

Contact: Sheila Doyle

**REGISTER OF UNIVERSITY OF NORTHERN IOWA CAPITAL IMPROVEMENT BUSINESS
TRANSACTIONS**

Action Requested: Consider recommending to the Board approval of the revised budget (\$24,208,199) for the **McLeod Center** project.

Executive Summary: The **McLeod Center** project will provide a 6,100 seat multipurpose arena, immediately to the south of the UNI-Dome, to host athletic events, including men's and women's basketball games, volleyball matches, and wrestling meets, and other special events. The facility is currently under construction with an anticipated completion date of late fall 2006. The current project budget of \$22,843,199 (approved in November 2004) includes funding from: 1) the UNI Foundation with agreements guaranteeing payment of its commitment to the project (\$19,660,000); 2) proceeds from the 1990 sale of the University golf course (\$1,000,000); 3) a City of Cedar Falls loan (\$500,000); and 4) additional borrowing (\$1,683,199).

When the schematic design was presented in November 2003, the University indicated its plans to construct (subject to available funding) a Hall of Fame extension to the McLeod Center. The Hall of Fame would consist of a glass corridor that would house an athletics display area, connect the McLeod Center to the UNI-Dome to the north, and provide a common building entrance for both facilities. Drawings of the Hall of Fame are included with the Board's Agenda materials. The additional costs for construction of the Hall of Fame are currently estimated at \$1,244,606.

The proposed revised budget of \$24,208,199, an increase of \$1,365,000, would provide the additional funding for construction of the Hall of Fame (including construction costs, design, inspection and administration costs, and associated art work). The budget increase would be funded by the UNI Foundation (an additional commitment of \$1,165,000) and golf course sale proceeds (an additional \$200,000 from earnings on the quasi-endowment). The UNI Foundation would execute an amendment to its existing agreement to guarantee payment with its general credit for its portion of the budget increase.

With approval of the November 2004 revised budget, the project contingency was reduced from \$917,199 to \$568,983 (a decrease of \$348,216, or 38 percent). The University was advised to carefully monitor the project contingency line item to ensure the availability of sufficient funds for the project. In response to a Board Office inquiry, the University reported that as of June 30, 2005, only \$233,000 of the November 2004 construction and contingency budget line items remain uncontracted (see page 3 for details).

The proposed September 2005 revised budget includes a project contingency of \$552,658. The University will need to continue to carefully monitor the project contingency to ensure the availability of sufficient funds to complete the project.

Details of Project: McLeod Center

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		Nov. 2001	Approved
Architectural Agreement (Herbert Lewis Kruse Blunck, Des Moines, IA)	\$ 1,487,300 ¹	May 2002	Approved
Program Statement		Oct. 2002	Approved
Schematic Design		April 2003	Report Received
Initial Review and Consideration of Capital Project Evaluation Criteria		July 2003	Report Received
Final Review and Consideration of Capital Project Evaluation Criteria		Nov. 2003	Received Report
Revised Schematic Design – Option C		Nov. 2003	Approved
Project Description and Total Budget - Option C	20,183,199	Nov. 2003	Approved
Architectural Amendments (Herbert Lewis Kruse Blunck, Des Moines, IA)			
Architectural Amendment #1	106,445	Nov. 2003	Approved
Architectural Amendment #2	200,000 (est.)	Nov. 2003	Approved
Architectural Amendment #3	48,314	Nov. 2003	Not Required ²
Architectural Amendment #4	45,232	Nov. 2003	Not Required ²
Architectural Amendment #5	47,775	Nov. 2003	Not Required ²
Architectural Amendment #6	47,866	Nov. 2003	Not Required ²
Architectural Amendment #7	35,035	Nov. 2003	Not Required ²
Architectural Amendment #8	45,045	Nov. 2003	Not Required ²
Architectural Amendment #9 (HPC)	32,696	Dec. 2003	Not Required ²
Architectural Amendment #10 (HPC)	41,325	Dec. 2003	Not Required ²
Construction Contract Awards—			
North UNI-Dome Improvements—Phase 1 (Cardinal Construction, Waterloo, IA)	276,820	Aug. 2004	Ratified
UNI-Dome Utility Relocation	Reject Bids	Aug. 2004	Ratified
North UNI-Dome Improvements—Phase 1 (Cardinal Construction, Waterloo, IA)	276,820	Aug. 2004	Ratified
UNI-Dome Utility Relocation	Reject Bids	Aug. 2004	Ratified
Revised Project Budget	22,843,199	Nov. 2004	Approved
Construction Contract Award (Cardinal Construction Company)	19,452,000	Nov. 2004	Approved
Construction Change Order #1 (Cardinal Construction Company)	- 388,505	Feb. 2005	Not Required
Architectural Amendment #11 (Herbert Lewis Kruse Blunck, Des Moines, IA)	6,941	June 2005	Not Required
Revised Project Budget	22,843,199	Nov. 2004	Approved
Revised Project Budget	24,208,199	Sept. 2005	Requested

¹ The original approved fee of \$1,903,200 also included funds for design of the Human Performance Center; the fees are now being tracked separately.

² Approved by University in accordance with Board procedures.

The following is the detail of the November 2004 approved budget with fund sources, the funds contracted to date as of June 30, 2005, and the proposed revised budget with fund sources.

	<u>Project Budget</u>		
	Revised Budget <u>Nov. 2004</u>	Contracted <u>As of 6/30/05</u>	Revised Budget <u>Sept. 2005</u>
Contracts/Purchase Orders	\$ 19,760,000	\$ 19,855,287	\$ 20,984,500
Design, Inspection and Administration	2,000,000	2,047,044	2,150,000
Furniture and Equipment	400,000	0	400,000
Art Work	114,216	0	121,041
Contingencies	<u>568,983</u>	<u>240,697</u>	<u>552,658</u>
 TOTAL	 <u>\$ 22,843,199</u>	 <u>\$ 22,143,028</u>	 <u>\$ 24,208,199</u>
 <u>Source of Funds:</u>			
<u>UNI Foundation Funding</u>			
Original Funding ¹	\$ 17,000,000		\$ 17,000,000
Supplemental Commitment			
Cash Transfer from Students First			
Undesignated Campaign Fund	1,000,000		1,000,000
Pledges to be Received	957,203		2,825,000
Additional Gifts Needed	702,797		0
Golf Course Sale Proceeds	1,000,000		1,200,000
City of Cedar Falls Loan	500,000		500,000
Additional Borrowing	<u>1,683,199</u>		<u>1,683,199</u>
 TOTAL	 <u>\$ 22,843,199</u>		 <u>\$ 24,208,199</u>

¹ Since gifts for the project to the UNI Foundation extend over a number of years, bonds were sold to provide the needed construction funds. Proceeds from the sale for the project totaled \$8,591,049.