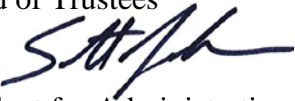





April 28, 2021

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	<u>\$ 400,000</u>	<u>\$ 450,000</u>	<u>\$ 499,500</u>	<u>\$ 850,000</u>	<u>\$ 2,850,000</u>	<u>\$ 4,600,000</u>	<u>\$ 70,000,000</u>
<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	<u>\$ 400,000</u>	<u>\$ 450,000</u>	<u>\$ 499,500</u>	<u>\$ 850,000</u>	<u>\$ 2,850,000</u>	<u>\$ 4,600,000</u>	<u>\$ 70,000,000</u>

* 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






September 30, 2020

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 (Revised Design: \$4,600,000)

RECOMMENDATION:

That the Board of Trustees approve the Revised Design Budget of \$4,600,000, as detailed in the attached project budget, for the UConn Hockey Arena. The increase of \$1,750,000 is for the completion of design, bidding 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 \$4,600,000 in University Funds for the UConn Hockey Arena Project, for design and expenses associated with the Project; and that the University will enter into such agreements necessary to finalize design and architectural activities with the current project architect; and further, that the UConn Hockey Arena Project will proceed on a design-bid-build Construction Manager at Risk project delivery basis.”

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 was responsible for 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 was 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 chose 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 on-set of the COVID-19 pandemic impacted all aspects of University functions causing the design-build delivery approach to be reconsidered. The University is moving forward with a traditional Design-Bid-Build Construction Manager at Risk delivery method. The University is continuing with the architectural firm previously contracted with the preferred development partner under a new direct contract with the University to complete Design, Bidding and Construction Administration.

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.

The Revised Design Budget is attached for your information.

Attachment

CAPITAL PROJECT BUDGET REPORTING FORM

TYPE BUDGET: REVISED DESIGN

PROJECT NAME: UCONN HOCKEY ARENA

BUDGETED EXPENDITURES	APPROVED PLANNING 2/6/2019	APPROVED REV PLANNING 4/2/2019	APPROVED REV PLANNING 6/24/2019	APPROVED ** REV PLANNING 8/14/2019	APPROVED DESIGN 1/29/2020	PROPOSED REV DESIGN 9/30/2020
	PRC	PRC	PRC			
CONSTRUCTION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DESIGN SERVICES	295,000	295,000	295,000	395,000	2,100,000	3,675,000
TELECOMMUNICATIONS	-	-	-	-	-	-
FURNITURE, FIXTURES AND EQUIPMENT	-	-	-	-	-	-
CONSTRUCTION ADMINISTRATION	-	-	-	-	-	-
OTHER AE SERVICES (including Project Management)	15,000	15,000	15,000	30,000	100,000	160,000
ART	-	-	-	-	-	-
RELOCATION	-	-	-	-	-	-
ENVIRONMENTAL	10,000	35,000	59,500	220,000	265,000	265,000
INSURANCE AND LEGAL	25,000	50,000	75,000	100,000	100,000	120,000
MISCELLANEOUS	5,000	5,000	5,000	5,000	5,000	5,000
OTHER SOFT COSTS	-	-	-	-	-	-
SUBTOTAL	\$ 350,000	\$ 400,000	\$ 449,500	\$ 750,000	\$ 2,570,000	\$ 4,225,000
PROJECT CONTINGENCY	50,000	50,000	50,000	100,000	280,000	375,000
TOTAL BUDGETED EXPENDITURES	\$ 400,000	\$ 450,000	\$ 499,500	\$ 850,000	\$ 2,850,000	\$ 4,600,000
SOURCE(S) OF FUNDING*						
UNIVERSITY FUNDS	\$ 400,000	\$ 450,000	\$ 499,500	\$ 850,000	\$ 2,850,000	\$ 4,600,000
TOTAL BUDGETED FUNDING	\$ 400,000	\$ 450,000	\$ 499,500	\$ 850,000	\$ 2,850,000	\$ 4,600,000

* 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 (DESIGN)
September 30, 2020




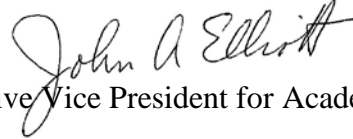
Northwest Elevation along Jim Calhoun Way



January 29, 2020

TO: Members of the Board of Trustees

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

John A. Elliott 
Interim Provost and Executive Vice President for Academic Affairs

RE: Project Budget for UConn Hockey Arena (Design: \$2,850,000)

RECOMMENDATION:

That the Board of Trustees approve the Design Budget of \$2,850,000, as detailed in the attached project budget, for the UConn Hockey Arena, for design and predevelopment expenses associated with the Arena development and 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 \$2,850,000 in University Funds for the UConn Hockey Arena Project, for design and predevelopment expenses associated with the Project; and that the University may enter into such agreements necessary to close-out activities under the Pre-Development Agreement, and continue design, bidding and architectural activities with the current project architect; and further, that the UConn Hockey Arena Project may proceed on a design-build project delivery basis.”

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.

Office of the Executive Vice President for
Administration and Chief Financial Officer
352 MANSFIELD ROAD, UNIT 1122
STORRS, CT 06269-1122
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www.evpacfo.uconn.edu

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 is therefore choosing not to enter into a development agreement for the delivery of the hockey arena project.

PROPOSED PROJECT AND DELIVERY

The University has investigated alternatives for the delivery of the hockey arena and determined that the most cost- and time-efficient method is through a University-managed design-build approach. In the design-build delivery method, the University will continue the development of the design plans to an enhanced Schematic Design level with enhanced specifications, and bid the completion of the design and the construction of the arena under a single contract to a design-builder. 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 enhanced Schematic Design bid documents (known as “bridging documents”). Utilizing the current architectural firm is prudent because it has completed the programming and a conceptual design for the arena and therefore retaining a new design team may be difficult and costly, and there would be a delay in the project completion.

The goal of the bridging 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. If the hockey arena can be awarded to a design-builder by September 1, 2020, the facility may be constructed and open on April 1, 2022.

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

The Design Budget is attached for your information.

Attachment

CAPITAL PROJECT BUDGET REPORTING FORM

TYPE BUDGET: DESIGN

PROJECT NAME: UCONN HOCKEY ARENA

<u>BUDGETED EXPENDITURES</u>	<u>APPROVED PLANNING 2/6/2019 PRC</u>	<u>APPROVED REV PLANNING 4/2/2019 PRC</u>	<u>APPROVED REV PLANNING 6/24/2019 PRC</u>	<u>APPROVED ** REV PLANNING 8/14/2019</u>	<u>PROPOSED DESIGN 1/29/2020</u>
CONSTRUCTION	\$ -	\$ -	\$ -	\$ -	\$ -
DESIGN SERVICES	295,000	295,000	295,000	395,000	2,100,000
TELECOMMUNICATIONS	-	-	-	-	-
FURNITURE, FIXTURES AND EQUIPMENT	-	-	-	-	-
CONSTRUCTION ADMINISTRATION	-	-	-	-	-
OTHER AE SERVICES (including Project Management)	15,000	15,000	15,000	30,000	100,000
ART	-	-	-	-	-
RELOCATION	-	-	-	-	-
ENVIRONMENTAL	10,000	35,000	59,500	220,000	265,000
INSURANCE AND LEGAL	25,000	50,000	75,000	100,000	100,000
MISCELLANEOUS	5,000	5,000	5,000	5,000	5,000
OTHER SOFT COSTS	-	-	-	-	-
SUBTOTAL	\$ 350,000	\$ 400,000	\$ 449,500	\$ 750,000	\$ 2,570,000
PROJECT CONTINGENCY	50,000	50,000	50,000	100,000	280,000
TOTAL BUDGETED EXPENDITURES	\$ 400,000	\$ 450,000	\$ 499,500	\$ 850,000	\$ 2,850,000
<u>SOURCE(S) OF FUNDING*</u>					
UNIVERSITY FUNDS	\$ 400,000	\$ 450,000	\$ 499,500	\$ 850,000	\$ 2,850,000
TOTAL BUDGETED FUNDING	\$ 400,000	\$ 450,000	\$ 499,500	\$ 850,000	\$ 2,850,000

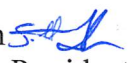
* This budget reflects the University's current intended source(s) of funding for the specified project. The University may adjust this funding plan in order to ensure compliance with applicable federal and state law(s) or to strategically utilize all fund sources, within the approved budget amount,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

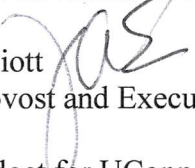
** These costs reflect the extension in the time period of the pre-development agreement and fall within the approved finance plan.



August 14, 2019

TO: Members of the Board of Trustees

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

John A. Elliott 
Interim Provost and Executive Vice President for Academic Affairs

RE: Project Budget for UConn Hockey Arena (Revised Planning: \$850,000)

RECOMMENDATION:

That the Board of Trustees approve the Revised Planning Budget of \$850,000, as detailed in the attached project budget, for the UConn Hockey Arena, for predevelopment expenses associated with the pending Development Agreement with a private developer. The Administration recommends that the Board of Trustees adopt the Resolution below.

RESOLUTION:

“Be it resolved that the Board of Trustees approve the use of \$850,000 in University Funds for the UConn Hockey Arena for predevelopment expenses associated with the pending Development Agreement with a private developer.”

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 has continuously 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 private developer as the preferred development partner for the project in December 2018.

In September 2018, the Board of Trustees authorized the Administration to execute agreements necessary for any portion or all of the design, construction, financing, and operation of a new ice hockey arena on the Storrs campus, provided that the arena meets the minimum requirements of the Hockey East Association, and provided further that a Plan of Finance be submitted and reviewed by the Buildings, Grounds and Environment Committee (“BGE”) and Financial Affairs Committee (“FA”). The Plan of Finance for the hockey arena was submitted and reviewed by the BGE and FA Committees in October 2018.

The UConn hockey arena is programmed currently as an approximately 100,000 square foot stand-alone new facility adjacent to the existing Freitas Ice Forum with approximately 700 parking spaces. Through a pending turn-key development agreement, the private developer will ultimately have responsibilities to design, construct, finance, and operate the arena. This Resolution however is only for pre-development expenses, which include the creation of concept designs for the new arena, site investigations, commencement of the CEPA approval process and legal fees to draft, negotiate and finalize the development agreements. Pre-development is expected to take 4 to 6 months to complete, and the final project costs and agreements will be reviewed with the Board when completed.

Approval of this Resolution will allow the UConn Hockey Arena project to maintain its current target completion date for the Fall/Winter 2021. These expenses are within the current plan of finance.

The Revised Planning Budget is attached for your information.

Attachment

CAPITAL PROJECT BUDGET REPORTING FORM

TYPE BUDGET: REVISED PLANNING

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	PROPOSED ** REVISED PLANNING 8/14/2019
<u>BUDGETED EXPENDITURES</u>				
CONSTRUCTION	\$ -	\$ -	\$ -	\$ -
DESIGN SERVICES	295,000	295,000	295,000	395,000
TELECOMMUNICATIONS	-	-	-	-
FURNITURE, FIXTURES AND EQUIPMENT	-	-	-	-
CONSTRUCTION ADMINISTRATION	-	-	-	-
OTHER AE SERVICES (including Project Management)	15,000	15,000	15,000	30,000
ART	-	-	-	-
RELOCATION	-	-	-	-
ENVIRONMENTAL	10,000	35,000	59,500	220,000
INSURANCE AND LEGAL	25,000	50,000	75,000	100,000
MISCELLANEOUS	5,000	5,000	5,000	5,000
OTHER SOFT COSTS	-	-	-	-
SUBTOTAL	\$ 350,000	\$ 400,000	\$ 449,500	\$ 750,000
PROJECT CONTINGENCY	50,000	50,000	50,000	100,000
TOTAL BUDGETED EXPENDITURES	<u>\$ 400,000</u>	<u>\$ 450,000</u>	<u>\$ 499,500</u>	<u>\$ 850,000</u>
<u>SOURCE(S) OF FUNDING*</u>				
UNIVERSITY FUNDS	<u>\$ 400,000</u>	<u>\$ 450,000</u>	<u>\$ 499,500</u>	<u>\$ 850,000</u>
TOTAL BUDGETED FUNDING	<u>\$ 400,000</u>	<u>\$ 450,000</u>	<u>\$ 499,500</u>	<u>\$ 850,000</u>

* 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.

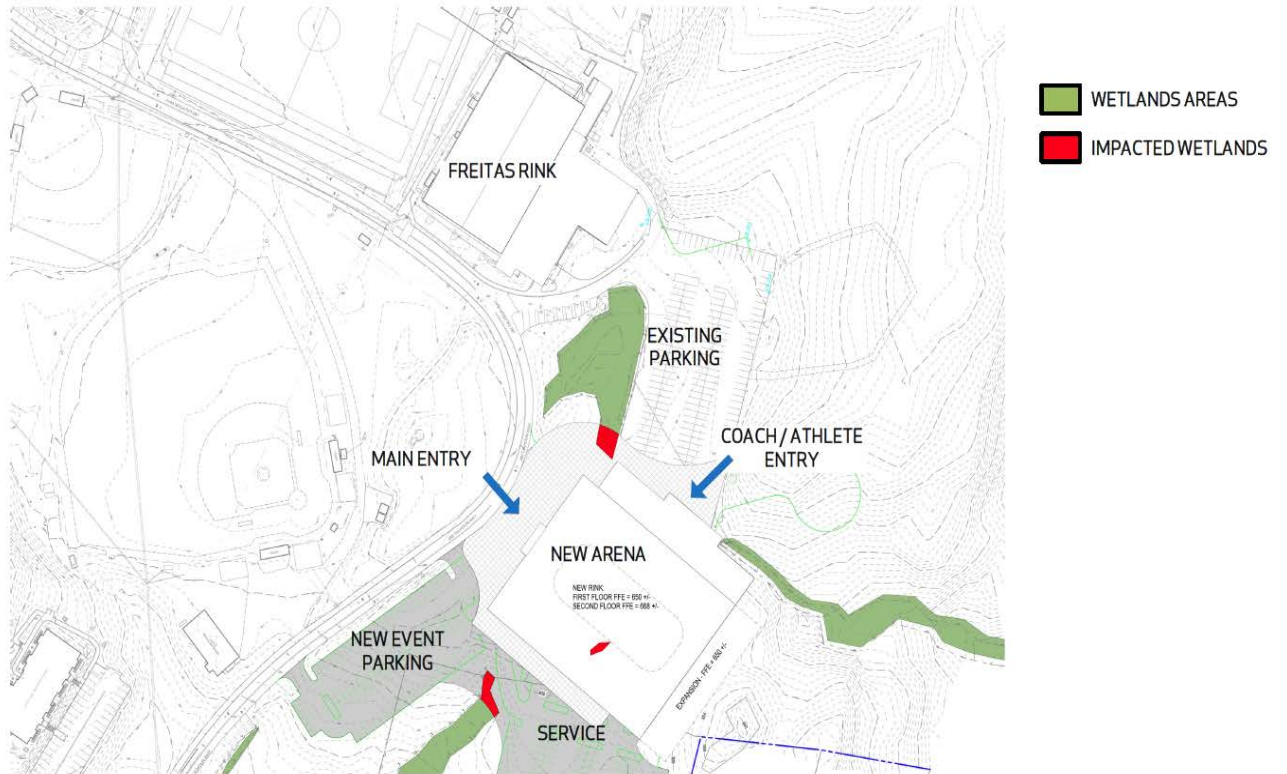
** These costs reflect the extension in the time period of the pre-development agreement and fall within the approved finance plan.

UCONN HOCKEY ARENA

Project Budget (REVISED PLANNING)

August 14, 2019

SITE STUDY




UCONN HOCKEY ARENA
STORRS, CONNECTICUT



Office of the Executive Vice President for
Administration and Chief Financial Officer
Scott A. Jordan
Executive Vice President
for Administration
and Chief Financial Officer

October 29, 2018

TO: Members of the Buildings, Grounds, and Environment and
Financial Affairs Committees

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

RE: Plan of Finance for New Ice Hockey Arena on Storrs Campus

RECOMMENDATION:

That the Buildings, Grounds, and Environment and Financial Affairs Committees of the Board of Trustees approve the attached Plan of Finance to fund \$45,000,000 for a New Ice Hockey Arena on the Storrs Campus.

BACKGROUND:

On September 26, 2018, the Board of Trustees authorized the Administration to execute agreements necessary for any portion or all of the design, construction, financing, and operation of a new ice hockey arena on the Storrs campus, provided that the arena meets the minimum requirements of the Hockey East Association, and provided further that, at the Board meeting on October 31, 2018 and prior to execution of any agreements relating to the ice hockey arena project, (i) the Chief Financial Officer shall have submitted to the Board a Plan of Finance which will include a description of the final scope of the ice hockey rink project, the projected schedule for completion of the project, the projected capital and operating costs of the project, the projected sources and uses of funds to be used to finance construction and operation of the project and related enabling projects, and the principal terms of the agreements to be entered into by the University in connection with the project, (ii) the Buildings, Grounds and Environment Committee and the Financial Affairs Committee shall have approved the Plan of Finance and (iii) the Plan of Finance shall not have been rejected by the Board at its meeting on October 31, 2018.

Pursuant to the September 26 Board authorization, I submit the attached Plan of Finance.

Plan of Finance for New Ice Hockey Arena on the Storrs Campus

Project Background & Scope:

In 2013, the University joined the Hockey East Association for Men's and Women's ice hockey. In our acceptance of the offer of membership in Hockey East, UConn committed to meet the Hockey East requirement of an on-campus arena with a capacity of 4,000 seats. Hockey East has since approved the University's request to reduce the number of seats in the arena to 2,500.

Concurrent with our efforts to manage the scope and schedule of the project, the University has worked to secure a development partner for 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 recently issued to the three responders seeking additional information, which was evaluated prior to presenting this Plan of Finance.

The RFEI addendum included the following specifications:

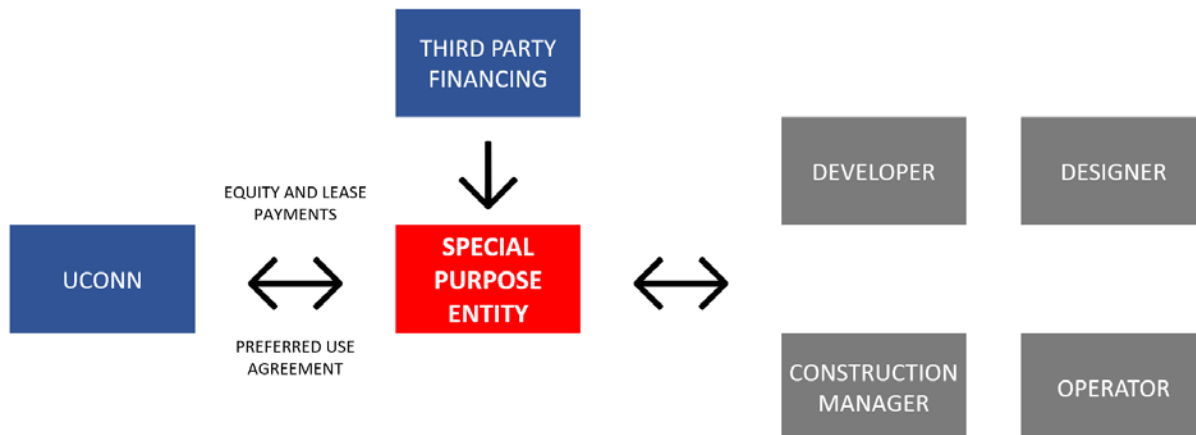
- New ice arena to be located adjacent and connected to the existing Freitas Ice Forum with approximately 75,000 usable square feet.
- Seating capacity of 2,500 seats with 20% chair backs; expansion capability for the facility to 3,500 seats in the future.
- The arena facilities and ice will need to meet all NCAA Division I ice hockey requirements, all Hockey East conference standards and all University guidelines and requirements.
- Parking for approximately 750 vehicles adjacent to the new arena.

Note that this new arena project excludes the previously authorized \$11.0 million in improvements to the existing Freitas Ice Forum (approved by the Board on August 1, 2018) and any enabling infrastructure work, which is currently part of the Southwest Campus Infrastructure Upgrade project (approved by the Board on August 1, 2018).

Preferred Terms of Agreement:

The specific terms of agreement(s) will be negotiated over the next few months, and final agreements will be submitted to the Board before execution. In negotiation, the University intends to take the following approach for the arena development.

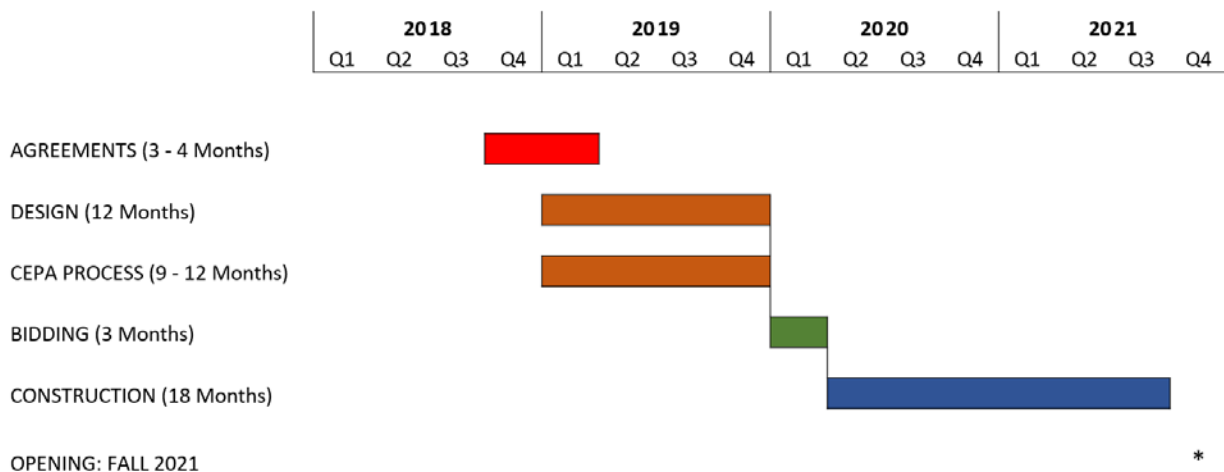
The Developer will create a Special Purpose Entity (SPE) to design, construct, own and operate the arena. The SPE will be granted a long-term ground lease from the University for the development of the new arena and related parking. The SPE, in turn, will engage the Developer, who will have authority for the direction and control of all construction and development activity. This structure is described in the following graphic.



The University will invest up to 49% equity for the cost of the new development. The SPE will issue tax-exempt bonds for the balance of the project costs. The University will execute with the SPE a 30-year amortizing sublease of the completed arena to repay the bonds. The University will have the option to buy-out its sublease obligation, and repay the bonds, at years 5 and 10. The ground lease and the building sublease will terminate upon retirement of the bonds.

The SPE will execute an operating agreement with an operator that will be responsible for administration of all non-UConn arena use. This operating agreement will provide for revenue sharing with the University. The University anticipates revenues of approximately \$400,000 annually, which will be used for the annual bond payment. It is our intention to utilize any additional revenue received by the University, if any, under this operating agreement toward the remaining debt service.

The proposed development schedule is presented below.



Projected Costs & Sources of Funds:

The University estimates a total cost of \$45,000,000 for this project. While a small portion of this total will be borne directly by the University for various activities such as permitting, legal, and FFE, most of this total will be used by the SPE for planning, design and construction of the new ice arena.

The University will utilize the following fund sources to support this project:

Fund Sources		
Internal Loan from University Reserves	\$12,500,000	Philanthropy & Athletics to pay back University cash advance
Property Sales	10,000,000	West Hartford Campus & Hotel
Tax-Exempt Bond	22,500,000	To be issued by SPE
Total Fund Sources	\$45,000,000	

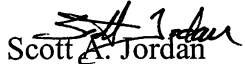
The University will be responsible for lease payments to the SPE, which will be equal to the debt service on the Tax-Exempt Bond of approximately \$1.6 million per year. We anticipate the bond will be issued in FY21 based upon estimated project cashflow, and that partial debt service payments will begin in FY21.

On a year-over-year basis, we anticipate the impact of these debt service payments to be minimal. This is a result of two factors: first, we expect operating revenues of \$400,000 per year to offset debt service, and second, as existing debt is paid down, the University’s annual debt service is reduced. See the table below (in millions) that describes the next ten years of the University’s non-state supported debt service.

FY	A	B	C	A+B-C=D	Year-Over-Year Change
	Current Debt Service	Hockey Debt Service	Operating Revenue	Net New Debt Service	
2020	\$21.2	\$0.0	\$0.0	\$21.2	\$0.0
2021	20.7	0.8	0.0	21.5	0.3
2022	20.7	1.6	0.4	21.9	0.4
2023	19.9	1.6	0.4	21.1	(0.8)
2024	19.9	1.6	0.4	21.1	0.0
2025	19.9	1.6	0.4	21.1	0.0
2026	19.9	1.6	0.4	21.1	0.0
2027	20.0	1.6	0.4	21.2	0.1
2028	19.9	1.6	0.4	21.1	(0.1)
2029	18.4	1.6	0.4	19.6	(1.5)
2030	18.4	1.6	0.4	19.6	0.0
2031	9.1	1.6	0.4	10.3	(9.3)

September 26, 2018

TO: Members of the Board of Trustees

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

RE: Development of a new Ice Hockey Arena on the Storrs Campus

RECOMMENDATION:

That the Board of Trustees authorize the Administration to execute agreements necessary for any portion or all of the design, construction, financing, and operation of a new ice hockey arena on the Storrs campus, provided that the arena meets the minimum requirements of the Hockey East Association, and provided further that, at or before the Board of Trustees meeting scheduled for October 31, 2018 and prior to execution of any agreements relating to the ice hockey arena project, (i) the Chief Financial Officer shall have submitted to the Board of Trustees a Plan of Finance which will include a description of the final scope of the ice hockey rink project, the projected schedule for completion of the project, the projected capital and operating costs of the project, the projected sources and uses of funds to be used to finance construction and operation of the project and related enabling projects and the principal terms of the agreements to be entered into by the University in connection with the project, (ii) the Buildings, Grounds and Environment Committee and the Financial Affairs Committee shall have approved the Plan of Finance and (iii) the Plan of Finance shall not have been rejected by the Board of Trustees at its meeting scheduled for October 31, 2018.

BACKGROUND:

In 2013, the University of Connecticut joined the Hockey East Association for Men's and Women's ice hockey. In our acceptance of the offer of membership in Hockey East, dated June 21, 2012, UConn committed to meet the Hockey East requirement of an on-campus arena with a capacity of 4,000 seats, and that construction would begin in 2017. After investigation, the University determined that the existing Freitas Ice Forum cannot be expanded to accommodate the required number of seats, but the locker rooms and training facilities can be updated to current standards.

Subsequently, UConn Athletics has communicated to Hockey East our intention to address locker rooms and training facilities first, and that because Freitas cannot be expanded, our timeline for arena construction would be delayed. The Freitas Ice Forum Renovation and Addition, Phase I, approved by the Board of Trustees in August, 2018, is in the design phase and

includes the renovation of existing public space, locker rooms, coaches' offices, equipment room, and the addition of strength and training spaces.

The University is currently engaged in efforts to further reduce the scope and projected cost of a new arena. The Freitas Ice Forum Renovation and Addition, Phase I project, described above, will eliminate the need to construct locker and training facilities. In September 2018, the University submitted a request of Hockey East to reduce the number of seats in the arena to 2,500, and on September 20, Hockey East approved the University's request.

Concurrent with our efforts to manage the scope and schedule of the project, the University has worked to procure a development partner for construction of a new arena. In September, 2017, the University posted a public Request for Expressions of Interest for development of a new on-campus ice hockey arena. The University received three financial development responses, incorporating design, construction, and financing, and three qualifications-only responses. Interviews with the three full-development respondents were conducted in December, 2017.

Following the agreement with Hockey East on the number of seats, the Chief Financial Officer will submit to the Board of Trustees, before the Board meeting scheduled for October 31, 2018 and prior to execution of any agreements relating to the ice hockey arena project, a Plan of Finance which will include a description of the final scope of the ice hockey arena project, the projected schedule for completion of the project, the projected capital and operating costs of the project, the projected sources and uses of funds to be used to finance construction and operation of the project, and related enabling projects and the principal terms of the agreements to be entered into by the University in connection with the project. The University will proceed with the project if approved by the Buildings, Grounds and Environment Committee and the Financial Affairs Committee and the Plan of Finance shall not have been rejected by the Board of Trustees at its meeting scheduled for October 31, 2018.