

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Facilities Committee

January 3, 2007

A meeting of the Facilities Committee of the Board of Regents was held on Wednesday, January 3, 2007 at 9:30 a.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: David Metzen, presiding; Steven Hunter, and Lakeesha Ransom. Regents Anthony Baraga, Frank Berman, and John Frobenius participated via telephone. Regents Clyde Allen, Peter Bell, Dallas Bohnsack, Cynthia Leshar, and Patricia Simmons were also present.

Staff present: President Robert Bruininks; Senior Vice President and Provost Thomas Sullivan; Senior Vice President Robert Jones; Vice Presidents Kathryn Brown, Kathleen O'Brien, and Richard Pfitzenreuter; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; and Associate Vice Presidents Margaret Carlson, Stuart Mason, Michael Perkins, and Donna Peterson.

Student Representatives present: Joshua Colburn and Luke Neuville.

SCHEMATIC PLANS

A. TCF Bank Stadium, Twin Cities Campus

Vice President O'Brien, Joel Maturi, Director of Intercollegiate Athletics, and Scott Radevic of HOK Sport presented information on the TCF Bank Stadium project, as contained in the docket materials. Maturi reported that the goal of the design team was to produce a 50,000 seat facility with a collegiate appearance that can be expanded in the future. He explained that the stadium will contain facilities for the football program, marching band, and recreational sports. Radevic provided information on the schematic design of the facility, including the overall site plan, space diagrams of each stadium level, and illustrated drawings of the facility from different perspectives. Highlights of the design presentation included:

- The stadium will have a traditional, horseshoe shape with the open end of the stadium bowl facing west toward the Minneapolis East Bank campus.
- All team, band, and stadium operations facilities will be housed on a single event level below the main spectator concourse.
- The main concourse will have corridors that range from 40 to 60 feet wide, which is significantly larger than the 24 foot corridors of the Metrodome.
- Over half of the seats at the stadium will be chairbacks with the remainder being benches.
- Proposed premium amenities will include 39 suites, 750 loge seats, 300 indoor club seats, 1,250 outdoor club seats, and a 30,000 square foot indoor club.

Several Regents expressed enthusiasm for the stadium design. In response to a question from Regent Bell, Radecic explained that there will be several spaces within the facility that can be used year round, such as the hall of fame and the retail store.

A motion was made and seconded to recommend approval of the following action:

The schematic plans for TCF Bank Stadium, Minneapolis, Twin Cities Campus, are approved and the appropriate administrative officers are authorized to proceed with the award of contracts, the development of construction documents, and construction.

Chair Metzen called for a roll call vote. The votes were cast as follows:

Regent Baraga	Yes
Regent Berman	No
Regent Frobenius	Yes
Regent Hunter	Yes
Regent Metzen	Yes
Regent Ransom	Yes

The committee voted by a majority of 5 to 1 to recommend approval of schematic plans for TCF Bank Stadium, with Regent Berman voting against the motion.

CAPITAL BUDGET AMENDMENT

A. TCF Bank Stadium, Twin Cities Campus

Vice Presidents O'Brien and Pfutzenreuter presented information on the capital budget amendment, as detailed in the docket materials. O'Brien informed the committee that the cost of the stadium has increased by \$39,800,000 to a total of \$288,500,000. O'Brien explained that the cost increase was related to the following factors:

- Project improvements;
- Regulatory changes;
- Design solutions to site challenges; and
- Inflationary impacts and market conditions.

O'Brien noted that discretionary project improvements made up over two-thirds of the cost increase. Pfutzenreuter presented a two-part strategy for financing the capital budget amendment. He reported that \$15 to \$17 million of the additional cost will be covered through cash management of the stadium's project revenues and through maximizing the bond proceeds from the state contribution. The second source of funding will be University debt repaid by the Department of Intercollegiate Athletics.

Regent Berman expressed his opposition to the capital budget amendment because of the increased level of debt service for the athletic department. He also questioned whether the University will be able to achieve the original private fundraising goals. Pfutzenreuter responded that the University remains committed to raising \$85 million of the cost of the stadium through private fundraising and that approximately \$36 million remains to achieve that goal. President Bruininks added that the private fundraising is actually ahead of projections and that he is confident in the financial plan put forward for the capital budget amendment.

In response to a question from Regent Hunter, O'Brien expressed confidence in the accuracy of the cost escalation because of the results from two independent cost estimations. In response to a question from Regent Bell, Pfitzenreuter identified \$30 million in contingency funds that remain available for the project. O'Brien added that this amount puts the contingency at approximately 15 percent, which exceeds the standard contingency for most capital projects.

A motion was made and seconded to recommend approval of the following action:

On the recommendation of the President and Vice President for University Services the FY2007 Capital Budget is amended to increase the budget for the following project:

TCF Bank Stadium, Minneapolis, Twin Cities Campus.

Scope of Project: A new 50,000 seat open-air football stadium.

Cost Estimate: \$39,800,000.

Capital Funding: Active cash management of stadium project revenues and maximizing bond proceeds due to favorable interest rates and advantageous market conditions \$15,000,000 - \$17,000,000; University Debt repaid by Intercollegiate Athletics \$23,000,000 - \$25,000,000.

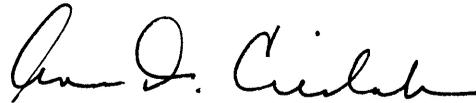
Estimated completion date: September 2009.

Chair Metzen called for a roll call vote. The votes were cast as follows:

Regent Baraga	Yes
Regent Berman	No
Regent Frobenius	Yes
Regent Hunter	Yes
Regent Metzen	Yes
Regent Ransom	Yes

The committee voted by a majority of 5 to 1 to recommend approval of the capital budget amendment, with Regent Berman voting against the motion.

The meeting adjourned at 11:10 a.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary