UNIVERSITY OF MINNESOTA
BOARD OF REGENTS
Facilities Committee
Wednesday, January 3, 2007
9:30 a.m.
600 McNamara Alumni Center, Boardroom

Committee Members
David Metzen, Chair
Lakeesha Ransom, Vice Chair
Anthony Baraga
Frank Berman
John Frobenius
Steven Hunter

Student Representatives
Joshua Colburn
Luke Neuville

AGENDA

   A. TCF Bank Stadium, Twin Cities Campus

2. Capital Budget Amendment – Review/Action - K. O'Brien/R. Pftutenreuter/J. Maturi (pp. 4-5)
   A. TCF Bank Stadium, Twin Cities Campus
Facilities Committee

Agenda Item: Schematic Plans

☐ review  ☒ review/action  ☐ action  ☐ discussion

Presenters: Vice President Kathleen O'Brien
Vice President Richard Pfutzenreuter
Athletic Director Joel Maturi

Purpose:

☐ policy  ☐ background/context  ☒ oversight  ☐ strategic positioning

In accordance with Board of Regents Policy: Reservation and Delegation of Authority, and consistent with current practice for reviewing the design of major capital projects, review and take action on schematic plans for the following project:

- TCF Bank Stadium project located on the Twin Cities, Minneapolis, East Bank Campus.

Outline of Key Points/Policy Issues:

The University of Minnesota is committed to designing and building a stadium that will best serve the long-term needs of the entire campus, including the Athletics Department, the marching band, recreational sports and other campus activities, as well as the State of Minnesota. The Board of Regents established early in the planning process a set of guiding principles for the project that the project team is working to achieve. These principles include advancing the University’s fundamental academic mission, and promoting the physical and programmatic integration of the stadium with the Twin Cities campus, as well as improving student life, increasing community enthusiasm for the University, and enhancing the Gopher football game-day experience.

The project schematic plans and associated project data sheet will be presented at the committee meeting.

Background Information:

Over the past several years, the Board of Regents has considered the following issues related to the planning and construction of an on-campus football stadium:

- In July 2002, the Board of Regents amended the FY 2003 Capital Budget by $500,000 to incorporate funding dedicated by the legislature for the Football Stadium Pre-design.
- In November 2003, the Board of Regents conducted a work session to discuss the guiding principles for the development of an on-campus football stadium.
• In December 2003, the Board of Regents reviewed the Feasibility Study for an on-campus Football Stadium.
• In December 2004, the Board of Regents reviewed the Environmental Review Process and the role of the Board as the responsible governmental unit.
• In April 2005, the Board of Regents approved a resolution related to the naming rights for TCF Bank Stadium.
• In March 2006, the Board of Regents, acting as the Responsible Governmental Unit, determined that the Environmental Impact Statement is adequate in accordance with Minnesota law governing its preparation and dissemination.
• In June 2006, the Board of Regents approved the TCF Bank Stadium and related infrastructure as part of the FY2007 Capital Budget.
• In November 2006, the Board of Regents certified to the State of Minnesota that the University had met the requirement set forth in the legislation for the use of State funds.
• In December 2006, the Board of Regents received an informational presentation on the East Gateway District and an update on the TCF Bank Stadium project.

President's Recommendation for Action:

The President recommends approval of the schematic plans for the TCF Bank Stadium project and of the appropriate administrative officers proceeding with the award of contracts for the development of construction documents and construction.
Facilities Committee

January 3, 2007

Agenda Item: Capital Budget Amendment

☐ review  ☒ review/action  ☐ action  ☐ discussion

Presenters: Vice President Kathleen O'Brien
Vice President Richard Pflutenreuter
Athletic Director Joel Maturi

Purpose:

☐ policy  ☐ background/context  ☒ oversight  ☐ strategic positioning

In accordance with Board of Regents Policy: Reservation and Delegation of Authority, and consistent with current practice for approving changes to major capital projects, act on the following Capital Budget Amendment:

- Amend the Fiscal Year 2007 Capital Budget to increase funding for the TCF Bank Stadium project located on the Twin Cities, Minneapolis, East Bank Campus. The final funding amount for this capital budget amendment will be provided at the meeting.

Outline of Key Points/Policy Issues:

The following principles will guide the development of a football stadium on the Minneapolis campus for the use of the Gopher football team, and related athletic and academic purposes of the University:

- UNIVERSITY MISSION / We will advance the University's fundamental academic mission. The University of Minnesota's fundamental academic mission in teaching, research and public service is foremost and will be advanced. The mission of the institution will be preserved in all aspects of planning a multipurpose stadium. The future stadium development will not compromise the University's fundamental academic mission, purpose or programs.

- FINANCIAL STRATEGY / We will improve the financial circumstances of the University and avoid financial risk to the academic mission. The primary funding goal will be to build an on-campus University stadium from substantial private contributions and resources. The University will avoid financial risk to the University budget and its academic programs. The University will identify new funding sources to support the implementation of the campus stadium with the expectation that funds will not be diverted from other University purposes and resources. The University, recognizing its position as part of a larger sports market, will assure that its investment has reasonable assurances of adequate return.
• UNIVERSITY AND NEIGHBORHOOD COMMUNITY / We will promote physical and programmatic integration with the Twin Cities campus community and adjacent neighborhoods. A University on-campus stadium must enhance campus life, while maximizing opportunities to support the University's teaching, research, and public service missions. Any stadium on campus will be designed, constructed, and operated in a manner that is compatible with the University campus environment, master plan, and the commercial and residential neighborhoods near the stadium site. The University will seek to accommodate and respect the community and neighborhood needs during the planning process.

• GOVERNANCE AND MANAGEMENT / We will control all aspects of stadium development and management. The University will control all aspects of the governance, design, development, and ongoing management of the stadium.

• STUDENT EXPERIENCE AND INTERCOLLEGIATE ATHLETICS / We will improve student life, increase community enthusiasm for the University, and enhance the Gopher football game-day experience. A University on-campus stadium will enhance student life, create opportunities for University-wide events and celebrations, increase alumni and community support for the University, and strengthen the sense of community. The stadium will improve the University and Gopher football experience for students, student-athletes and fans.

• PROJECT DEVELOPMENT / We will assure that project design and construction meet the highest standards of fairness, integrity, and sound business practice. All planning and development of the stadium will meet the most stringent requirements and the highest standards of fairness, integrity, and sound business practice. The University will draw on research of similar projects across the country to insure that stadium plans and construction are completed to quality standards within reasonable costs.

Background Information:

Over the past several years, the Board of Regents has considered the following issues related to the planning and construction of an on-campus football stadium:

• In July 2002, the Board of Regents amended the FY 2003 Capital Budget by $500,000 to incorporate funding dedicated by the legislature for the Football Stadium Predesign.
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• In December 2006, the Board of Regents received an informational presentation on the East Gateway District and an update on the TCF Bank Stadium project.

President's Recommendation for Action:

The President recommends approval of the amendment to the Fiscal Year 2007 Capital Budget to increase funding for the TCF Bank Stadium project on the Twin Cities, Minneapolis, East Bank campus.
TCF Bank Stadium
Twin Cities Campus
Project No. 297-05-1773
Capital Budget File No. 2820

1. Basis for Request:

The University of Minnesota is committed to designing and building a stadium that will best serve the long-term needs of the entire campus, including the Athletics Department, the marching band, recreational sports and other campus activities, as well as the State of Minnesota. The Board of Regents established early in the planning process a set of guiding principles for the project that the project team is working to achieve. These principles include advancing the University's fundamental academic mission, and promoting the physical and programmatic integration of the stadium with the Twin Cities campus, as well as improving student life, increasing community enthusiasm for the University and enhancing the Gopher football game-day experience. In working to achieve these principles it has been necessary to make some modifications to the concept presented in the 2003 Stadium Feasibility Study.

Several factors have led to the scope and budget changes being presented as part of the schematic design review:

- Project Improvements – The University has made a conscious decision to improve certain aspects of the stadium in order to “do it right”. The University has an opportunity now to make selected upgrades that it will not have the opportunity to make in the future. The schematic design includes, for example, larger general admission seats, structural provisions for future expansions, sustainable design, a complete building façade, and additional elevators and other necessary amenities.

- Regulatory Changes – Since the completion of the 2003 Stadium Feasibility Study a number of regulatory changes have occurred that impact the cost of the stadium. The schematic design reflects, for example, changes in the building code, storm water management, and disability seating.

- Design Solutions to Site Challenges – As part of the design process the University hired both a structural engineering firm and geotechnical engineering firm in addition to the project Architect of Record. The design team has indicated that geotechnical conditions (primarily the structural suitability of the soil) on the site will require a more complex structural system than was originally anticipated.

- Inflationary Impacts & Market Conditions – As part of the 2003 Stadium Feasibility Study and in subsequent cost escalations, the University made projections about both when stadium construction would begin as well as the rate at which construction labor and materials would change. Actual inflationary increases in recent years have exceeded projections.

2. Scope of Project:

The University is constructing a new 50,000 seat open-air football stadium on the east bank of the Twin Cities campus. The new TCF Bank Stadium will be located on the existing
Huron Boulevard parking lots, in close proximity to Mariucci Arena and the Williams Arena/Sports Pavilion complex.

The project consists of two components:

- Site and District Improvements – The University is making a number of improvements to the East Gateway District of the Twin Cities campus to accommodate the new stadium, academic buildings, transportation improvements, and other University activities. The Site and District component includes the stadium’s prorated share of these broader campus improvements including roads, parking, infrastructure, environmental clean-up, real estate purchases, and public space enhancements.

- Stadium – The University is constructing an open-air stadium with a horseshoe-shaped bowl and a traditional collegiate “look and feel.” The stadium will complement the campus environment and meet all of the revenue and fan amenity requirements of a modern Division I-A collegiate football stadium. The stadium has approximately 50,000 general seats, premium amenity seating, and all of the typical support services found in a modern stadium including but not limited to space for home and visiting teams, media, food service and concessions, and the marching band.

The new TCF Bank Stadium is scheduled to open in September 2009.

3. Master Plan or Precinct/District Plan Impact:

This project is in compliance with the University of Minnesota Twin Cities Campus Master Plan – 1996.

The administration has previously presented to the Board of Regents a concept plan for the East Gateway District that incorporates the stadium, proposed research buildings, transportation, and public spaces into a more traditional campus setting.

4. Environmental Issues:

The University of Minnesota completed an Environmental Impact Statement (EIS) for TCF Bank Stadium. The final EIS was approved by the Board of Regents in March 2006.

The University is working closely with the Minnesota Pollution Control Agency on a plan to address contamination left on the site by previous owners of the property. Costs to address environmental contamination are included in the overall project budget.

5. Cost Estimate:

The cost estimate for construction of TCF Bank Stadium has increased by $39.8 million. The change in the budget reflects decisions regarding desired project improvements, mandatory regulatory changes, updated market conditions and necessary design solutions. The table below highlights the change in the budget to reflect a revised total cost of $288.5 million compared to the original budget of $248.7 million.

<table>
<thead>
<tr>
<th>Original Cost Estimate</th>
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Modifications:  
- Project Improvements – 68%  
- Regulatory Changes – 5%  
- Market Conditions – 11%  
- Design Solutions – 16%  

Revised Cost Estimate: $288.5

6. Capital Funding:

The additional project costs will be met through two approaches. The first approach is expected to yield approximately $15.0 - $17.0 million in additional revenue through a) active management of the timing of stadium project revenue inflows, including gifts, sponsorships, and bond proceeds, and cash outflows (payments for construction costs) in order to maximize interest income earned on unspent stadium resources and b) maximizing bond proceeds due to favorable interest rates and advantageous market conditions. The second approach will entail the issuance of additional bonded indebtedness. The remaining roughly $23.0 to $25.0 million will be debt finance at an estimated annual cost of approximately $1.4 to $1.6 million per year for 25 years. Consistent with other capital project requirements, the financial obligation for the annual debt payments will be the Department of Intercollegiate Athletics on the Twin Cities Campus.

7. Capital Budget Approvals:

This project was included in the Fiscal Year 2007 Capital Budget approved by the Board of Regents in June 2006.

8. Annual Operating and Maintenance Cost and Source of Revenue:

The Department of Intercollegiate Athletics will be responsible for the operations and maintenance of the new TCF Bank Stadium. Initial analysis estimates facility operation and maintenance costs to be about $3 million per year.

9. Time Schedule:

<table>
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<th>Task</th>
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10. Architect and Construction Manager:

HOK Sport, Kansas City is the Architect of Record for the project.

The construction manager / general contractor for the project has not yet been selected.

10. Recommendation:

The above described project scope of work, cost, funding, and schedule is appropriate:
Joel Maturi, Athletic Director

Richard Pfunzenreuter, Vice President and Chief Financial Officer

Kathleen O'Brien, Vice President for University Services
1. Basis for Request:

The University of Minnesota is committed to designing and building a stadium that will best serve the long-term needs of the entire campus, including the Athletics Department, the marching band, recreational sports and other campus activities, as well as the State of Minnesota. The Board of Regents established early in the planning process a set of guiding principles for the project that the project team is working to achieve. These principles include advancing the University's fundamental academic mission, and promoting the physical and programmatic integration of the stadium with the Twin Cities campus, as well as improving student life, increasing community enthusiasm for the University and enhancing the Gopher football game-day experience. In working to achieve these principles it has been necessary to make some modifications to the concept presented in the 2003 Stadium Feasibility Study.

Several factors have led to the scope and budget changes being presented as part of the schematic design review:

- **Project Improvements** – The University has made a conscious decision to improve certain aspects of the stadium in order to "do it right". The University has an opportunity now to make selected upgrades that it will not have the opportunity to make in the future. The schematic design includes, for example, larger general admission seats, structural provisions for future expansions, sustainable design, a complete building façade, and additional elevators and other necessary amenities.

- **Regulatory Changes** – Since the completion of the 2003 Stadium Feasibility Study a number of regulatory changes have occurred that impact the cost of the stadium. The schematic design reflects, for example, changes in the building code, storm water management, and disability seating.

- **Design Solutions to Site Challenges** – As part of the design process the University hired both a structural engineering firm and geotechnical engineering firm in addition to the project Architect of Record. The design team has indicated that geotechnical conditions (primarily the structural suitability of the soil) on the site will require a more complex structural system than was originally anticipated.

- **Inflationary Impacts & Market Conditions** – As part of the 2003 Stadium Feasibility Study and in subsequent cost escalations, the University made projections about both when stadium construction would begin as well as the rate at which construction labor and materials would change. Actual inflationary increases in recent years have exceeded projections.

2. Scope of Project:

The University is constructing a new 50,000 seat open-air football stadium on the east bank of the Twin Cities campus. The new TCF Bank Stadium will be located on the existing
Huron Boulevard parking lots, in close proximity to Mariucci Arena and the Williams Arena/Sports Pavilion complex.

The project consists of two components:

- Site and District Improvements – The University is making a number of improvements to the East Gateway District of the Twin Cities campus to accommodate the new stadium, academic buildings, transportation improvements, and other University activities. The Site and District component includes the stadium's prorated share of these broader campus improvements including roads, parking, infrastructure, environmental clean-up, real estate purchases, and public space enhancements.

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The new TCF Bank Stadium is scheduled to open in September 2009.

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The administration has previously presented to the Board of Regents a concept plan for the East Gateway District that incorporates the stadium, proposed research buildings, transportation, and public spaces into a more traditional campus setting.

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The University of Minnesota completed an Environmental Impact Statement (EIS) for TCF Bank Stadium. The final EIS was approved by the Board of Regents in March 2006.

The University is working closely with the Minnesota Pollution Control Agency on a plan to address contamination left on the site by previous owners of the property. Costs to address environmental contamination are included in the overall project budget.

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Modifications: $39.8
  - Project Improvements – 68%
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Revised Cost Estimate: $288.5

6. Capital Funding:

The additional project costs will be met through two approaches. The first approach is expected to yield approximately $15.0 - $17.0 million in additional revenue through a) active management of the timing of stadium project revenue inflows, including gifts, sponsorships, and bond proceeds, and cash outflows (payments for construction costs) in order to maximize interest income earned on unspent stadium resources and b) maximizing bond proceeds due to favorable interest rates and advantageous market conditions. The second approach will entail the issuance of additional bonded indebtedness. The remaining roughly $23.0 to $25.0 million will be debt finance at an estimated annual cost of approximately $1.4 to $1.6 million per year for 25 years. Consistent with other capital project requirements, the financial obligation for the annual debt payments will be the Department of Intercollegiate Athletics on the Twin Cities Campus.

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Joel Maturi, Athletic Director 1/2/07

Richard Pfutzenreuter, Vice President and Chief Financial Officer 1/2/07

Kathleen O'Brien, Vice President for University Services 1/2/07
TCF Bank Stadium  
Twin Cities Campus  
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1. Basis for Request:

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The new TCF Bank Stadium is scheduled to open in September 2009.

3. **Master Plan or Precinct/District Plan Impact:**

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Revised Cost Estimate: $288.5

6. Capital Funding:

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9. Time Schedule:

| Approve Schematic Design | January 2007 |
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The construction manager / general contractor for the project has not yet been selected.

10. Recommendation:

The above described project scope of work, cost, funding, and schedule is appropriate:
Joel Maturi, Athletic Director

[Signature] 1/2/07

Richard Pfutzenreuter, Vice President and Chief Financial Officer

[Signature] 1/2/07

Kathleen O'Brien, Vice President for University Services

[Signature] 1/2/07
Design and build:

- a stadium with **50,000 seats**.
- a stadium that **meets the functional needs of the football program** for game-day play.
- a stadium that **provides an enjoyable and comfortable game-day experience** for fans and students.
- a stadium that meets the functional needs of the **marching band**.
- a **flexible / adaptable** stadium that gives priority to the elements that can not be accommodated later if they are not done now.
- a stadium that has a **collegiate look and feel** and fits nicely into the surrounding campus environment.
- a stadium that will **optimize revenue generating potential** on game days and non-game days.
- a durable stadium that **minimizes maintenance and operations costs**.
- a stadium that can be **expanded in the future** with minimal operational and aesthetic impact.
- a stadium that provides opportunities for use by **academic and recreational sports programs**.
- a stadium that demonstrates the University's commitment to **sustainable design**.
REGENT PRINCIPLES

- UNIVERSITY MISSION / We will advance the University's fundamental academic mission.

- FINANCIAL STRATEGY / We will improve the financial circumstances of the University and avoid financial risk to the academic mission.

- UNIVERSITY AND NEIGHBORHOOD COMMUNITY / We will promote physical and programmatic integration with the Twin Cities campus community and adjacent neighborhoods.

- GOVERNANCE AND MANAGEMENT / We will control all aspects of stadium development and management.

- STUDENT EXPERIENCE AND INTERCOLLEGIATE ATHLETICS / We will improve student life, increase community enthusiasm for the University and enhance the Gopher football game-day experience.

- PROJECT DEVELOPMENT / We will assure that project design and construction meet the highest standards of fairness, integrity and sound business practice.
There are four major factors impacting the cost of the stadium:

- Project Improvements
- Regulatory Changes
- Design Solutions to Site Challenges
- Inflationary Impacts & Market Conditions
$39.8 Million Budget Increase

- Project Improvements
- Regulatory Changes
- Market Conditions
- Design Solutions to Site Challenges

- 68%
- 16%
- 11%
- 5%