

April 27, 2012

ITEM 155-2801-C0412

Authorization to Lease Athletic Facilities to MSUN Foundation for Phase 1 of Athletic Facilities Improvement Projects - \$600,000 – MSU Northern

THAT

The Board of Regents authorizes MSU-Northern to lease athletic facilities to the MSUN Foundation for the purpose of executing Phase 1 of Athletic Facilities Improvement Projects.

EXPLANATION

1. The 60th Montana Legislature (SB412, 2007 Session) promulgated MCA §20-25-309, which allows the Board of Regents to lease land and/or facilities to a private non-profit foundation for the purpose of constructing or renovating athletic facilities.
2. The MSU-Northern Foundation is a private non-profit foundation as contemplated by MCA §20-25-309. MSUN proposes to have the MSUN Foundation engage architects and contractors for the purpose of providing design and construction services to complete anticipated athletic facilities improvements.
3. The MSU-Northern Foundation plans to execute Athletic Facilities Improvement Projects in several phases over 2-3 years. These projects are anticipated to include elements such as new gym flooring; new bleachers; electrical upgrades to meet current building codes; renovations to concessions areas, lobbies, training rooms, locker rooms, and fitness areas; and ancillary mechanical, lighting and plumbing improvements.
4. The eventual total cost of improvements is anticipated to be approximately \$5 million and will be financed with non-state funds including gifts, donations and in-kind contributions, solicited and managed by the MSUN Foundation.
5. Phase 1 of the Athletic Facilities Improvement Projects will include a new gymnasium floor, new bleachers, replacement of ancillary fixed gym equipment and electrical work to meet codes. The project estimate for Phase 1 is \$600,000. Time is of the essence for this phase in order to minimize impacts to student athletes and the facilities that support their activities.
6. MCA §20-25-309 also requires the following:
 - a. The terms and agreements relating to such projects must include guarantees that no commitment of state appropriations for design, construction, operations or maintenance is expressed or implied.
 - b. The provisions of MCA §18-2-4 (Standard Prevailing Wage Rates) shall apply to all labor, other than donated labor, on this project.
 - c. The Department of Administration (A&E Division) shall execute the following provisions of MCA §18-2-103:
 - i. (1)(a) - review and accept all plans, specifications, and cost estimates prepared by architects or consulting engineers; and,
 - ii. (1)(e) - accept the building when completed according to accepted plans and specifications.
 - d. Following its approval, the board of regents (through the Office of the Commissioner of Higher Education) shall submit a report to the budget director certifying that the conditions of this subsection have been satisfied

7. Since these projects comprise modernization of existing facilities and no new space is anticipated, Operations and Maintenance costs for these facilities are not anticipated to increase as a result of these projects.
8. MSU-Northern expects to request authority to proceed with future project phases as funding becomes available for each phase of work.

ATTACHMENTS

1. BOR Policy: Physical Plant B Section 1003.7
2. Draft Lease Agreement

Attachment 1: Board of Regents Policy: Physical Plant B Section 1003.7

This authority request is for an amount greater than \$150,000.00, which requires the following additional information:

(a) Project Description:

This project renovates existing Athletic Facilities and includes elements such as the following:

- New Gym Flooring
- New Bleachers
- Electrical upgrades to meet code

(b) Cost Estimate and Funding Sources:

Construction (Phase 1).....	\$540,000
Construction Contingency.....	\$20,000
Design & Other soft costs.....	<u>\$40,000</u>
Total Project Estimate.....	\$600,000

Funding Sources: These projects will be financed with non-state funds including gifts, donations and in-kind contributions, solicited and managed by the MSUN Foundation.

(c) Program Served, Enrollment Data, Projected Enrollment:

This project will replace existing deteriorated gym flooring and bleachers and modernize some athletic facilities equipment and electrical.

(d) Space Utilization Data:

These athletic facilities serve thousands of local and regional patrons for events each year; over 100 student athletes on a regular basis; and a majority of the 1100 students for classes, recreation and events activities.

(e) Projected Use for Available Residual Space

(Not applicable to this project)

(f) Projected O&M Costs and Proposed Funding Sources:

Since these projects comprise modernization of existing facilities and no new space is anticipated, Operations and Maintenance costs for these facilities are not anticipated to increase as a result of these projects.