

Contact: Sheila Doyle

**REGISTER OF IOWA STATE UNIVERSITY CAPITAL IMPROVEMENT
BUSINESS TRANSACTIONS AND BUILDING NAMING**

Actions Requested: Consider approval of:

1. Permission to proceed with project planning for **Jack Trice Stadium Improvements – 2006 – Phase 2**, the **Poultry Farm – Layer Research Facility**, and **Recreation Facilities Expansion and Renovation**, all major capital projects as defined by Board policy.
 - a. Acknowledge receipt of the University's initial submission of information to address the Board's capital project evaluation criteria (see Attachments A, B and C);
 - b. Accept the Board Office recommendation that the projects meet the necessary criteria for Board consideration; and
 - c. Authorize permission to proceed with project planning, and the selection of RDG Planning and Design, Des Moines, Iowa (design professional), and The Weitz Company Des Moines, Iowa (construction manager), for the **Jack Trice Stadium Improvements – 2006 – Phase 2** project; permission to proceed with project planning for the **Poultry Farm – Layer Research Facility** project; and permission to proceed with project planning, including the architectural selection process, for the **Recreation Facilities Expansion and Renovation** project.
2. Revised project budget (\$6,619,197) for the **College of Design – Foundations Pavilion** project.

Executive Summary:

The **Jack Trice Stadium Improvements – 2006 – Phase 2** project would continue the upgrades to Jack Trice Stadium for improved seating, guest amenities, and patron safety and security. The Phase 1 project, currently underway, is constructing 22 additional suites and enlarging two existing suites on the west side of the stadium; replacing the west side concession/toilet buildings; installing suite windows; renovating the Cyclone Club section; and razing the east concourse concession/toilet building.

The Phase 2 project would replace and expand the south end zone seating area, to include construction of an upper deck; construct additional premium seating areas (club, suite, or loge); upgrade the east concourse concession/restroom buildings; develop a new operations, maintenance and storage facility for the stadium and adjacent athletic practice fields; and address fencing and various other safety, security, and deferred maintenance issues at the Stadium.

The University wishes to utilize the services of RDG Planning and Design, Des Moines, Iowa (design professional), and The Weitz Company, Des Moines, Iowa (construction manager) for the Phase 2 project, since both firms are currently providing the same services for the Phase 1 project.

The Phase 2 estimated project cost of \$65 million would likely be funded with debt financing, with debt service payments from the additional revenue associated from the stadium expansion and donor pledges. No additional general university support or increased student fees are contemplated for funding the Phase 2 project or the operating and maintenance costs.

The detailed financing plan would be developed and presented to the Board at a future date. The University plans to utilize the firm of Convention, Sports and Leisure International (CSL) to verify the reasonableness of the financial planning assumptions; CSL provided the same services for the Phase 1 project.

The **Poultry Farm – Layer Research Facility** would construct a modern facility for the research and teaching needs of the ISU Poultry Farm, which is located south of the main campus in Story County. The facility would replace an existing building constructed in the 1960s which is inadequate for modern poultry research. The new facility would house research activities including feed and production studies, animal behavioral and environmental studies, and manure research.

Iowa's egg industry, which includes over 55 million egg-laying poultry, contributes \$340 million to the Iowa economy every year. Modern research facilities are needed for Iowa's poultry industry to remain competitive nationally and internationally.

The estimated project cost is \$2.2 million. Funding for the demolition of existing facilities, site work, and utility connections would be provided by the College of Agriculture and Life Sciences. Funding for the building construction would be provided by private giving (gifts-in-kind). Design services will be provided by the University in consultation with the donor.

The **Recreation Facilities Expansion and Renovation** project would upgrade the University's recreation facilities to expand student recreation offerings in response to student demand. The proposed project would include construction of an addition to State Gym, the renovation of existing space in State Gym and Beyer Hall, and the installation of air conditioning in the Lied Recreation Center. Campus maps indicating the location of the three facilities, and the proposed addition to State Gym, are included as Attachments D and E). The estimated project cost of \$50 million to \$55 million would be funded by bonds, the debt service of which would be paid by student fee revenue.

The development of improved recreation facilities at Iowa State University is supported by a number of national and local studies, as well as ISU student endorsements. National student recreation studies have determined the following:

- The availability of intramural and recreational sports is one of the primary factors in a student's choice of a university.
- Student participation in recreational sports has been found to have a positive correlation with student quality of life, retention rates, and overall college satisfaction and success.
- The vitality of campus life is reinforced by the provision of high quality facilities that include programs in fitness, wellness, nutrition, aerobics, weight training, intramural sports, sport clubs, outdoor recreation, experiential learning, and many other related activities.
- Recreation facilities should be large enough to support regular participation by the majority of the student body.

A 2007 Iowa State University recreation facility feasibility study found that while ISU has above-average student recreation participation levels, it has below-average dedicated indoor recreation space per student (8.6 square feet compared to the standard of 10 to 13 square feet). The construction of the proposed State Gym addition, currently estimated at 92,320 square feet, would increase the University's average indoor recreation space to 12.2 square feet per student.

An ISU student needs assessment survey, with more than 5,400 respondents, indicated that more than 90 percent of the respondents use the Lied Recreation Center on a weekly basis. In addition, 49 percent of the respondents indicated that the University should make the development of new or improved campus recreation facilities a high or very high priority; 39 percent of the respondents indicated a medium priority for the improvements. Finally, 54 percent of the survey respondents indicated that the west side of campus, in the vicinity of Beyer Hall and State Gym, would be the preferred location for improved recreation facilities.

To further assess student support for improved recreation facilities, student government organizations conducted an on-line referendum in February 2008. With 6,466 students voting, the referendum passed with 52.1 percent of the vote. As a result, the ISU Government of the Student Body endorsed proceeding with planning for the recreation facility improvements.

Since the project would require an increase in the mandatory student fees, the Special Student Fee and Tuition Committee (established by Iowa Code and consisting of an equal number of students and administrators) met to review the referendum results and related student comments, including concerns regarding the specific amount of the increased fees. Based on a thorough discussion of the students' comments, the Committee recommended to the President that the University request Board of Regents approval to proceed with the project. If the Board grants permission to proceed, the University would create a project planning committee consisting of a majority of students. Based on previous student comments, the University believes the work of the project planning committee could result in modifications to the project.

While the detailed financing plan, project size, and fee structure have yet to be finalized and presented for Board approval, the University's current assumptions include the issuance of bonds to finance a \$52.8 million project. In this scenario, the mandatory student fee would increase \$20 per semester for two years beginning in FY 2010. In FY 2012, the year the facilities would be occupied, the fee would increase to \$107 per semester. The University will work with the Board's financial advisors and bond counsel, and Board staff, in developing the financing plan for the project. This would include redirecting existing debt service fees from the Lied Recreation project and the Ice Arena when they mature to support the recreational enterprise.

The **College of Design – Foundations Pavilion** project is constructing a two-story instructional studio addition to the College of Design building to replace the College's studio space in the Armory which is of poor quality. The project would integrate in one location the College's learning, discovery and engagement activities for improved interaction and collaboration, and in space that better meets its instructional needs.

The revised budget of \$6,619,197, an increase of \$369,197, reflects the receipt of an additional private gift which will restore the project funding that was reduced to allow award of the construction contract in March of this year. The additional funds will provide for the purchase of furnishings for the undergraduate design studios.

Details of Projects:

Jack Trice Stadium Improvements – 2006 – Phase 2

Project Summary

| | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|---|---------------|-------------|---------------------|
| Permission to Proceed | | May 2008 | Requested |
| Initial Review and Consideration of Capital Project Evaluation Criteria | | May 2008 | Receive Report |
| Selection of Design Professional (RDG Planning and Design, Des Moines, IA) | | May 2008 | Requested |
| Selection of Construction Manager (The Weitz Company, Des Moines, IA) | | May 2008 | Requested |

Poultry Farm – Layer Research Facility

Project Summary

| | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|--|---------------|-------------|---------------------|
| Permission to Proceed | | May 2008 | Requested |
| Initial Review and Consideration of Capital Project Evaluation Criteria | | May 2008 | Receive Report |

Recreation Facilities Expansion and Renovation

Project Summary

| | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|--|---------------|-------------|---------------------|
| Permission to Proceed | | May 2008 | Requested |
| Initial Review and Consideration of Capital Project Evaluation Criteria | | May 2008 | Receive Report |

College of Design – Foundations Pavilion (formerly College of Design Addition)

Project Summary

| | <u>Amount</u> | <u>Date</u> | <u>Board Action</u> |
|--|---------------|-------------|---------------------|
| Permission to Proceed | | Feb. 2006 | Approved |
| Initial Review and Consideration of Capital Project Evaluation Criteria | | Feb. 2006 | Received Report |
| Architectural Agreement through Schematic Design (RDG Planning and Design, Des Moines, IA) | \$ 161,205 | Oct. 2006 | Not Required |
| Program Statement | | Sept. 2006 | Not Required |
| Final Review and Consideration of Capital Project Evaluation Criteria | | Feb. 2007 | Approved |
| Schematic Design | | Feb. 2007 | Approved |
| Project Description and Total Budget | 6,250,000 | Feb. 2007 | Approved |
| Revised Project Budget | 6,619,197 | May 2008 | Requested |

Project Budget

| | <u>Initial Budget May 2007</u> | <u>Revised Budget May 2008</u> |
|---|------------------------------------|------------------------------------|
| Construction | \$ 4,940,560 | \$ 5,005,437 |
| Professional Fees | 968,510 | 1,127,309 |
| Movable Equipment | 210,000 | 400,000 |
| Project Contingency | <u>130,930</u> | <u>86,451</u> |
| TOTAL | <u>\$ 6,250,000</u> | <u>\$ 6,619,197</u> |
| Source of Funds: | | |
| Private Giving | \$ 3,250,000 | \$ 3,619,197 |
| Income from Treasurer's Temporary Investments | 2,500,000 | 2,500,000 |
| College of Design | <u>500,000</u> | <u>500,000</u> |
| TOTAL | <u>\$ 6,250,000</u> | <u>\$ 6,619,197</u> |

Jack Trice Stadium Improvements – 2006 – Phase 2

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 Iowa State 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 Stadium 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 the stadium.

More than 300,000 people currently visit the university each year because of Jack Trice Stadium and the football program. With the expansion proposed in Phase 2, it would provide the potential for another 40,000 visitors to the university's campus each fall. The success of these visits is in part measured by the success of the football team, but just as important is the overall game day experience that each of the visitors has while within 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.

Other Alternatives Explored: Jack Trice Stadium is a good facility, but there are areas that need improvement to meet the changing demographics and increasing demand for amenities by guests. 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 various components of Phase 2 and their alternatives are as follows:

East Concourse and Safety & Security: These components are necessary to balance the amenities available to stadium patrons on both the west and east sides of the stadium. These components also include various deferred maintenance issues within Jack Trice Stadium in order to maintain the existing facility and address safety and security issues.

South End Zone & Upper Deck: The completion of the south end zone will complete the original facility master plan proposed in June 2006. The completion of the south end zone will allow increased revenue capabilities via the addition of permanent seating and improved amenities to stadium patrons. This would also provide the Athletic Department with much needed storage space and maintenance facilities.

The addition of an upper deck to the south end zone provides an opportunity to increase capacity to the stadium and the present value of projected cash inflow from increased ticket revenues exceeds the construction costs necessary to add that component to the stadium. Addition of the upper deck concurrent with the rest of the south end zone provides significant cost savings as opposed to adding it at a later date. This excess cash flow is an important factor in the university's ability to service the debt associated with Phase 2.

Club / Suites / Loge: We are evaluating the market characteristics and trends for additional premium donor seating and will determine whether the incremental cash flow from adding that capacity, coupled with the improved donor experience, justifies the incremental cost associated with that component of the Phase II project.

Impact on Other Facilities and Square Footage: This project will replace and expand the existing south end zone seating, upgrade east concourse concession/restroom buildings, construct additional premium seating (club, suite, or loge), and develop a new operations, maintenance and storage facility for the stadium and adjacent athletic practice files. In addition, Phase 2 will address stadium fencing and various deferred maintenance issues at Jack Trice Stadium.

Financial Resources for Construction Project: A detailed budget has not been fully developed at this time, but it is anticipated that the total project costs will not exceed \$65 million (2008 dollars). It is likely that debt financing will be required, and the Athletic Department intends to service the debt from incremental revenues available from the stadium expansion and donor pledges.

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

External Forces: 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 may other sports. To continue to support student athletes in all programs, football needs to continue to be a revenue generating enterprise.

Poultry Farm – Layer Research Facility

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: This facility will strengthen the research and teaching capabilities for the poultry sciences. A modern layer facility will enhance research activities, as well as retain quality faculty that are internationally known. This facility will bring together the Iowa poultry industry, poultry building and equipment suppliers, and the university.

Research and teaching activities will help strengthen an already important industry to Iowa. Iowa's egg industry will continue to grow from the current \$340 million contribution to the state's economy.

Other Alternatives Explored: The present facilities are over 40 years old, outdated, and inadequate for modern research. The condition of the facilities and their size and shape are not conducive to any remodeling options.

Impact on Other Facilities and Square Footage: The project will include a 20,000 gsf layer building with sample preparation, environmental instrumentation, and cooler areas. A separate 5,000 gsf manure collection and sampling building will also be constructed.

The existing layer buildings will be demolished, and the new facilities constructed in generally the same area, thus utilizing existing utility services.

Financial Resources for Construction Project: The university funding is available and the private giving is available, once agreements are finalized.

Financial Resources for Operations and Maintenance: Estimated annual operations and maintenance costs of the facilities are:

| | |
|-----------------------------------|----------|
| Routine Maintenance and Utilities | \$30,000 |
|-----------------------------------|----------|

The proposed source of funds for operation and maintenance are from the College of Agriculture and Life Sciences and sponsored research awards.

External Forces: The poultry industry, a local contractor, and equipment suppliers have agreed to partner with the university because of the valuable contributions from the university and the need for new state-of-the-art research with modern facilities. This is important to the industry and the economic growth to Iowa.

Recreation Facilities Expansion and Renovation

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 mission of the Recreation Services Department is to provide quality recreational opportunities and experiences for the university community. Experiences are provided which contribute to the fulfillment of such basic needs as relaxing, belonging, personal development, skill development, and maintaining a healthy mind and body. The broad spectrum of recreational programs and services is designed to assist students, faculty, and staff to become involved in recreational activities regardless of age, gender, ability, skill level or past experience in order to develop a lifetime interest in recreation and leisure time activities.

The department's mission is critically important in meeting the university strategic plan priority to "ensure that the university is a great place to learn and work". The importance of recreational opportunities in the recruitment and retention of students, faculty and staff has been well documented by studies at ISU and nationally. Students expect support in their pursuit of healthy and satisfying personal lives. Recreational programs are part of the rich array of extracurricular opportunities to learn, lead and enjoy life.

Recreation facilities and programs play an integral role in the recruitment and retention of students, as well as impacting the quality of their out-of-class experiences and quality of life while attending ISU. Specifically, these proposed improvements will foster an environment in which all members of campus can pursue satisfying personal lives through the rich array of extracurricular opportunities.

Other Alternatives Explored: A Recreational Needs Assessment study in 2006, followed by a Campus Recreation Facility Feasibility Study in 2007, is the basis for the current master planning document and this project concept. The needs assessment found that facilities at Lied Recreation Center were excellent, but recreational opportunities are limited by severe crowding. The university community housed in the west portion of the campus and those students living in off campus housing to the south and west, had few opportunities because of less space in State Gym and Beyer Hall available for open recreation.

The feasibility study assessed how all existing recreation space could be involved in solving the problem of inadequate facilities to support recreation needs campus wide. Alternatives were considered to place all of these facilities in a single campus or at decentralized facilities in several locations.

The possibility of collaborative project planning and operations were investigated with the Ames Parks and Recreation Department, as well as with the Ames School District. The programming, scheduling needs and location requirements of the physical facilities were deemed too conflicting to warrant further investigation.

Athletic practice and competition needs for gymnastics, swimming and diving, volleyball and men's and women's basketball will continue to be provided for within existing recreation facilities. Future plans call for these sports to be relocated to new dedicated facilities.

The conclusion and recommendation of the feasibility study is to build a comprehensive west-campus-based facility that uses existing resources in State Gym and Beyer Hall as a supplement to new facilities. This approach reduced the scope of new construction and provided users with concentrated program access in the west campus region.

Impact on Other Facilities and Square Footage: The feasibility study recommends construction of a 92,500 GSF addition to State Gym. State Gym (66,500 GSF) will receive major renovation and portions of Beyer Hall (122,000 GSF) will be remodeled to compliment programs in the new facility. Lied Recreation Center (236,000 GSF) will be air conditioned.

Financial Resources for Construction Project: The project will be funded by bonds, the debt service of which would be paid by student fee revenue.

Financial Resources for Operations and Maintenance: All operating and maintenance and utility expenses will be funded by the Recreation Services enterprise.

External Forces: Students, faculty and staff have come to expect that quality of life amenities are available. Students make choices about where they will go to school based on a number of factors and recreational opportunities have been shown as an important factor. ISU students are among the national leaders in recreation participation. Their interest in a healthy lifestyle makes them some of the most desirable recruits and having adequate facilities assists in attracting them to the university. Recruiting and retaining faculty and staff are enhanced by the presence of facilities that support their recreational interests.

Representatives from the administration and student government will be present to answer questions.



