

Contact: Sheila Doyle

REGISTER OF IOWA STATE UNIVERSITY
CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS

Actions Requested: Consider approval of:

1. Permission to proceed with project planning and the project description and budget (\$2,010,240) for the **Institutional Roads 2008 – Morrill Road Reconstruction** project.
2. **Jack Trice Stadium Improvements 2006 – Phase 2 – East Concourse** project, with the understanding that approval of all of the following will constitute final Board approval and authorization to proceed with construction.
 - a. Acknowledge receipt of the University's final submission of information to address the Board's capital project evaluation criteria for the project (see Attachment A);
 - b. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
 - c. Approve the schematic design and project description and budget (\$11,500,000) for the project.
 - d. Subject to receipt of a report from Convention, Sports and Leisure International (CSL), approve the University's plans to finance the improvements through debt financing.

Executive Summary: The **Institutional Roads 2008 – Morrill Road Reconstruction** project would reconstruct the deteriorated pavement on Morrill Road (see Attachment B for project map). The University reports that the pavement structure of the roadway has deteriorated beyond the point where normal repair methods could provide an adequate pavement surface. This roadway receives significant bus traffic, and the condition of the existing pavement is deficient for the roadway's current traffic loads.

In addition to the pavement reconstruction, the project would provide additional improvements along Morrill Road including reconfiguring parking spaces, improving bus stops, providing new bike parking, widening sidewalks, and installing new lighting. The project budget of \$2,010,240 would be funded by Institutional Roads funds.

Since roadway improvement projects do not meet the definition of a major capital project as defined by Board policies, the University may proceed with construction following Board approval of the project description and budget.

The **Jack Trice Stadium Improvements 2006 – Phase 2 East Concourse** project would replace and expand the east concession areas and restrooms and address deferred maintenance issues at the Stadium. The project budget of \$11,500,000 would be funded by a combination of Athletics Department debt financing and private giving.

The University has provided a pro forma budget for the Athletics Department. (See Attachment C.) The pro forma assumes a 20-year financing term at an annual interest rate of 5.0%. The University has requested the firm of Convention, Sports and Leisure International (CSL) to verify the reasonableness of the financial planning assumptions. The CSL report is expected to be completed by the October Board meeting.

Details of Projects:

Institutional Roads 2008 – Morrill Road Reconstruction

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		Oct. 2008	Requested
Project Description and Total Budget	\$ 2,010,240	Oct. 2008	Requested

Project Budget

Construction	\$ 1,590,470
Professional Fees	362,160
Contingencies	<u>57,610</u>
TOTAL	<u>\$ 2,010,240</u>
Source of Funds:	
Institutional Roads Funds	

Jack Trice Stadium Improvements – 2006 – Phase 2

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		May 2008	Received
Initial Review and Consideration of Capital Project Evaluation Criteria		May 2008	Received Report
Selection of Design Professional (RDG Planning and Design, Des Moines, IA)		May 2008	Approved
Selection of Construction Manager (The Weitz Company, Des Moines, IA)		May 2008	Approved
<u>East Concourse</u>			
Program Statement		Aug. 2008	Not Required
Final Review and Consideration of Capital Project Evaluation Criteria		Oct. 2008	Requested
Schematic Design		Oct. 2008	Requested
Project Description and Total Budget	\$ 11,500,000	Oct. 2008	Requested
Financing Plan		Oct. 2008	Requested

The schematic design booklet is included with the Board's materials.

Six concession areas, and two guest services/first aid areas, would be located along the expanded east concourse. Four women's restrooms, and two men's restrooms, would be located behind the concession areas.

The new building components are designed to integrate with the surrounding architecture of the football complex and provide an upgraded aesthetic to the stadium exterior and concourses. Materials related to the existing stadium and Jacobsen Building will be utilized to form the new exterior façade.

The University anticipates bidding the project in October 2008 and substantial completion by September 2009.

The schematic design square footages are identical to those in the approved building program, as follows:

Detailed Building Program

Restrooms	7,000	
Concessions	4,865	
Storage/Service	1,290	
First Aid/Stadium Office	600	
Mechanical/Electrical/Telecommunications	<u>265</u>	
Total Net Assignable Space	14,020	Nsf
Anticipated Gross Square Feet	18,695	Gsf
Anticipated Net-to-Gross Ratio = 75 percent		

Project Budget

Construction	\$ 8,099,050
Professional Fees	2,988,950
Movable Equipment	62,500
Relocation	4,500
Contingencies	<u>345,000</u>
TOTAL	<u>\$ 11,500,000</u>

Source of Funds: Athletics Department Debt Financing and Private Giving

Jack Trice Stadium Improvements – 2006 – Phase 2 – East Concourse

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: Jack Trice Stadium plays an important role in the university's strategic plan to "Elevate the state's appeal as a place to live, learn, work and play" and to "Ensure that the university is a great place to learn and work". Jack Trice is a place of engagement for the university with thousands of students, families, visitors and alumni. They connect with all of the other programs of the university because of their associations with Iowa State University football and their experiences at Jack Trice Stadium.

More than 300,000 people visit the university each year because of the football program and its athletes. The success of these visits is in part measured by the success of the football team, but just as important is the experience that each of the visitors has with the university community. The ease with which they may arrive at the site, visit with old friends, and of course enjoy a game, is dependent on the facilities to support each element of their visit. Jack Trice is a good facility and this project is intended to make it a better facility to meet the needs of the university's guests.

The success of the football program has far reaching implications. It is one of the programs in the Athletic Department that supports not only itself but many other sports. To continue to support student athletes in all programs, football needs to continue to be a revenue generating enterprise. Improvements to Jack Trice Stadium will enhance revenue by making the experience better for visitors.

Other Alternatives Explored: Jack Trice Stadium is a good facility, but there are areas that need improvement. There are no alternatives to these improvements because replacement of the stadium with a new facility is not needed to meet the needs of the university.

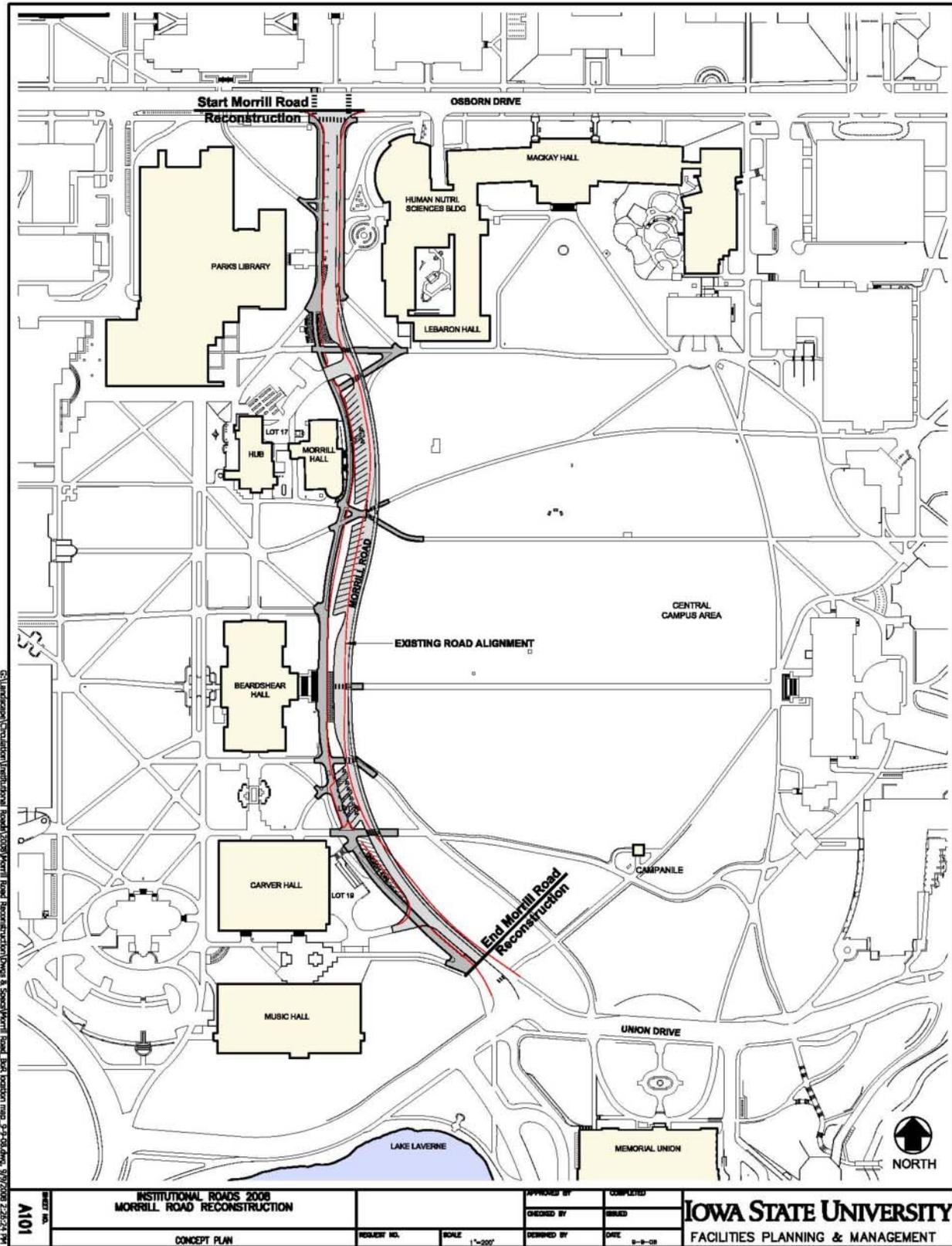
The east side components are necessary to balance the amenities available to stadium patron on both the west and east sides of the stadium. These will include various deferred maintenance issues within Jack Trice Stadium to maintain the existing facility and address safety and security issues.

Impact on Other Facilities and Square Footage: This project will replace and expand the existing east concourse concession/toilet buildings and address related deferred maintenance (infrastructure) issues at Jack Trice Stadium.

Financial Resources for Construction Project: Funding will be provided from private gifts and debt financing.

Financial Resources for Operations and Maintenance: Operating and Maintenance funding will be paid from Athletic Department revenues.

External Forces: Jack Trice Stadium improvements are needed to allow the university to be competitive in offering a good experience to visitors. As a revenue generating program, it is important to continue to be successful so that all student athletes may be offered an opportunity to a university education as a result of their participation in one the department's programs.



IOWA STATE ATHLETICS													
PRO FORMA FORECAST SUMMARY													
			Submitted										
	FY07	FY08	FY2009	Forecast									
	Actual	Actual	Budget	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Operating Revenue	\$ 29,377,887	\$ 35,545,380	\$ 41,866,431	\$ 41,596,642	\$ 44,466,143	\$ 45,771,369	\$ 47,385,914	\$ 49,184,808	\$ 49,816,137	\$ 51,926,659	\$ 53,938,893	\$ 55,226,236	\$ 56,957,315
Intrdepartmental revenues				(663,000)	(663,000)	(663,000)	(663,000)	(663,000)	(663,000)	(663,000)	(663,000)	(663,000)	(663,000)
Revenues				40,933,642	43,803,143	45,108,369	46,722,914	48,521,808	49,153,137	51,263,659	53,275,893	54,563,236	56,294,315
Operating Expense	(35,621,312)	(32,768,596)	(38,493,496)	(38,262,987)	(39,941,128)	(41,290,752)	(42,731,606)	(44,548,537)	(45,493,523)	(47,667,371)	(49,627,649)	(50,885,141)	(52,535,832)
Existing Debt Service	(1,691,414)	(2,094,909)	(2,588,935)	(2,580,712)	(2,605,655)	(2,312,330)	(2,449,135)	(2,398,534)	(2,059,924)	(1,960,841)	(1,958,001)	(1,957,963)	(1,959,640)
Capital Expenditures	(533,720)	(681,371)	(750,000)	(750,000)	(715,000)	(680,450)	(696,364)	(712,754)	(729,637)	(747,026)	(764,937)	(783,385)	(802,387)
	(37,846,447)	(35,544,876)	(41,832,431) #	(41,593,699)	(43,261,783)	(44,283,532)	(45,877,104)	(47,659,826)	(48,283,084)	(50,375,238)	(52,350,587)	(53,626,489)	(55,297,858)
Intrdepartmental expenses				663,000	663,000	663,000	663,000	663,000	663,000	663,000	663,000	663,000	663,000
Expenses				(40,930,699)	(42,598,783)	(43,620,532)	(45,214,104)	(46,996,826)	(47,620,084)	(49,712,238)	(51,687,587)	(52,963,489)	(54,634,858)
Margin	\$ (8,468,560)	\$ 504	\$ 34,000	\$ 2,943	\$ 1,204,360	\$ 1,487,837	\$ 1,508,809	\$ 1,524,982	\$ 1,533,053	\$ 1,551,422	\$ 1,588,306	\$ 1,599,747	\$ 1,659,457
Adjustments to Current Forecast:													
Basketball Facility Debt Service					(704,598)	(939,463)	(939,463)	(939,463)	(939,463)	(939,463)	(939,463)	(939,463)	(939,463)
Basketball Facility Operating Costs					(125,000)	(157,500)	(165,375)	(173,644)	(182,326)	(191,442)	(201,014)	(211,065)	(221,618)
Jack Trice East Concourse					(362,706)	(373,587)	(384,795)	(396,339)	(408,229)	(420,476)	(433,090)	(446,083)	(459,465)
Adjusted Margin				\$ 2,943	\$ 12,057	\$ 17,286	\$ 19,176	\$ 15,536	\$ 3,035	\$ 40	\$ 14,738	\$ 3,136	\$ 38,910
Cyclone Club - Ending Cash Balance				\$ 4,917,585	\$ 3,592,585	\$ 3,192,585	\$ 2,467,585	\$ 1,317,585	\$ 1,092,585	\$ 792,585	\$ 767,585	\$ 567,585	\$ 1,167,585