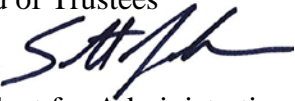





April 28, 2021

TO: Members of the Board of Trustees

FROM: Scott A. Jordan 
Executive Vice President for Administration and Chief Financial Officer

Carl W. Lejuez 
Provost and Executive Vice President for Academic Affairs

RE: Project Budget for UConn Hockey Arena (Proposed Final: \$70,000,000)

RECOMMENDATION:

That the Board of Trustees approve the Proposed Final Budget of \$70,000,000, as detailed in the attached project budget, for the UConn Hockey Arena, for design and construction and expenses associated with the Arena Project as described herein. The Administration recommends that the Board of Trustees adopt the Resolution below.

RESOLUTION:

“Be it resolved that the Board of Trustees approves a budget of \$17,000,000 in University Funds, \$33,000,000 in Revenue Bonds, and \$20,000,000 in Gift Funds for the UConn Hockey Arena Project, for design, construction and expenses associated with the Project; and that the University may enter into such agreements necessary to finalize design and architectural activities with the current project architect JCJ Architecture; and further, that the UConn Hockey Arena Project may proceed on a design-bid-build Construction Manager at Risk project delivery basis with Turner Construction Company as Construction Manager”

BACKGROUND:

In 2013, the University joined the Hockey East Association for Men’s and Women’s ice hockey. In UConn’s acceptance of the offer of membership in Hockey East, the University committed to meet the Hockey East requirement of an on-campus arena. The originally specified capacity of the arena was 4,000 seats, but it was later reduced by Hockey East to an on-campus arena with a seating capacity of 2,500. The University thereafter worked to secure a development partner for the development and construction of a new arena. Through the Request for Expressions of Interest (RFEI) process conducted at the end of 2017, the University received three responses with financial terms. As a result of further refinement of University needs and requirements, a

RFEI addendum was issued in November 2018 and the University selected a preferred development partner for the project in December 2018.

PREDEVELOPMENT SERVICES:

Based on the October 2018 approval of a Plan of Finance by the Buildings, Grounds and Environment and Financial Affairs Committees, as authorized by the Board of Trustees, a term sheet and predevelopment agreement were negotiated and executed in April 2019. The purpose of the predevelopment agreement was to provide a six-month period of due diligence and investigation on the project and to confirm the program, conceptual design and total cost of the project. Under the terms of the predevelopment agreement, the University bears the expenses during the predevelopment phase and is the owner of the enhanced concept design documents and site investigation reports at the end of the predevelopment period.

In November 2019, at the end of its predevelopment services, the preferred development partner indicated that it is unlikely to deliver the hockey arena development at the originally estimated project cost, and on the originally anticipated schedule, and that additional funding and time would be required to construct and finance the arena. The University therefore choose not to enter into a development agreement for the delivery of the hockey arena project.

PROPOSED PROJECT AND DELIVERY:

The University investigated alternatives for the delivery of the hockey arena and initially determined that the most cost-and-time-efficient method was a University-managed design-build approach. Subsequent to that decision, the global pandemic COVID-19 has spread around the globe and has impacted all aspects of University functions causing the design-build delivery approach to be reconsidered as the best delivery method for the University. The University then moved forward with a traditional Design-Bid-Build Construction Manager at Risk delivery method. The University will continue with the architectural firm previously contracted with the preferred development partner under a new direct contract with the University to complete the Design of bid documents. Utilizing the current architectural firm is prudent because it has completed the programming, conceptual design and bridging documents for the arena and therefore retaining a new design team may be difficult and costly, and there would be a further delay in the project completion.

The goal of the Design documents is to make the building as efficient and cost-effective as possible, while providing required program elements, including a minimum of 2,500 seats.

During the preparation of the final design package, the University will endeavor to make the facility as energy and water-use efficient as possible.

FINANCE PLAN

The hockey arena project will be funded from the following sources:

Cash Proceeds from Sales of Real Estate	11,500,000
<u>Operations</u>	<u>5,500,000</u>
Subtotal: University Funds	\$17,000,000
Gifts	\$20,000,000
<u>Revenue Bonds</u>	<u>\$33,000,000</u>
Total	\$70,000,000

The Proposed Final Budget is attached for your information.

Attachment

CAPITAL PROJECT BUDGET REPORTING FORM

TYPE BUDGET: FINAL

PROJECT NAME: UCONN HOCKEY ARENA

	APPROVED PLANNING 2/6/2019 PRC	APPROVED REVISED PLANNING 4/2/2019 PRC	APPROVED REVISED PLANNING 6/24/2019 PRC	APPROVED ** REVISED PLANNING 8/14/2019	APPROVED DESIGN 1/29/2020	APPROVED REVISED DESIGN 9/30/2020	PROPOSED FINAL 4/28/2021
<u>BUDGETED EXPENDITURES</u>							
CONSTRUCTION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,785,000
DESIGN SERVICES	295,000	295,000	295,000	395,000	2,100,000	3,675,000	4,750,000
TELECOMMUNICATIONS	-	-	-	-	-	-	410,000
FURNITURE, FIXTURES AND EQUIPMENT	-	-	-	-	-	-	3,800,000
OTHER AE SERVICES (including Project Management)	15,000	15,000	15,000	30,000	100,000	160,000	2,875,000
ART	-	-	-	-	-	-	-
RELOCATION	-	-	-	-	-	-	25,000
ENVIRONMENTAL	10,000	35,000	59,500	220,000	265,000	265,000	205,000
INSURANCE AND LEGAL	25,000	50,000	75,000	100,000	100,000	120,000	125,000
MISCELLANEOUS	5,000	5,000	5,000	5,000	5,000	5,000	25,000
OTHER SOFT COSTS	-	-	-	-	-	-	-
SUBTOTAL	\$ 350,000	\$ 400,000	\$ 449,500	\$ 750,000	\$ 2,570,000	\$ 4,225,000	\$ 65,000,000
PROJECT CONTINGENCY	50,000	50,000	50,000	100,000	280,000	375,000	5,000,000
TOTAL BUDGETED EXPENDITURES	\$ 400,000	\$ 450,000	\$ 499,500	\$ 850,000	\$ 2,850,000	\$ 4,600,000	\$ 70,000,000
<u>SOURCE(S) OF FUNDING*</u>							
UNIVERSITY FUNDS	\$ 400,000	\$ 450,000	\$ 499,500	\$ 850,000	\$ 2,850,000	\$ 4,600,000	\$ 17,000,000
REVENUE BONDS	-	-	-	-	-	-	33,000,000
GIFT FUNDS	-	-	-	-	-	-	20,000,000
TOTAL BUDGETED FUNDING	\$ 400,000	\$ 450,000	\$ 499,500	\$ 850,000	\$ 2,850,000	\$ 4,600,000	\$ 70,000,000

* This budget reflects the University's current intended source(s) of funding for the specified project. The University may adjust this funding plan in order to ensure compliance with applicable federal and state law(s) or to strategically utilize all fund sources, within the approved budget amount, as appropriate.

** These costs reflect the extension in the time period of the pre-development agreement and fall within the approved finance plan.

UCONN HOCKEY ARENA
Project Budget (FINAL)
APRIL 28, 2021



Northwest Elevation along Jim Calhoun Way

