

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
BOARD OF TRUSTEES**

**Agenda Item Summary Sheet**

**Committee:** Finance, Facilities and Technology    **Date of Meeting:** March 16, 2010

**Agenda Item:** St. Cloud State University National Hockey Center Development Plan

- Proposed Policy Change       Approvals Required by Policy       Other Approvals       Monitoring
- Information

**Cite policy requirement, or explain why item is on the Board agenda:** St. Cloud State University is seeking approval to construct an addition to and renovation of the National Hockey and Events Center on the campus of St. Cloud State University (SCSU) in cooperation with the SCSU Foundation. Board approval is required because the project is a major capital project outside the Board’s capital project budget cycle with construction contracts and an agreement with the Foundation valued in excess of \$2 million.

**Scheduled Presenter(s):** Allan Johnson, Associate Vice Chancellor Facilities  
Earl Potter, President, St. Cloud State University  
Steven Ludwig, Vice President for Administrative Affairs

**Outline of Key Points/Policy Issues:** The project will provide an entrance lobby and ticketing area, which had been anticipated for a future addition when the building was originally designed. It will also add and improve locker facilities and improve the spectator experience and access by adding elevators, expanding concourses, improving concessions and expanding toilet facilities. Additional arena seating will be provided in the main rink as well as suite and club seating to enhance sponsorship and philanthropic opportunities. The University will continue to operate the expanded facility. No university funds will be used for the construction.

**Background Information:** The Hockey Center was originally funded with state general obligation (GO) bonds in 1987 as part of a comprehensive initiative by the Minnesota Amateur Sports Commission for developmental and competitive sports facilities in the state. In the 2008 bonding bill, \$6.5 million of GO bond funds were authorized by the legislature to improve the facility with the expectation that additional funds for the project would be sought through sponsorships, naming rights and donations through a capital campaign. Project authorization and funding appeared in the Employment and Economic Development section of the bonding bill, where typically regional public events centers are authorized and funded. The University’s capital campaign is to be publically launched this summer. These sources will provide the additional funds needed for a total project cost of approximately \$29.2 million.

**BOARD OF TRUSTEES  
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

<b>BOARD ACTION</b>
<b>St. Cloud State University National Hockey Center Development Plan</b>

**BACKGROUND**

The purpose of this report is to seek Board of Trustees approval to construct an addition to and renovation of the National Hockey and Events Center on the campus of St. Cloud State University (SCSU) in cooperation with the SCSU Foundation. Board approval is required because the project is a major capital project outside the Board's capital project budget cycle with construction contracts and an agreement with the Foundation valued in excess of \$2 million.

The Hockey Center was originally funded with state general obligation (GO) bonds in 1987 as part of a comprehensive initiative by the Minnesota Amateur Sports Commission for developmental and competitive sports facilities in the state. In the 2008 bonding bill, \$6.5 million of GO bond funds were authorized by the legislature to improve the facility with the expectation that additional funds for the project would be sought through sponsorships, naming rights and donations through a capital campaign. Project authorization and funding appeared in the Employment and Economic Development section of the bonding bill, where typically regional public events centers are authorized and funded. The University's capital campaign is to be publically launched this summer. These sources will provide the additional funds needed for a total project cost of approximately \$29.2 million.

The funds are expected to include sponsorships, cash donations and pledges to fund \$7 million prior to the start of phase 1 construction in addition to the current state funding of \$6.5 million. An additional amount from sponsorships and donations of \$15.7 million transferred to the University from the Foundation is anticipated prior to initiation of phase 2 construction. For portions of these contributions, the Foundation is planning to obtain a loan secured by philanthropic pledges, naming rights payments, and the rental/sale of suites and sponsorships.

An agreement between the Foundation and the University will be necessary to facilitate the naming and suite sales, and is being developed by the Attorney General's office following a preliminary assessment that this is an appropriate method to fund the project and market the sponsorships, suites and naming.

Design was initiated in 2009 with the selection of JLG Architects through the State Designer Selection Board. Design development is nearing completion at this time. This past January Donlar Construction was selected as the Construction Manager (CM at Risk) to oversee the construction of the project.

The contract for design with JLG Architects is for a total of \$1.8 million. They are currently authorized to proceed through construction documents. The contract with Donlar for construction management services is for a total of \$575,000. They are currently authorized to proceed with preconstruction services to a maximum fee of \$32,000. Phase one construction costs will be approximately \$11 million. Phase two construction costs will be approximately \$12.1 million. Inspections, testing, furnishings, fixtures, equipment, contingency and other costs are approximately \$3.7 million total for the two phases. The project, including design, construction, inspection and testing, furnishings and equipment will be executed by the University in accordance with Minnesota State Colleges and Universities design and construction standards. The SCSU Foundation will transfer capital campaign funds to the University to allow award of construction and related contracts for the two phases of the project to meet the following estimated schedule:

Notice to proceed with phase one construction	December 2010
On site construction start - phase one	March 2011
Substantial completion phase one construction	October 2011
Notice to proceed with phase two construction	December 2011
On site construction start - phase two	March 2012
Substantial completion phase two construction	October 2012

The facility is located along Herb Brooks Drive on the southern portion of the main campus. The project will provide an entrance lobby and ticketing area, which had been anticipated for a future addition when the building was originally designed. It will also add and improve locker facilities that will support university and community use and improve the spectator experience and access by adding elevators, expanding concourses, improving concessions and expanding toilet facilities. Additional arena seating will be provided in the main rink as well as suite and club seating to enhance sponsorship and philanthropic opportunities. The main rink improvements will allow the facility to host a wide array of events beyond hockey through improved sounds systems, arrangements for audience seating on the floor and provision for rigging shows. The second rink in the facility will be modified to meet NHL standards, provided with additional spectator seating and improved access. This will allow this rink to meet more inter-scholastic competition needs as well as serve as an improved venue for youth hockey. See attachment A for renderings of the proposed facility.

Phase one (50,000 gross square foot (GSF) addition and 20,000 GSF renovations) of the project includes:

- Entrance Lobby and ticketing area for both rinks
- South concourse expansion

- Team Store
- Athletic training area addition
- Operations and coaches offices
- South side suites

Phase two (50,000 GSF addition and 30,000 GSF renovation) of the project includes:

- West and North Concourse additions
- Added arena seating on west
- NHL rink improvements
- Added locker rooms and renovation of existing locker rooms
- Club and classroom areas
- Addition of 20-30 spectator suites
- Main Arena sound and event improvements

The University will continue to operate the expanded facility. No university funds will be used for the construction. The Foundation has assessed the feasibility of the philanthropic goals. A premier national firm, Front Row Marketing, has been engaged to assist the Foundation with the sale of sponsorships and naming rights through the Foundation. There has also been consultation with operational consultants to assure appropriate design and reasonable assumptions on operation of the facility. This, together with the operational history of the facility for the last 22 years, has informed the development of a pro forma that indicates the project will be successful. See also Attachment B.

**RECOMMENDED COMMITTEE ACTION:**

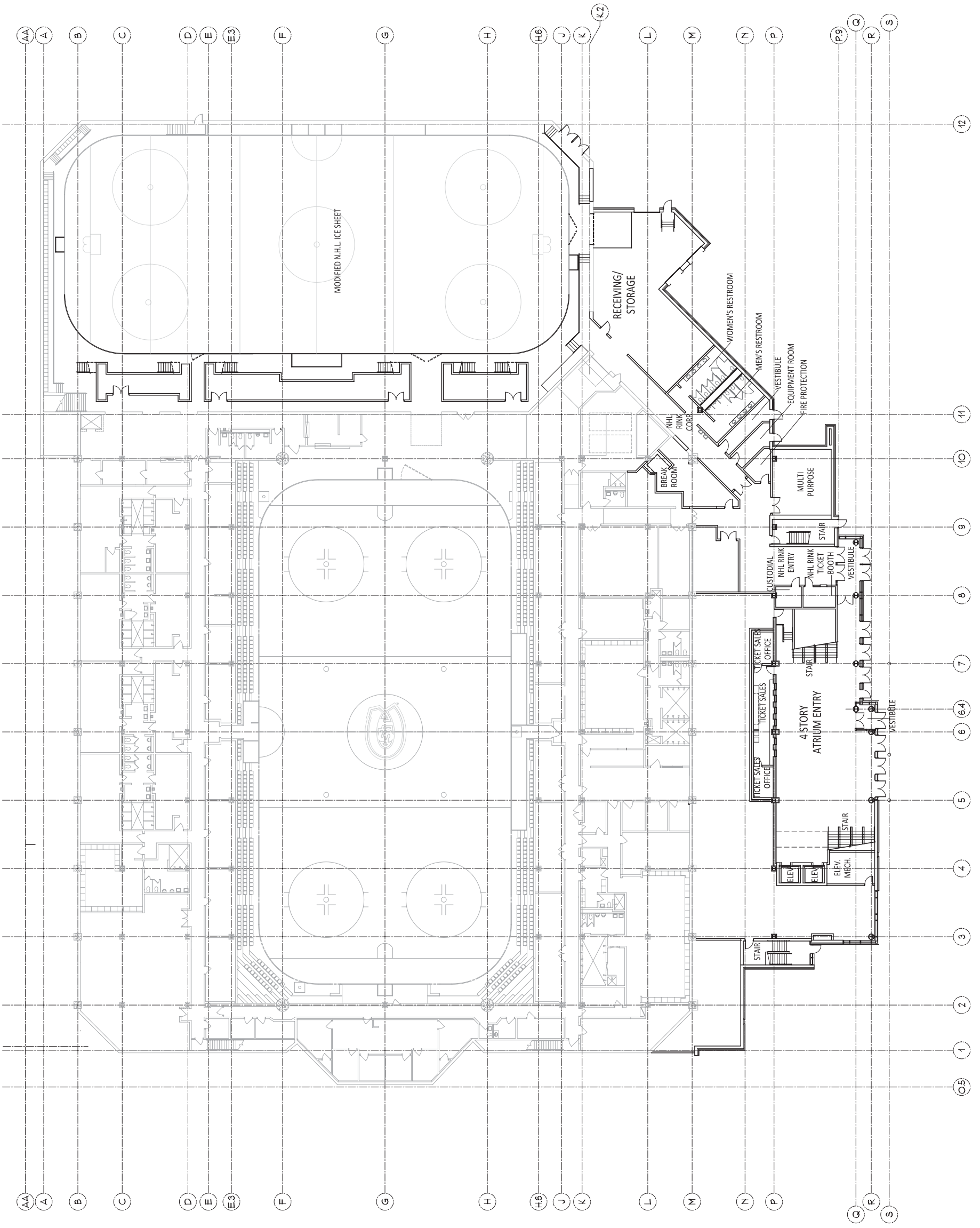
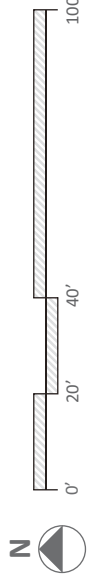
The Finance, Facilities and Technology Policy Committee recommends the Board of Trustees adopt the following motion:

The Board of Trustees approves the development plan for the St. Cloud State University National Hockey Center, specifically the Phase 1 and Phase 2 construction contracts valued at approximately \$11 million and \$12.1 million respectively, and the funding agreement between the University and the St. Cloud State University Foundation, valued at approximately \$22.6 million. The chancellor is authorized to negotiate the agreement with the Foundation contingent upon approval of the documents by the Office of the Attorney General.

**RECOMMENDED BOARD OF TRUSTEES MOTION:**

The Board of Trustees approves the development plan for the St. Cloud State University National Hockey Center, specifically the Phase 1 and Phase 2 construction contracts valued at approximately \$11 million and \$12.1 million respectively, and the funding agreement between the University and the St. Cloud State University Foundation, valued at approximately \$22.6 million. The chancellor is authorized to negotiate the agreement with the Foundation contingent upon approval of the documents by the Office of the Attorney General.

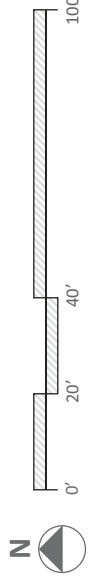
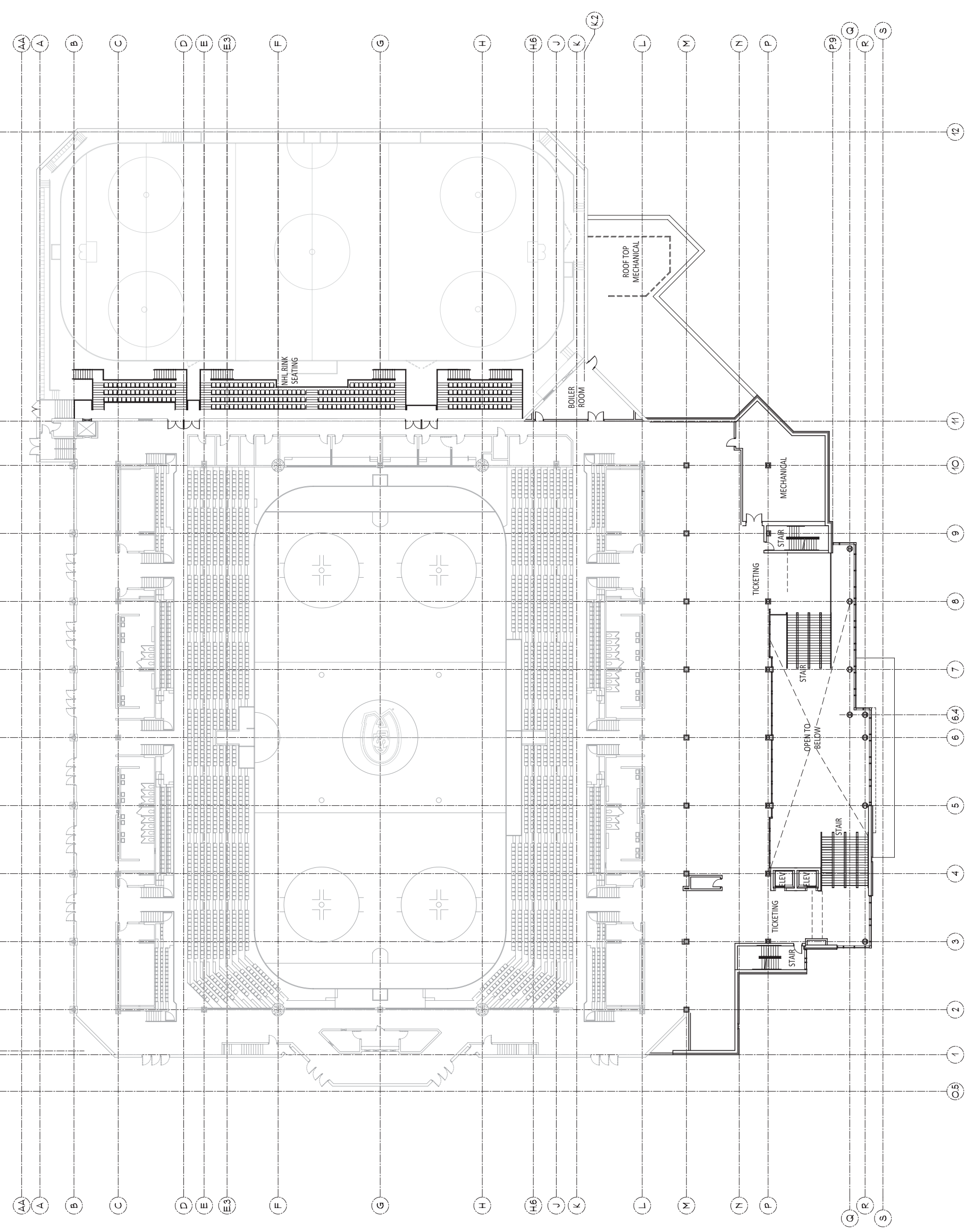
*Date presented to the Board: March 17, 2010*



PHASE 1 - FIRST LEVEL PLAN

SAINT CLOUD STATE UNIVERSITY  
**NATIONAL HOCKEY AND EVENT CENTER**  
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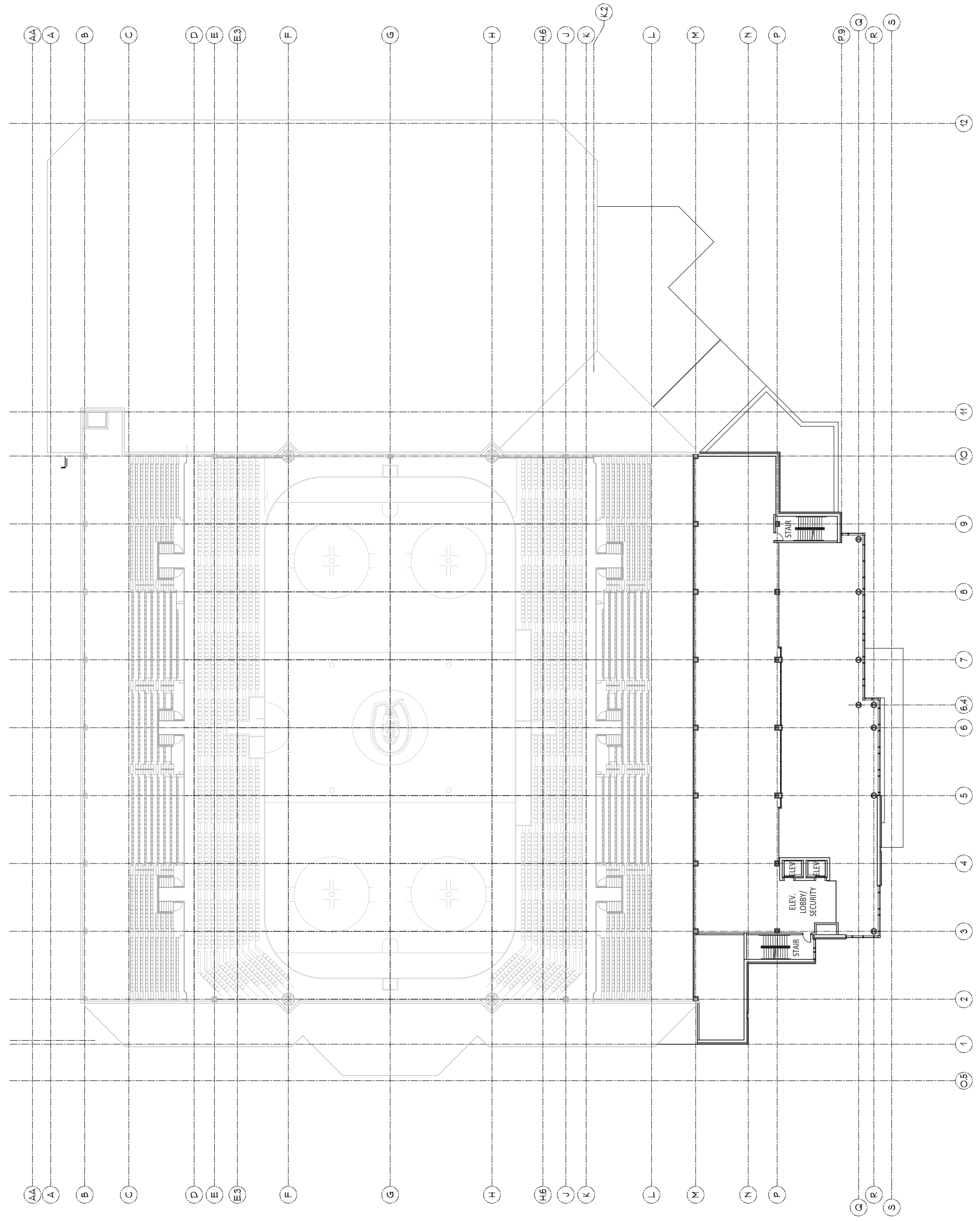




PHASE 1 - SECOND LEVEL PLAN

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 FEBRUARY 18, 2010  
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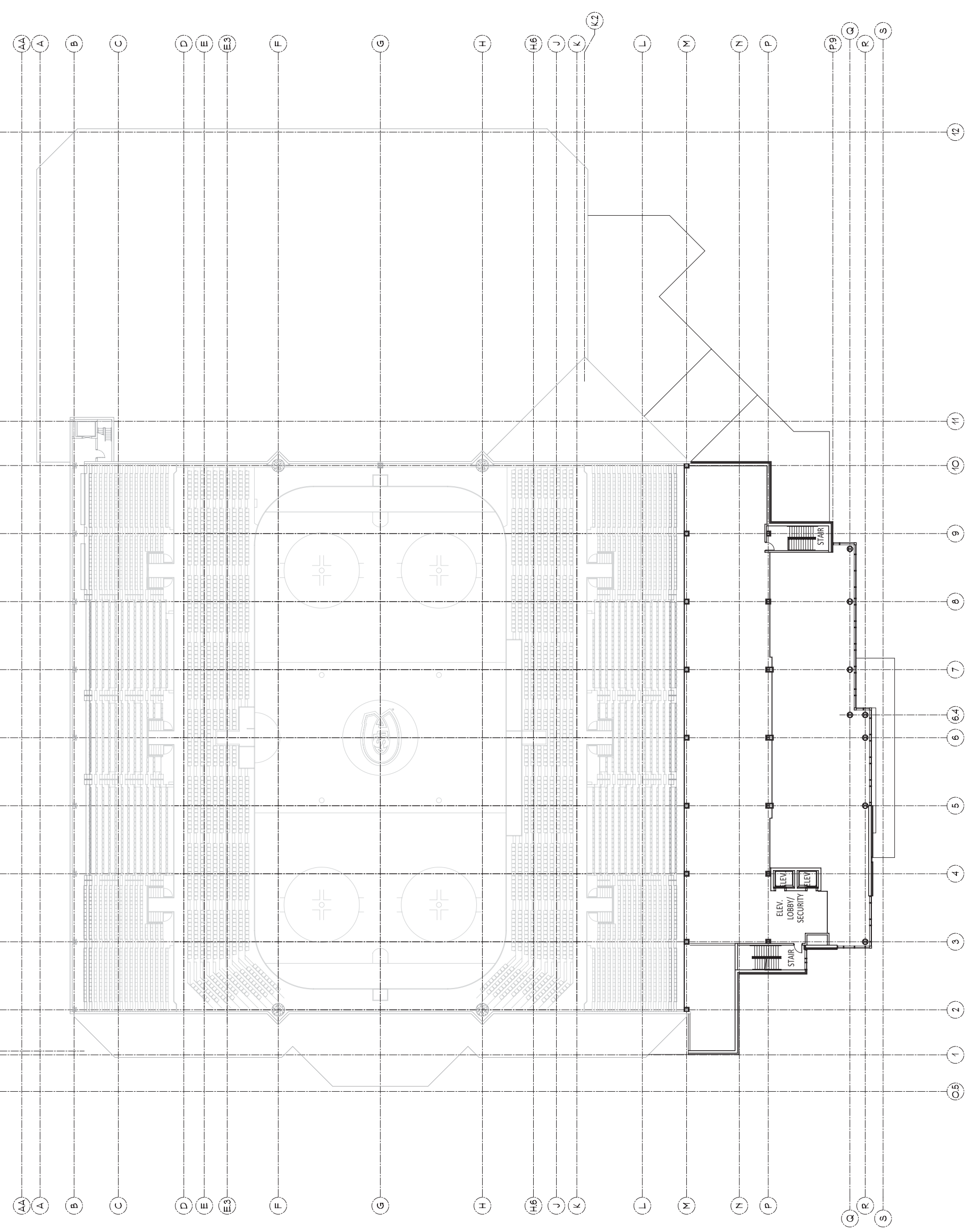




PHASE 1 - THIRD LEVEL PLAN

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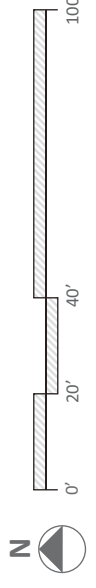
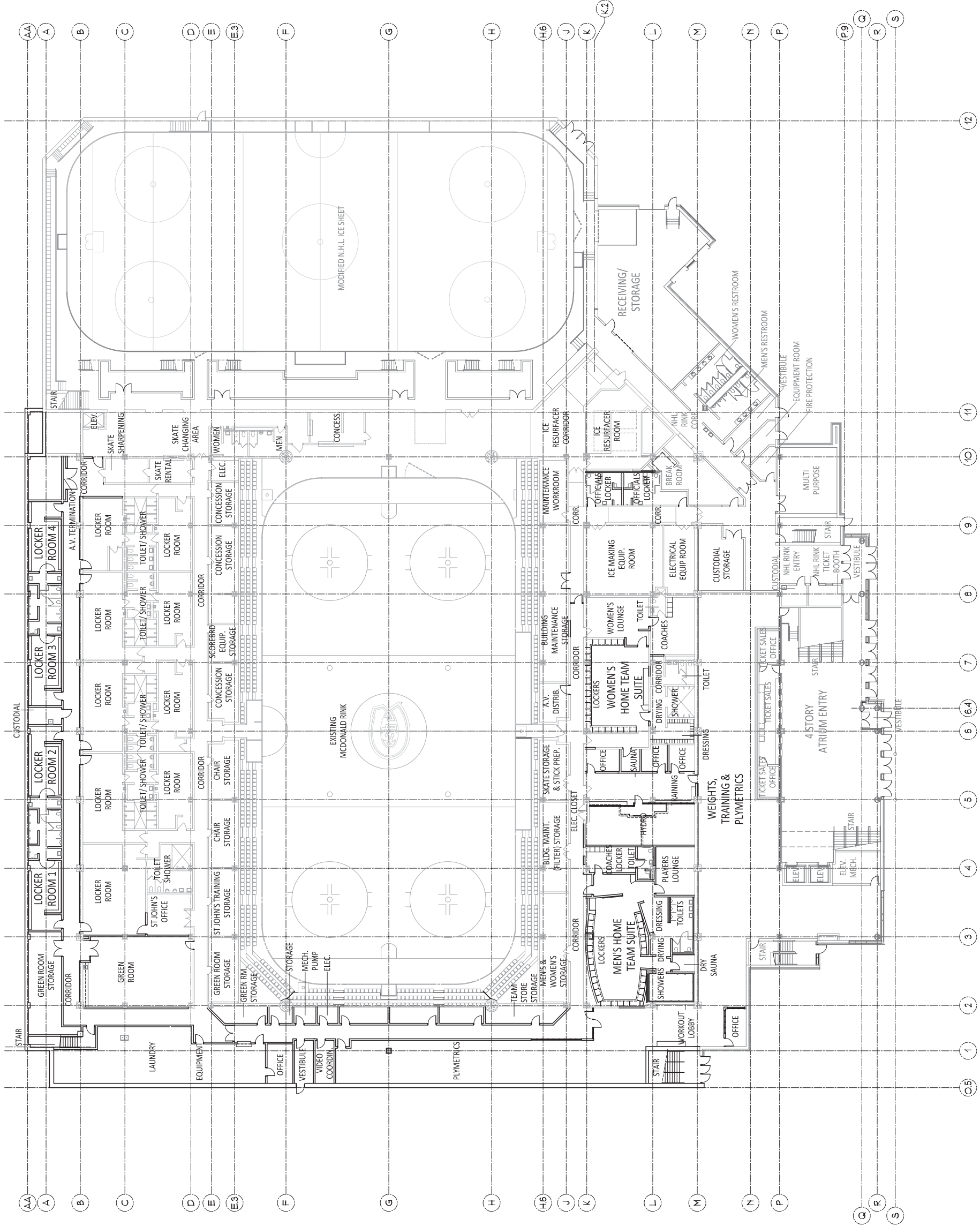


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PHASE 1 - FOURTH LEVEL PLAN



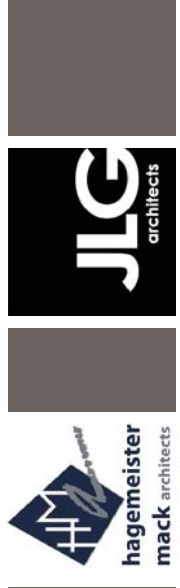
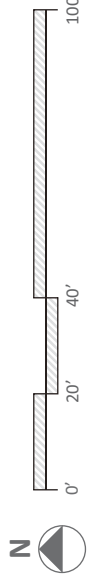
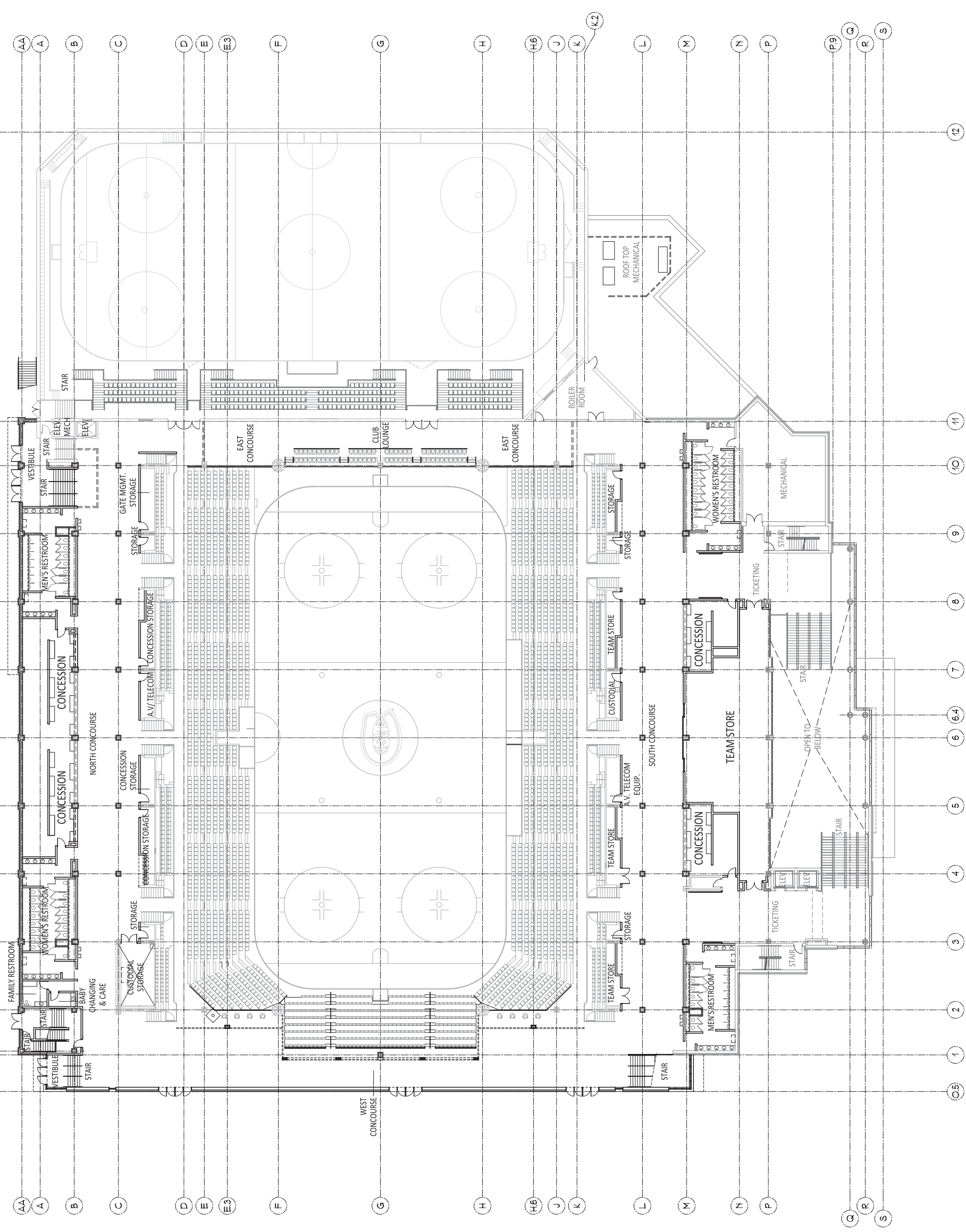




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**NATIONAL HOCKEY AND EVENT CENTER**  
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PHASE 2 - FIRST LEVEL PLAN

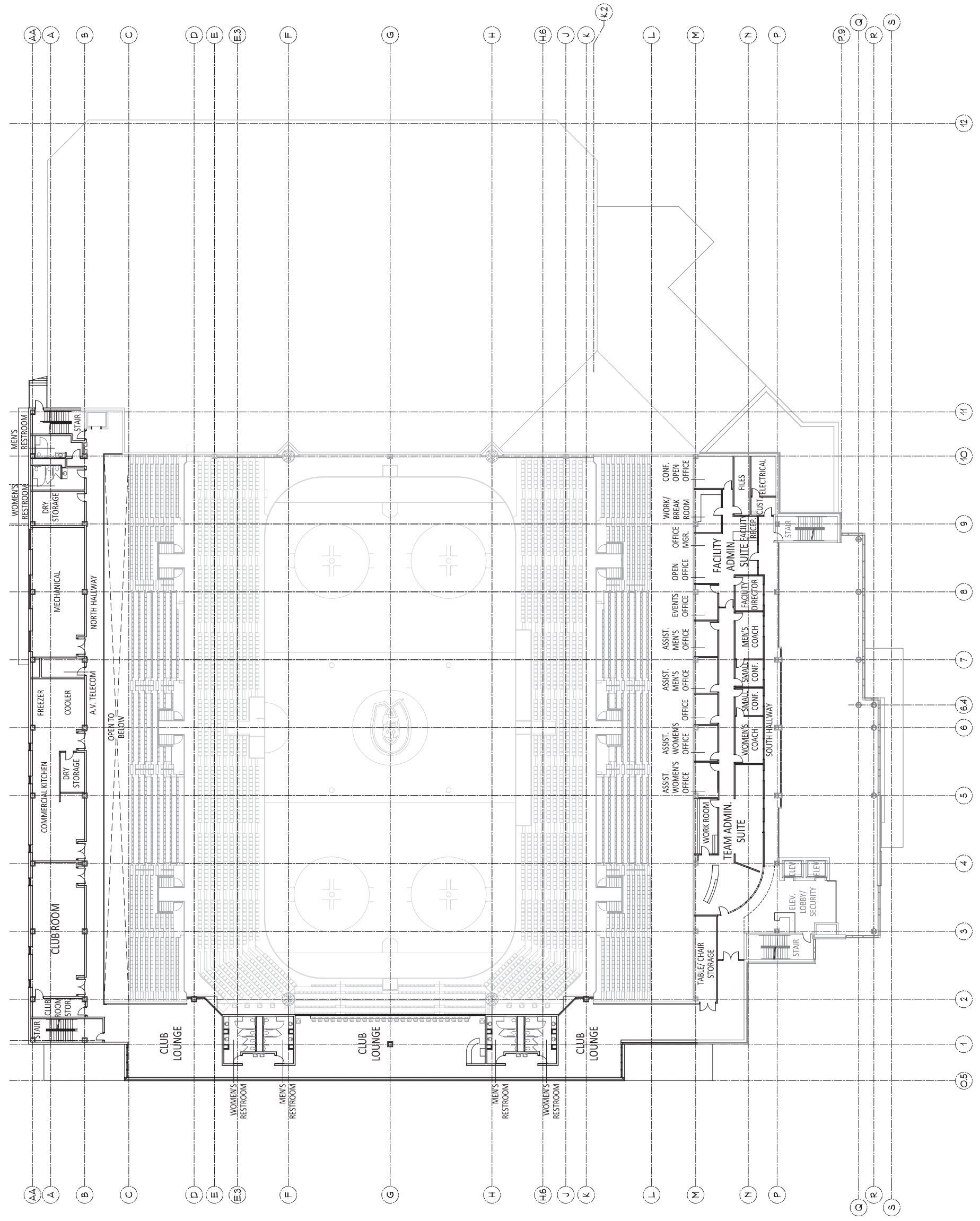




PHASE 2 - SECOND LEVEL PLAN

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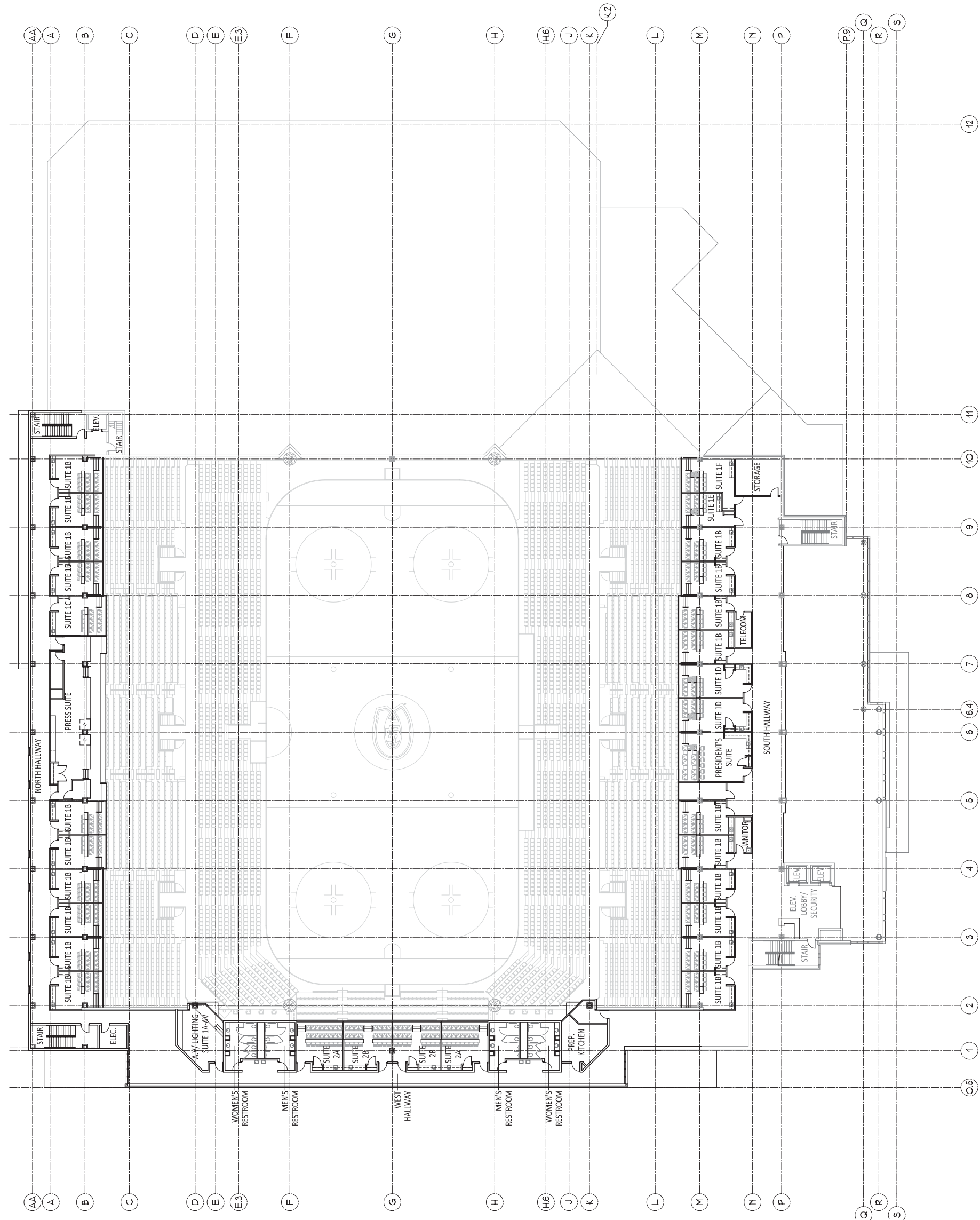




PHASE 2 - THIRD LEVEL PLAN

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**NATIONAL HOCKEY AND EVENT CENTER**  
 FEBRUARY 18, 2010  
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PHASE 2 - FOURTH LEVEL PLAN

SAINT CLOUD STATE UNIVERSITY  
**NATIONAL HOCKEY AND EVENT CENTER**  
 FEBRUARY 18, 2010



**National Hockey Center  
Uses and Sources of Funds  
February 22, 2010**

Attachment B

<b>Project Component</b>	<b>Cost</b>
Phase One Base	13,727,000
Phase Two Base	15,481,000
South Practice Rink Entrance	included
Soffits at Boxes	included
Practice Rink to NHL	included
West Blackout Curtain	included
<b>Total Construction Project Cost</b>	<b>29,208,000</b>
Financing Costs	1,500,000
Fund Raising Expense	400,000
<b>Total Cost as Designed</b>	<b>31,108,000</b>
<b>Additional Equipment Not In Contract</b>	
Corner Score Boards	550,000
LED Ribbon	550,000
Main Rink Dashers	175,000
Practice Rink Seats	126,000
<b>*Total Added Equipment</b>	<b>1,401,000</b>
<b>Grand Total</b>	<b>32,509,000</b>

<b>Sources of Funds</b>	<b>Funds Required</b>
<b>**General Obligation Bonds</b>	6,500,000
Foundation Funds	24,608,000
<b>Total</b>	<b>31,108,000</b>

\*Added equipment is contingent on additional income or favorable purchasing.

\*\*GO Bond proceeds will be used for planning and phase I construction.