



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Finance and Facilities Committee

DATE: March 19, 2025

TITLE: Proposed Privately Funded Capital Projects Partnership between Minnesota State University, Mankato and its Foundation

Action

Review and Discussion

This item is required by policy

PRESENTERS

Bill Maki, Vice Chancellor for Finance and Facilities, System Office
Brian Swanson, Associate Vice Chancellor for Facilities, System Office
Edward Inch, President, Minnesota State University, Mankato

PURPOSE

This agenda item will provide the Board with an overview of two proposed capital projects at Minnesota State University, Mankato (Mankato). The Maverick Real Estate Foundation, a supporting foundation of the Minnesota State University, Mankato Foundation, a private, 501(c)(3), nonprofit organization, is proposing to lease two parcels of land from Minnesota State Colleges and Universities and to finance, design and construct both a football stadium and a mixed-use housing facility for the benefit of and use by the campus.

The Board approved a 29-year ground lease in November 2021 at Minnesota State University (MSU) Moorhead with the MSU Moorhead Foundation for the construction of an Alumni Center. It is anticipated that a similar arrangement to the MSU ground lease will be used for the two proposed Mankato projects.

BACKGROUND INFORMATION

Proposed Stadium Replacement Project

Mankato, through its Foundation, is planning to construct a new campus sports and community stadium on the practice fields adjacent to the existing Blakeslee Stadium.

The existing Blakeslee Stadium was constructed in 1962 with 6,500 seats. The stadium is not ADA accessible and lacks modern amenities including locker rooms, premium seating, hospitality areas, functional press box, adequate restrooms, modern concessions, and late season running water service. The natural grass field limits usage and flexibility allowing for 7 to 8 football games

a year but very little other use. The existing facility was rated 0.42 CFI (Poor to Crisis) in the 2019 Campus Master Plan, signaling a critical need for replacement or substantial renovation.

The proposed new stadium is expected to have approximately 6,000-6,500 seats as well as modern hospitality spaces including 4 to 8 traditional suites and an additional 'club space' that would fit between 400-800. The predesign process will help determine the final size/needs of mixed use and club space sizing. The facility would include home and visitor locker rooms for football and provide new home baseball locker rooms and restrooms. The facility will include the typical support spaces, meeting rooms, officials' and coaches' rooms, restrooms, concessions, and media / broadcasting facilities. The project will demolish the existing Blakeslee Stadium as well as the existing tennis courts and construct new plazas, service drives and parking. A predesign is underway to clarify the stadium and housing needs and program requirements, explore alternatives to meeting the needs, estimate construction and operating costs, determine energy use targets, and outline the project schedules.

The facility would meet a regional demand for field space. The City of Mankato and the surrounding area seek more sports and recreation venues, especially for youth sports, athletic tournaments, large-scale events, and year-round engagement. The region's 2040 plan emphasizes attracting and retaining a robust, talented workforce; improved athletic, recreational, and engagement facilities are vital to this effort. School District 77 has a need for more field space. The 2023 bonding referendum for two new stadiums failed. The University has been working closely with School District 77 on an arrangement where the new stadium could provide a stadium solution for both the Mankato East and Mankato West teams on Friday nights while also offering Thursday options for additional regional high school teams.

Under the proposal, the Foundation would own the stadium until it is paid off and then transfer ownership to Minnesota State. The campus would operate the stadium on behalf of the Foundation until such time as the transfer occurs. The estimated term for the ground lease is approximately six to ten years.

Proposed Mix-Use Student Housing Project

Mankato, through its Foundation, is planning to construct a new mixed use student housing complex on campus. The predesign will determine the final site and ensure alignment with the campus's Comprehensive Facility Plan (CFP). One potential site for the housing facility is on the site of the current Blakeslee Stadium.

The exact program for the mixed-use development will be defined as part of the predesign effort currently underway. Preliminary plans call for up to 370 new beds to address a shortage of campus student housing and space for a new home for the student Health Service as well as recreation, dining, retail, and other student amenities.

Wachalski Advisory, a national housing consultant, completed a student housing market analysis in the fall of 2021. Due to the pandemic, campus housing had depressed occupancy rates at that time and attention turned to occupancy recovery. In Fall 2024, Wachalski Advisory did a follow up study that built on their previous work. Occupancy has recovered to pre-pandemic demands and the study indicated a deficit of somewhere between 310-370 beds when considering

continued institutional growth and retention of upper-class students, reduced capacity in the older residence halls, and the possible expiration of an off-campus master lease of a 300-bed apartment complex. The report recommended the consideration of additional capacity with individual bedrooms and bathrooms. Wachalski Advisory completed a financial proforma of the entire housing system and concluded that the additional debt and operating costs associated with a new residential facility is manageable, especially with twenty-year bonds from the previous projects retiring in 2028 and 2032.

Under the proposal, the Foundation would own the housing until it is paid off and then transfer ownership to Minnesota State. The lease for the residential mixed-use facility would be approximately 30 years.

Additional Supporting Campus Funded Projects

As a precursor to the stadium and housing projects, the campus is planning to install bleachers and to replace the natural turf on the existing track infield with synthetic turf to extend seasonal play. This project will be done by the University, be paid for in cash from student fees. This project will allow a temporary place for the Football team to play one season so demolition of the existing stadium and construction of both projects can begin as soon as possible. Track will adjoin the stadium when the stadium is complete and serve other campus recreational and athletic needs.

RECOMMENDED ACTION

No action is required at this time. Ground leases for both the Stadium project and the Housing project will be brought forward for board consideration at a future date, potentially as early as October 2025.

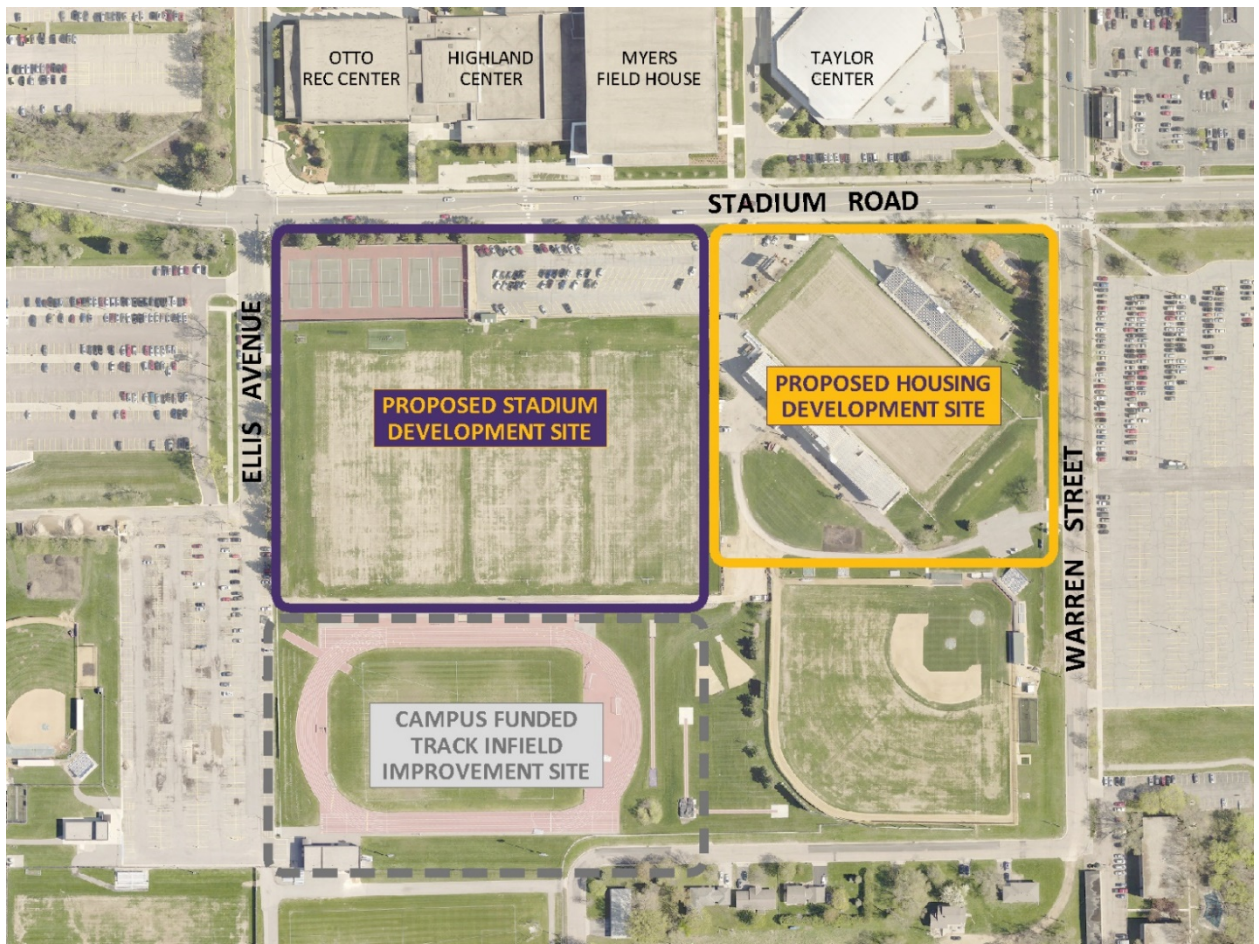


Figure 1 – Foundation Proposed Improvements Site Map