601,556	\$ 48,465,263	\$ 50,196,021
Operating & other expenses	(37,077,276)	(37,259,739)	(40,843,872)	(41,821,613)	(41,969,114)	(43,481,971)	(45,689,163)
Existing debt service	(2,631,733)	(2,824,276)	(1,578,707)	(1,571,001)	(2,523,533)	(2,759,581)	(2,690,952)
Margin	25,778	203,407	124,714	860,412	2,108,909	2,223,711	1,815,906
Adjustments to current forecast:							
Debt service - scoreboard	-	-	-	(676,125)	(676,125)	(676,125)	(676,125)
Debt service - sports complex	-	-	-	-	(1,010,792)	(1,041,116)	(1,072,350)
Adjusted margin	\$ 25,778	\$ 203,407	\$ 124,714	\$ 184,287	\$ 421,991	\$ 506,470	\$ 67,431

	FY16 Forecast	FY17 Forecast	FY18 Forecast	FY19 Forecast	FY20 Forecast	FY21 Forecast
Total revenues	\$ 52,103,320	\$ 53,370,278	\$ 54,694,534	\$ 56,051,898	\$ 57,393,195	\$ 58,469,275
Operating & other expenses	(47,562,856)	(48,751,927)	(49,970,725)	(51,219,993)	(52,500,493)	(53,813,006)
Existing debt service	(2,692,111)	(2,760,087)	(2,819,447)	(2,746,416)	(2,895,942)	(2,152,447)
Margin	1,848,353	1,858,264	1,904,362	2,085,489	1,996,760	2,503,823
Adjustments to current forecast:						
Debt service - scoreboard	(676,125)	(676,125)	(676,125)	(676,125)	(676,125)	(676,125)
Debt service - sports complex	(1,104,520)	(1,137,656)	(1,171,785)	(1,206,939)	(1,243,147)	(1,280,442)
Adjusted margin	\$ 67,708	\$ 44,483	\$ 56,452	\$ 202,425	\$ 77,488	\$ 547,256

The table above is intended to document the impact of changing the assumptions associated with the change in estimated project costs and debt interest rates for both the Cyclone Sports Complex and the proposed new Jack Trice Stadium videoboard/sound system.

Substantially all other assumptions as presented in the October 18, 2010 report by CSL remained the same for purposes of this analysis. The forecast is presented out through FY21, the last year of the scoreboard debt payment

We believe that this continues to support Athletics' ability to cash-flow the financing for each of these projects.