

LOWER FIELDS ATHLETIC COMPLEX
AUTHORIZATION INCREASE

1. **Division and Department:** Finance and Administration Division, Facilities Management Department

2. **Introduction:** On May 7, 2014 the Board of Trustees (Board) approved the schematic design, construction, lease and funding of a multipurpose domed athletic practice facility (Practice Facility), an entry building with appropriate restrooms and storage, and an expansion of the parking lot currently designated as P-13, including approximately 185 parking spaces, at a not to exceed cost of \$4.9 million. The Facility Lease and Operating Agreement (Agreement) is with Total Soccer of Wixom LLC (TSW).

The Practice Facility was occupied by both Oakland University Athletics and TSW in December 2014 with final paving, landscaping and punch list items being completed during the spring of 2015. During the construction of the Practice Facility, additional costs of \$183,875 were incurred due to poor soil conditions, inclement weather, and scheduling challenges.

Under the Agreement with TSW, Athletics uses the Practice Facility Monday through Friday from 5am to 5pm to provide indoor practice facilities for men's and women's soccer, men's baseball, women's softball, men's and women's track & field, men's and women's cross country, men's and women's golf, women's tennis, and overall strength and conditioning. TSW leases the Practice Facility from Oakland during times that do not conflict with Athletics' use, Monday through Friday from 5pm to 1am and Saturdays and Sundays from 5am to 1am, paying Oakland \$29,693 per month, \$356,316 annually, for a period of fifteen years, with two potential five-year extensions. TSW also reimburses Oakland on a monthly basis for fifty percent of the utilities and custodial costs incurred for the Practice Facility. All lease payments and reimbursements from TSW are current.

The Practice Facility was financed exclusively from Oakland's working capital, with TSW lease payments reimbursing Oakland's working capital and average investment income.


Oakland has negotiated an increase in TSW's lease payments to fund the additional construction costs. Board approval is requested to increase the not to exceed cost to \$5,083,875 and amend the Agreement payments to include the \$183,875 additional construction costs.

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3. **Previous Board Action:** On May 7, 2014 the Board approved the schematic design, construction, lease, and funding of the Practice Facility.
4. **Budget Implications:** In accordance with the lease, TSW is paying Oakland \$29,693 monthly plus reimbursing Oakland for fifty percent of the Practice Facilities' utilities and custodial costs. Net operating costs have been budgeted in Oakland's General Fund operating budget. The monthly lease payments will be adjusted to fund the additional construction costs.
5. **Educational Implications:** The Practice Facility is attractive to prospective student-athlete recruits and has substantially improved efforts to coordinate the scheduling of practices and classes in such a way as to provide greater educational flexibility to Oakland's student-athletes.
6. **Personnel Implications:** Administrative oversight of the complex has been integrated into Athletics' existing organizational structure.
7. **University Reviews/Approvals:** This recommendation was formulated by the Associate Vice President for Facilities Management, and reviewed by the Vice President for Finance and Administration, and President.
8. **Board Action to be Requested:** Upon approval of the Facilities Committee, at the next Formal Session of the Board, the following approvals will be requested; that the Vice President for Finance and Administration be authorized to pay the construction manager an additional \$183,875 over the original authorization; the Vice President for Finance and Administration be authorized to negotiate and execute an Agreement with Total Soccer of Wixom LLC to fund the \$183,875 incremental construction costs; the Board authorize the President, the Vice President for Finance and Administration, and their respective designees, to perform all acts and deeds and to execute and deliver all contracts, instruments and documents required by this resolution that are necessary, expedient and proper; and that said contracts, instruments and documents be reviewed by and be in a form acceptable to the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and with University policies and regulations and conform to the legal standards of the Vice President for Legal Affairs and General Counsel.
9. **Attachments:** None.

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Submitted by Vice President for Finance and Administration
and Treasurer John W. Beaghan:


(Please initial)

Reviewed by Secretary Victor A. Zambardi:


(Please initial)

Reviewed by President George W. Hynd:


(Please initial)