

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance

AGENDA ITEM: 7 – E

DATE: October 3-5, 2017

SUBJECT: USD Dakota Dome Renovation – Preliminary Facility Statement

The University of South Dakota requests approval of its Preliminary Facility Statement to begin planning for the renovation of the Dakota Dome. The Dakota Dome has served as the cornerstone of Coyote athletics since 1979.

A 218,829 square foot facility with seating for ten thousand, USD’s Dakota Dome was one of the first multi-purpose domes in the nation. Today, it serves as home for all Coyote athletic teams with the exception of men’s and women’s basketball and volleyball.

In 2014, USD hired Davis Design to conduct an infrastructure study of the current facility to determine areas within the facility that require improvement. In combination with information from a recent Title IX review, the nearly 40-year-old building is in need of significant updating. This study identified several items that need updating including, but not limited to, lighting, HVAC systems, plumbing systems, fire alarm system, restroom facilities, sound system, locker rooms, meeting rooms, coaching offices, and support spaces. Renovation of the Dakota Dome to accommodate such improvements will allow USD to meet Title IX requirements, international building and fire code requirements, and will provide a safer facility for students, staff, faculty, and visitors to our campus.

To meet the functional needs of faculty, students, and guests. The focus of this project is to provide an improved facility for athletic teams housed within the facility, better coaching spaces, continued focus and commitment to Title IX needs, and an improved viewing and entertaining experience for all who attend events within the facility. Among the opportunities to improve were locker rooms and coaching opportunities for softball, soccer, and tennis. Those programs are currently housed in the Dakota Dome. Renovation of the Dakota Dome to accommodate such improvements will require relocating the football locker rooms to the west side.

The facility also serves the local community in several ways. Youth events, such as SD Junior football, high school track meets, and graduation ceremonies are held here; the annual high school football championships and high school All-Star Football games are also hosted here; as

(Continued)

DRAFT MOTION 20171003_7-E: I move to approve USD’s Preliminary Facility Statement to plan for renovation of the Dakota Dome. A building committee representative should be appointed to oversee this project.

well as the DAKOTA Farm Show, which has called the Dakota Dome home for more than 30 years.

The University Master Plan identified the renovation of the Dakota Dome facility as a priority, as did the space analysis review performed by JBA, Inc. in a year-long study of the USD campus building needs. This project will address the issues identified in both the Title IX report as well as the infrastructure study conducted by Davis Design in 2014.

Early estimates put the renovation cost around \$26.3M. The funding for the Dakota Dome renovation project is from private donations, university capital funds, and maintenance and repair funds. Approval of the preliminary facility statement will allow the project to move forward to refine the scope and costs. Funding for the project has been identified as follows:

- \$14,504,327 in private donations
- \$6,414,810 in USD capital funds
- \$5,400,398 in HEFF M&R (to address mechanical and electrical)

The private donations will be pledged and received over varying time frames with the most common being over a 5-year period. Using university funds to cash flow pledges could limit our ability to maintain favorable ratios and financial indicators. Waiting five years to begin the project could increase project cost significantly as well as delay the university's ability to address Title IX concerns. The university proposes issuing bonds in the amount of \$14,504,327 to be retired by university capital funds which will, in turn, be reimbursed by private donations. Bond rates are as low as they've been in decades with the most recent estimate at 3.1%. According to the Bureau of Labor and Statistics PPI Industry Data on new school construction, the applicable inflationary index most recent data indicates a 5.6% increase since August of 2016 (<https://data.bls.gov/pdq/SurveyOutputServlet>).

Additional details of the project can be found in USD's attached Preliminary Facility Statement. If approved, the Board president should appoint a building committee representative to oversee the project.

PRELIMINARY FACILITY STATEMENT

Dakota Dome Renovation

THE UNIVERSITY OF SOUTH DAKOTA

a. General Programmatic needs to be addressed:

The University of South Dakota's Dakota Dome is a 218,829 square foot facility completed in 1979. One of the state's most recognizable, man-made landmarks, the Dakota Dome has served as the cornerstone of Coyote athletics for decades. The 10,000-seat facility was one of the first multi-purpose domes in the nation. Today, it serves as home for all Coyote athletic teams with the exception of men's and women's basketball and volleyball.

As is evident, the nearly 40-year-old building is in need of significant updating. The University of South Dakota hired Davis Design to conduct an infrastructure study of the current facility in 2014 in combination with information from a recent Title IX review to determine areas within the facility that require improvement. This study identified several items that need updating including, but not limited to, lighting, HVAC systems, plumbing systems, fire alarm system, restroom facilities, sound system, locker rooms, meeting rooms, coaching offices, and support spaces. Renovation of the Dakota Dome to accommodate such improvements will allow USD to meet Title IX requirements, International Building and Fire Code Requirements, and will provide a safer facility for students, staff, faculty, and visitors to our campus.

b. Analysis of the student body or constituents to be served:

The constituents served for by this facility will be the entire USD Campus Community consisting of students, faculty, and staff, the local community and Coyote fans at large. The focus of this project is to provide an improved facility for athletic teams housed within the facility, in addition to better coaching spaces as well as an improved viewing and entertaining experience for all who come to events within the facility.

c. Additional Services To be Offered:

The facility also hosts community youth events, including camps, SD Junior football, high school track meets, and graduation ceremonies. The Dakota Dome also hosts many other events such as the annual championship games for the state high school football playoffs and the annual high school All-Star Football game. The DAKOTA Farm Show has called the Dakota Dome home for more than 30 years.

d. Compliance with Master Plan:

The renovation of the Dakota Dome facility has been identified on The University Master Plan and on the Space Analysis Review, (the latter of which was performed by JBA, Inc, who conducted a yearlong study of our building needs on the USD campus). This project will address the issues identified in the Title IX report as well as the infrastructure study conducted by Davis Design in 2014.

e. Analysis of needs assessment based on the Facilities Utilization Report:

Not applicable.

f. Location:

North Campus, bordered by of Dakota St on the West, and Hwy 50 Bypass to the North and North University St to the East.

g. Relocation of old space, if any:

Not applicable

h. Proposed funding source/sources:

The proposed funding sources will include private donations, South Dakota's Higher Education Facilities Funds, and USD capital funds. Final costs and funding sources will be determined through the study process. Preliminary estimates identify the costs around \$26.3M.

The funding for the Dakota Dome renovation project is from private donations, university local funds, and maintenance and repair funds to address the mechanical and electrical needs. Early estimates indicate the cost of the project is \$26,319. Funding for the project has been identified as follows:

- \$14,504,327 in private donations (see attached letter of commitment)
- \$6,414,810 in USD local other funds
- \$5,400,398 in HEFF M&R (to address mechanical and electrical)

The private donations will be pledged and received over varying time frames with the most common being over a 5 year period. Using university funds to cash flow pledges could limit our ability to maintain favorable ratios and financial indicators. Waiting 5 years to begin the project could increase project cost significantly as well as delay the university's ability to address Title IX concerns. The university proposes issuing bonds in the amount of \$14,504,327 to be retired by university local funds which will, in turn, be reimbursed by private donations. Bond rates are as low as they've been in decades with the most recent estimate at 3.1%. According to the Bureau of Labor and Statistics PPI Industry Data on new school construction, the applicable inflationary index most recent data indicates a 5.6% increase since August of 2016 (<https://data.bls.gov/pdq/SurveyOutputServlet>).

i. Budget for development of a Facility Program Plan:

The budget for development of a Facility Program Plan is \$100,000. University funds will be used to fund the facility program plan.