

AGENDA ITEM SUMMARY

NAME OF ITEM: Athletic Multipurpose Arena Funding Increase, UM

CAMPUS PRESENTER(S): Joan Ferrini-Mundy, President and Vice Chancellor for Research & Innovation; Kelly Sparks, Vice President for Finance and Administration & Chief Business Officer; Jude Killy, Director of Athletics

INITIATED BY: Roger J. Katz, Chair

BOARD INFORMATION:

BOARD ACTION: X

BOARD POLICY:

701 – Budgets, Operating & Capital

712 – Debt Service

UNIFIED ACCREDITATION CONNECTION:

University of Maine (UMaine) Athletics is actively engaging with our partner universities across the state and local communities to offer access to the new athletic facility. As the state's only Division I program, UMaine Athletics is boldly reshaping UMaine infrastructure with best-in-class facilities and convening venues at the state's flagship university.

UMS STRATEGIC PLAN CONNECTION:

Athletic Multipurpose Arena as part of the Athletics master plan that includes the investment in our D1 athletics facilities is in direct support of Commitment 2 - Effective Infrastructure Portfolio Actions, Goal 1.1: Address system-wide physical plant needs in relation to other infrastructure needs (e.g., residence hall improvement). We will modernize our aging facilities and improve net asset value. New athletic facilities will support recruitment and retention of student athletes and spectators.

BACKGROUND:

a. Summary of the request

The University of Maine System, acting through the University of Maine (UMaine), requests authorization to increase spending on the design of, site work preparation, relocation of existing utilities, and early bid packages of the Athletic Multipurpose Arena, now named as Athletic Multipurpose Arena, from \$12 million to \$30 million. The Board of Trustees at the September 12, 2022, meeting authorized the University of Maine System, acting through the University of Maine, to expend up to \$40 million to construct and make improvements to the phase 1 priority projects and to continue design work under the Athletics 10-year master plan. This included design work for phase 2 projects which includes Athletic Multipurpose Arena. Of the \$40 million, \$12 million is being utilized towards the design of the Athletic Multipurpose Arena.

b. Overall requested budget and funding source(s):

Funding for this work will be from the Harold Alfond Foundation (HAF) grant and matching gift contributions. The Harold Alfond Foundation has made a \$170 million commitment to the University of Maine for major upgrades to the athletics facilities and the University is expected

to match these funds with \$38 million in gifts. The \$170 million commitment will be distributed over six years, starting in 2022 and concluding in 2028. Short-term or interim borrowing may be required to meet the short-term capital construction cash flow needs.

c. Is the project included or reflected in the Master Plan, Long Term capital plan or 1-year capital plan most recently approved by Trustees? If not, please explain why.

The project is part of the Athletics 10-year master plan, which is reflected in the University's master plan and 1-year capital plan most recently approved by the Trustees.

d. Detailed explanation of rationale for project and metrics for success of the project (ROI or other)

As mentioned in previous requests, the mission of the University of Maine's intercollegiate athletics program is to provide equitable intercollegiate athletic opportunities and academic support for hundreds of university students. The construction of the Athletic Multipurpose Arena will transform Maine's only Division I athletics program while improving athlete safety and advancing gender equity. This project will positively affect student athlete recruitment and retention and improve fan experience within the facility.

e. Explanation of the scope and substance of the project as needed to supplement (a) through (d) above. Note: scope includes an explanation of community impact, how the project ties to the University's mission, etc.

The Athletic Multipurpose Arena will be a new approximately 100,000 square foot building. The Arena will house women's and men's basketball teams and football offices. The arena will be able to seat approximately 2,500 spectators, including concessions, club area, ticketing, and retail space. For basketball practices, sports camps, and other events, a portion of the spectator seating folds back to expand the court area to accommodate multiple uses. For athletes, the arena includes women's and men's basketball locker rooms, nutrition, rehab, hydro, and sports medicine space. Additionally, the building will include multiple ADA accessible restroom facilities, visitor locker room, official locker room, two coach's suites for basketball, flex space, storage, security/fire command space, women's and men's basketball offices, break room, conference rooms, and football offices, breakroom, and conference room.

f. Changes, if any, in net square footage or ongoing operating costs resulting from the project

The Athletic Multipurpose Arena will add approximately 100,000 square feet of new space. In addition to the estimated incremental operating cost of \$5/gf of \$500,000, the University will set aside a reserve for building maintenance and renewal. Incremental costs will be funded through additional concessions, merchandise, ticket sales, and facility rentals.

g. Alternatives that were considered to meet the need being addressed by this project

Multiple scenarios were evaluated, including an addition to Alford Arena. However, due to the complexities of an addition, location to Alford Stadium, importance of fan and alumni experience, and our objective to achieve gender equity for athletes, the stand-alone facility was selected as the most optimal solution.

h. Project Timeline for: 1. Start 2. Occupancy and 3. Completion

Design for the new facility is currently underway and is in the second of three phases of design. Design is estimated to be completed by late fall of this year. Early packages include site preparation and existing utility relocation, site, foundations, steel and electrical equipment. Site preparation and relocation of existing utilities are anticipated to commence late fall of this year

and construction of the facility early 2026. Completion is tentatively scheduled for late 2027/early 2028 with the goal of occupying and hosting basketball games in the arena before the conclusion of the 2027/28 season. Full completion of the arena is anticipated by late spring of 2028.

i. Timeline for any further consideration or action anticipated to be needed by the Board or its committees regarding this project if full authority is not being requested from the outset.

The University anticipates requesting full funding for the construction of the Athletic Multipurpose Arena late this year, early 2026.

j. Additional information that may be useful to consideration of the item.

The Athletic Multipurpose Arena, known as the multipurpose arena, has been included in multiple updates as well as start of design as part of the phase 2 work approved by the Trustees at the September 12, 2022, meeting.

The total budget for this project is approximately \$106 million. This is based on multiple estimates provided by third-party firms and Consigli Construction, the Construction Manager at Risk (CMaR), over the past year. However, the University has concerns with continued inflation that may exceed anticipated annual increases and the recent tariffs on steel, electrical equipment, and other construction materials that may increase the cost of constructing the facility beyond current estimates.

TEXT OF PROPOSED RESOLUTION:

That the Finance, Facilities, and Technology Committee, approves the following resolution to be forwarded for Board of Trustee approval at the May 19th, 2025, Board Meeting.

That the Board of Trustees accepts the recommendation of the Finance, Facilities, and Technology Committee, and authorizes the University of Maine System, acting through the University of Maine, to expend up to \$30 million for the completion of design, site work preparation, relocation of existing utilities, and early bid packages for the Athletic Multipurpose Arena.