

NORTH DAKOTA STATE UNIVERSITY, September 15, 2011

Request permission to: 1) increase the authorization of the Indoor Track Facility from \$5,000,000 to \$5,500,000 to be paid from private funds; 2) to seek Budget Section approval for the increase in authorization; and 3) to proceed with the project once all approvals have been received.

PROJECT DESCRIPTION:

The new indoor track facility will serve as a multi-purpose venue that will provide for increased practice and training opportunities on the NDSU campus. The facility is estimated to be a 74,800 square foot, pre-engineered, stand-alone, metal building that will separate the track and field event areas from the current footprint of the Bison Sports Arena. The facility will include a 200 meter competition track, dedicated throwing and other event areas, baseball and softball batting cages, seating (bleacher) for spectators, ticket booth and concession area. Other sporting events, such as golf, will also be considered if space and equipment can be properly programmed into this building. The facility will be located at an area just southwest of the Sanford Health Athletic Complex (Bison Sports Arena) currently being used as a parking lot.

The bids for the project were received on September 13 and were higher than anticipated. Therefore, NDSU is requesting authorization to increase the project authorization amount from \$5,000,000 to \$5,500,000 to be paid from private funds and to seek Budget Section approval to do so at their September 15 meeting. The architect has provided explanation of the cost increase as follows: 1.) Preliminary project cost estimate was completed over a year ago. Steel prices for the facility, which is almost made entirely of steel, has increased significantly over that time period. 2.) Unexpected code issues including a sprinkler system for the entire facility and more restroom facilities. 3.) Moving a couple of very large lighting standards for the Dakota Field in the BSA project and because the track facility is proceeding first, they need to be addressed now. 4.) fuel cost increases.

CONSISTENCY WITH CAMPUS FACILITY MASTER PLAN AND BUDGET:

The Indoor Track Facility was included as Priority #2 – Non State Funded Projects in the NDSU 2010 Campus Master Plan revision for the 2011-13 biennium in the amount of \$5,000,000. Also to be included in this complex, as a separate building, is the Bison Sports Arena as Priority #1 – Non-State Funded Projects in the amount of \$29,100,000.

SBHE AND/OR LEGISLATIVE HISTORY (including the Bison Sports Arena history):

PROJECT AUTHORIZATION		
Date	Resolution/Action	Amount
June 2002	BSA Addition and Renovation is priority #5 for 2003-05 biennium in the 2002 NDSU Campus Master Plan in the amount of \$15,000,000; included in the capital assets line item of NDSU's budget request in HB1003 for the 2003-05 biennium	\$15,000,000
October 2005	Part of \$75.0 million <i>Momentum</i> capital campaign announced by NDSU Development Foundation	
February 16, 2006	SBHE authorized NDSU to: 1) complete fundraising for the BSA addition and renovation in the amount of \$8,000,000; 2) proceed with project, once all required funds are available and subject to Budget Section approval; and 3) request required Budget Section approval	\$8,000,000
March 8, 2006	In written testimony, the project was described as a renovation and addition project. (Broc Lietz testified on behalf of NDSU.) Budget Section approved NDSU's request to accept and expend \$8.0 million in donated funds.	\$8,000,000
January 18, 2007	NDUS Chancellor ratified NDSU's request to seek an amendment to the NDUS appropriation bill re-authorizing it to carryover the BSA Addition and Renovation project in the amount of \$15,000,000 as per NDCC 54-44-1-11 for the 2007-2009 biennium	\$15,000,000
February 5/6, 2007	John Adams contacted Laura Glatt via email asking that the project authorization be increased to \$25,500,000 after NDSU has secured a more detailed project cost estimate. Chancellor authorized request. Laura asked John to submit a written request to the House Appropriations Education	\$25,500,000

	subcommittee to amend the NDUS bill to address the BSA project and to have the SBHE ratify the additional amount at the next SBHE meeting.	
March 15, 2007	SBHE ratified Chancellor's action authorizing NDSU to seek an amendment to HB1003 to increase authorization of the BSA Addition and Renovation from \$15,000,000 to \$25,500,000 with the source of funds listed as private gifts and donations through the NDSU Development Foundation and its \$75 million <i>Momentum</i> capital campaign	\$25,500,000
April 2007	HB1003 (2007) included \$25.5 million in other fund authority, from private sources, for the Bison Sports Arena project.	\$25,500,000
April 2009	SB2003 (2009) included \$25.5 million in other fund authority, from private sources, for the BSA. NDSU testimony, provided to both the House and Senate, stated: "The independent study done by a consulting firm in 2003 recommended that the emphasis of work done by the BSA focus on improvements to the facilities and the existing infrastructure; the HVAC system, ADA compliance; locker room expansion and upgrades, athletic training areas, classroom technology enhancements, relocation of offices, conference, and meeting rooms, and replacement of the unsafe playing surfaces and bleacher systems in the building. The scope of the project has since been expanded to include: the replacement of the existing roof, new north and south entrances to the building, a new practice gym, improvements for wrestling, track and baseball programs, and an addition to the east side of the building to accommodate suites and premium seating facilities."	\$25,500,000
June 2009	Included as carryover project in the amount of \$25,500,000 from 2007-09 in the 2009-11 Major Capital Project Priority List approved by the SBHE for inclusion in SB2003	\$25,500,000
March 2010	Included as Priority #1 – Non-State Funded projects in the NDSU 2010 Campus Master Plan revision for the 2011-13 biennium in the amount of \$29,100,000.	\$29,100,000
May 2010	Request authorization to proceed with the design and partial renovation of the Bison Sports Arena in the amount of \$3,895,200 to be funded from private sources.	\$3,895,200
June 2010	SBHE approves NDSU request to seek legislative authorization of non-state funded projects in the 11-13 biennial budget request as follows: \$29.1 million for BSA and \$5.0 million for indoor track facility.	\$34,100,000
July 2010	SBHE approves NDSU request to proceed with fundraising campaign through the NDSU Foundation for renovation and construction of facilities for the BSA and indoor track facility; also to retire lease debt associated with improvements within the Fargodome.	\$32,000,000
November 2010	SBHE approves NDSU request to change name of BSA building to Sanford Health Athletic Complex	
August 2011	Interim authorization received from the Chancellor and SBHE President to proceed with the \$5.0 million Indoor Track Facility, to be funded from private sources with ratification by the SBHE at its September 15 meeting.	
September 13, 2011	Bids came in higher than expected, at approximately \$5.4 million, taken together with contingency, request increase in project authority from \$5.0 to \$5.5 million	

ESTIMATED TOTAL PURCHASED OR DONATED COSTS:

The following costs are included within the \$5,000,000 request:

Planning, Permits and Insurance (design and preplanning costs, architect and engineer fees, permits, insurance, commissioning)	\$ 310,000
Land/Building Preparation and Purchase or Donated Costs (site survey and soil testing)	\$ 0
Demolition and Disposal	\$ 0

Construction (foundation and building construction, infrastructure and utilities, mechanical and electrical)	\$ 4,821,000
Furniture and Equipment (fixed or movable appliances, furniture and equipment)	\$ 0
Other third party costs	\$ 0
Institutional work (value of work completed by institution staff and billed to the project)	\$ 25,000
Contingency	\$ 344,000
Hazardous Material Abatement	\$ 0
Other (please describe)	\$ 0
TOTAL	\$ 5,500,000

SOURCES OF FUNDING:

Private cash-on-hand funds raised through the *Building the Competitive Edge for Bison Athletics* fund raising campaign-\$5,500,000
The Foundation has verified, with the attached letter, that it has the required funding to underwrite the project to the financial limit as approved by the SBHE for the facility (\$5,500,000.)

FUTURE OPERATING/IMPROVEMENT COSTS AND FUNDING SOURCES:

The Athletics Department will be funding the estimated \$32,500 annual operating costs through local (generated revenue, such as ticket sales, etc.) and private sources. A part-time custodian will be used to take care of the facility.

ESTIMATED PROJECT TIMELINE AND COMPLETION DATE:

The plan is to finalize design specifications for the new indoor track facility by September and bid the project out that would allow construction to start in October of 2011 with an anticipated substantial completion date by or before October 2012.

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Development Foundation

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September 14, 2011

Mr. Bruce Bollinger
Vice President, Finance & Administration
NDSU CAMPUS – Old Main

Dear Bruce:

Per your request regarding the track facility on the NDSU campus, this will verify that the Development Foundation has the required funding of \$5.5 million to underwrite said project to the increased financial limit being sought from the North Dakota Legislature and the State Board of Higher Education.

Cordially,

James C. Miller
Executive Director