

## **DESCRIPTION OF INTERIM CAPITAL PROJECT FOR CONSIDERATION**

November 2, 2017

### **CLEMSON UNIVERSITY**

**PROJECT NAME:** Softball Complex Construction

**REQUESTED ACTION:** Establish Project (Phase I)

**REQUESTED ACTION AMOUNT:** \$300,000 (2.3%)

*Internal Estimated Cost:* \$13,000,000

**PREVIOUS CHE ACTIONS:** N/A

### **DESCRIPTION:**

Clemson University requests to establish a project to construct a new Softball Complex to support the decision to add softball to its list of intercollegiate sports, which was selected to replace the Women's Diving team in March 2017, and maintain compliance with Title IX. Softball is growing in popularity both in the state and nation-wide. In South Carolina, 203 of 214 public high schools offer softball programs and nationally, over 365,000 girls participated in softball during 2015-16. Currently, Clemson is one of three schools in the ACC's 15 team conference that does not offer softball. The softball complex will include a 10,000 SF player operations facility, NCAA-standard playing field, stands to accommodate 1,000 onlookers, press box and ACC Network support functions, concessions, restrooms, ticket booth, and parking. Clemson considered several locations on campus, and concluded that building the softball facility contiguous to the baseball facility would be beneficial to students and fans, and allow the facilities to share entry and plaza spaces.

This project was included as priority 4 of 7 for Year 1 on the 2017 CPIP. The budget for Phase I is proposed at 2.3%, rather than 1.5% to provide for an alternative construction delivery method, construction manager at risk. CMR was selected to ensure the project is completed properly and on time for the first season of play. The additional allowance will also provide funds for the energy savings certification and 30-year cost benefit analysis. Pre-design is supported by athletic gifts and donations. Prior to the Phase I submission, IPTAY transferred the requested \$300,000 to the University for pre-design activities. Phase II is expected to be funded with Revenue Bonds and additional private funds, for a total project funding split of 50/50. Due to the interest in softball across the state, both the University and IPTAY expect a level of donor interest that will meet the planned cash contribution level. The identified sources of funding for this project are not generated from student tuition and fees. The University will not charge students for tickets, but does expect to charge the public and IPTAY members. The exact pricing and timeframe of when the University will start charging an entry fee has not yet been determined.

The University currently has \$130.6 M outstanding in Athletic Revenue Bond principal. This does not include the amount approved for issuance for the Tennis Center Construction, which has been approved for issuance not exceeding \$14M in principal. Clemson is statutorily restricted to \$200M in athletic bond principal and will have approximately \$55.4 M in remaining capacity. The proposed issuance of \$6.5M expected for Phase II of the Softball Complex, when combined with the maximum amount for the Tennis Center, will bring the University's utilization up to \$151.1M, or 75%.

The payment of debt service for the additional issuance will not affect tuition and fees, as Clemson does not charge a fee to its students for Intercollegiate Athletics. As of fiscal year end June 30, 2017, Clemson had \$18M in revenues available for debt service, with required debt service totaling \$8.8M, resulting in a 2.05 coverage ratio.

**E&G MAINTENANCE NEEDS:**

N/A – Auxiliary Facility

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS:**

Increased operating costs at this time are expected for utilities and maintenance. Increased costs are expected to begin in FY2019-20 at \$115,000 and are estimated to increase 3% each subsequent year.

**FOR DEPARTMENT USE ONLY**

CHE \_\_\_\_\_  
 JBRC \_\_\_\_\_  
 SFAA \_\_\_\_\_  
 JBRC Staff \_\_\_\_\_  
 ADMIN Staff \_\_\_\_\_  
 A-1 Form Mailed \_\_\_\_\_  
 SPIRS Date \_\_\_\_\_  
 Summary \_\_\_\_\_

(For Department Use Only)

SUMMARY NUMBER

FORM NUMBER

**PERMANENT IMPROVEMENT PROJECT REQUEST**

## 1. AGENCY

Cod        H12 Name Clemson UniversityContact Person John McEntire Phone 864-656-1238

## 2. PROJECT

Project #        Name Softball Complex ConstructionFacility #        Facility Name       

County Code	<u>39</u>
New/Revised Budget	<u>\$300,000.00</u>

Project Type	<u>Construct Additional Facility</u>
Facility Type	<u>Athletic</u>

## 3. CPIP PROJECT APPROVAL FOR CURRENT FISCAL Y

CCIP priority number 4 of 7 for FY 2017-18.

## 4. PROJECT ACTION PROPOSED (Indicate all requested actions by checking the appropriate boxes.)

Establish Project	<input type="checkbox"/>	Decrease Budget	<input type="checkbox"/>	Close Project	<input type="checkbox"/>
Establish Project - CPIP	<input checked="" type="checkbox"/>	Change Source of Funds	<input type="checkbox"/>	Change Project Name	<input type="checkbox"/>
Increase Budget	<input type="checkbox"/>	Revise Scope	<input type="checkbox"/>	Cancel Project	<input type="checkbox"/>

## 5. PROJECT DESCRIPTION AND JUSTIFICATION

(Explain and justify the project or revision, including what it is, why it is needed, and any alternatives considered. Attach supporting documentation/maps to fully convey the need for the request.)

This request is to establish a project for Phase I pre-design to construct a softball complex at Clemson University which will support the newly announced Softball program that will begin play in January 2020. The complex will include an NCAA-standard playing field, stadium stands with capacity of approximately 1,000, a working pressbox and ACC Network support functions, concessions, restrooms, a ticket booth and parking. It will also include an approximately 10,000 square foot player operations facility with dugouts, locker rooms, and lounge and meeting spaces for team practice and game functions.

The substitution of Softball for Diving, which has been eliminated, helps to better align Clemson's sports offerings to serve the residents of South Carolina, as softball has wide participation in the state's middle and high schools. In addition, the ability to compete for championships on the conference and national levels is enhanced with the addition of softball. This project is essential for Clemson to continue fulfilling its Title IX obligations and provide equal accessibility to male and female athletes. It allows the University to provide a Clemson education to South Carolina student athletes who wish to play varsity softball and provides a suitable venue for practice and competition. Having appropriate facilities at program inception will assist with recruiting and developing student athletes and generate revenue for the Athletic Department.

Various locations on campus were considered, with the best location contiguous to the Doug Kingsmore baseball stadium. This co-location will create common entry and plaza spaces for both the softball and baseball facilities, along with adjacent programmable practice areas.

## 6. OPERATING COSTS IMPLICATIONS

Attach Form A-49 if any additional operating costs or savings will result from this request. This includes costs to be absorbed with current funding.

## 7. ESTIMATED PROJECT SCHEDULE AND EXPENDITURES

Estimated Start Date: Dec-17 Estimated Completion Date: December 2020  
 Estimated expenditures: Thru current FY: \$ 300,000.00 After current FY:

8. ESTIMATES OF NEW/REVISED PROJECT COSTS

PROJECT # \_\_\_\_\_

- 1. \_\_\_\_\_ Land Purchase ---->
- 2. \_\_\_\_\_ Building Purchase ---->
- 3. \$300,000.00 Professional Services Fees
- 4. \_\_\_\_\_ Equipment and/or Materials ---->
- 5. \_\_\_\_\_ Site Development
- 6. \_\_\_\_\_ New Construction ---->
- 7. \_\_\_\_\_ Renovations - Building Interior -->
- 8. \_\_\_\_\_ Renovations - Utilities
- 9. \_\_\_\_\_ Roofing - \_\_\_\_\_ Roof Age
- 10. \_\_\_\_\_ Renovations - Building Exterior
- 11. \_\_\_\_\_ Other Permanent Improvements
- 12. \_\_\_\_\_ Landscaping
- 13. \_\_\_\_\_ Builders Risk Insurance
- 14. \_\_\_\_\_ Other Capital Outlay
- 15. \_\_\_\_\_ Labor Costs
- 16. \_\_\_\_\_ Bond Issue Costs
- 17. \_\_\_\_\_ Other: \_\_\_\_\_
- 18. \_\_\_\_\_ Contingency

Land: \_\_\_\_\_ Acres  
 Floor Space: \_\_\_\_\_ Gross Square Feet  
 Information Technology \$ \_\_\_\_\_  
 Floor Space: \_\_\_\_\_ Gross Square Feet  
 Floor Space: \_\_\_\_\_ Gross Square Feet

\$ 300,000.00 TOTAL PROJECT BUDGET

**ENVIRONMENTAL HAZARDS**

Identify all types of significant environmental hazards (including asbestos, PCB's, etc.) present in the project and the financial impact they will have on the project.  
 Type: \_\_\_\_\_

**Cost Breakdown**

Design Services	\$ _____
Monitoring	\$ _____
Abate/Remed	\$ _____
Total Costs	\$ _____

9. PROPOSED SOURCE OF FUNDING

Source	Previously Approved Amount	Increase/Decrease	Original/Revised Budget	Transfer to/From Proj #	Rev. Object Code	Treasurer ID Number	Rev. Sub Fund	Exp. Sub Fund
(0) Capital Improvement Bonds, Gr _____					8115		3043	3043
(1) Dept Capital Improvement Bonds Gr _____					8115		3143	3143
(2) Institution Bonds								3235
(3) Revenue Bonds								3393
(4) Excess Debt Service Type								3497
(5) Capital Reserve Fund					8895		3603	3603
(6) Appropriated State Program Source -					8895	68800100	1001	3600
(7) Federal						78800100		5787
(8) Athletic						88800100		3807
(9) Other (Specify) Athletic Gifts and Donations			\$ 300,000.00		7201	98800100	4243	3907
TOTAL BUDGET	\$	\$	\$ 300,000.00					

10. SUBMITTED BY: Brett A Dalton  
 Signature of Authorized Official and Title  
 Brett A. Dalton, Executive Vice President for Finance and Operations

9/27/17  
 Date

11. APPROVED BY: \_\_\_\_\_  
 (For Department Use Only) Authorized Signature and Title

\_\_\_\_\_  
 Date  
 Revised 7/23/16

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS  
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY  
Code H12 Name Clemson University

2. PROJECT  
Project # \_\_\_\_\_ Name Softball Complex Construction

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

XX  COSTS       SAVINGS       NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2019-20	\$	\$	\$115,000	\$115,000
2) 2020-21	\$	\$	\$118,450	\$118,450
3) 2021-22	\$	\$	\$122,003	\$122,003

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

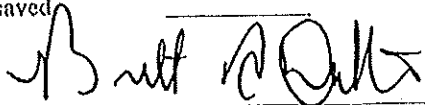
Athletic Operating Funds

6. Will the additional costs be absorbed into your existing budget?      XX  YES       NO  
If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Utilities</u>	<u>\$57,500</u>
2. <u>Maintenance</u>	<u>\$57,500</u>
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$115,000</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved \_\_\_\_\_

9. Submitted By:       9/27/17  
Signature of Authorized Official and Title      Date

**PERMANENT IMPROVEMENT PROJECT INFORMATION FORMAT  
FOR PHASE I A&E PRE-DESIGN PROJECTS**

**Softball Complex Construction  
September 28, 2017**

1. What is the internal projected cost of the project? \$13,000,000
2. What is/are the source(s) of funds to be used for A&E pre-design? Athletic Gifts and Donations
3. What is your agency/institution's definition of the source(s) of funds used for the A&E pre-design?  
(Please be specific for each source and if there is a statutory authority authorizing the use of the funds for capital projects for the source, please cite the code section. If a source includes any type of fee, what is the fee called, what is the fee amount and when was it put in place?)

Athletic Gifts and Donations are amounts received from individuals, corporations and other entities that are to be expended in support of the Athletic Department.

4. What is the current fund balance of uncommitted funds in the source of funds for A&E pre-design?

Athletic Gifts and Donations as of 6/30/17 - \$23,361,600

5. What is the source(s) of funds to be used for construction?

Athletic Facilities Revenue Bonds and Athletic Gifts and Donations

6. What is your agency/institution's definition of the source(s) of funds to be used for construction?  
(Please be specific for each if different from those in 3 above. If there is statutory authority authorizing the use of the funds for capital project, please cite the code section and if a source includes a fee, what is the fee called, what is the fee amount and when was it put in place?)

Athletic Facilities Revenue Bonds are long-term debt instruments issued by the State Treasurer's Office in the name of the University and are pledged to be repaid with a combination of Athletic net revenues, ticket surcharges, and private gift funds.

Athletic Gifts and Donations are amounts received from individuals, corporations and other entities that are to be expended for their restricted purposes.

7. What is the current fund balance of uncommitted funds in each source to be used for construction?

There is currently no bond balance for Athletic Facilities Revenue Bonds. The bond resolution will be submitted for approval by the Joint Bond Review Committee and State Fiscal Accountability Authority concurrently with Phase II construction budget approval.

Uncommitted Balance of Athletic Gifts and Donations as of 6/30/17 - \$23,361,600

8. Will the use of any funds for A&E pre-design or for construction require an increase in any student fee or tuition?

No student tuition or fee increase is required for construction of this facility. Existing tuition and fees, including the FY 17-18 increase, are sufficient to cover any costs associated with this project, although the identified funding sources are not generated from tuition and fees.

9. If the use of any funds for A&E pre-design or construction will require any student fee or tuition increase, please explain and include the amount of the fees annually or by semester, what the fee is called and when it was put in place. N/A

10. What is the total square footage of the building to be renovated or constructed?

The softball complex will include a player operations facility of approximately 10,000 square feet, which will include dugouts, locker rooms, and lounge and meeting spaces for team practice and game functions. It will also include an NCAA-standard playing field, stadium stand with capacity for approximately 1,000, a working pressbox and ACC Network support functions, concessions, restrooms, a ticket booth and parking.

11. If a portion of the building is to be renovated, what is the square footage of the portion that will be included in the renovation? N/A

12. What program(s) will use the space to be renovated/constructed?

The newly announced Women's Varsity Softball program will use the space to be constructed.

13. What is the current age of the building to be renovated? N/A

14. What is the current age of the building system(s) to be renovated or replaced? N/A

15. If any new space is being added to the facility, please provide demand/usage data to support the need.

This project is essential for Clemson to continue fulfilling its Title IX obligations and to provide equal accessibility to male and female athletes. It allows the University to provide a Clemson education to South Carolina student athletes who wish to play varsity softball. Nationally, more than 365,000 girls participated in softball in 2015-16 and fast pitch softball has become the fifth highest participation sport for girls, trailing only basketball, track and field, volleyball and soccer. In SC, 203 of 214 public high schools, which are part of the SC High School League, offered softball programs. Further, the Southeastern US is a strong regional participant and talent-producer to collegiate softball programs. South Carolina has nine NCAA Division I softball programs and 12 of 15 schools in the Atlantic Coast Conference sponsor the sport. Clemson is one of the few SC or ACC schools not currently offering varsity softball to female student athletes.

16. If the A&E pre-design request is above 1.5% of the internal estimated cost of the project, what is the reason the amount exceeds 1.5%?

The Phase I pre-design budget of \$300,000 is requested at 2.3% of the estimated project cost. The additional amount will allow the University to provide for the costs of an alternative construction delivery method (Construction Manager at Risk), the LEED/Green Globes certification, and the required LEED/Green Globes cost benefit analysis.

17. What are the estimated numbers of students, faculty, staff and/or clients that are expected to use the space affected by the project or for the entire building? (Answer for as many as are applicable.)

Annually, the facility will be used by 20 team members, 10 coaches and staff, and will be open to all Clemson students free of charge. Additionally, 15,000 non-student fans are expected to attend games annually and approximately 1,000 summer league team members and fans will use the complex.

18. Has the project been included in a previous year's CPIP? If so, what was the last year the project was included and for which year, 1-5? 2017 CPIP, Year One

19. What are the economic impacts of the project, including job creation and retention? If there are none, please explain.

The economic impact of this project will be substantial. Approximately \$13 million in construction will mean a large number of jobs for architects, engineers, builders, and tradesmen during the course of the project.

20. How will your agency/institution address and fund maintenance of this facility construction/renovation?

Maintenance of this facility will be provided through annual operations, utilizing the existing Athletic Improvement Fund.

21. If your agency/institution has a deferred maintenance account, what is the name of the account and what is its current uncommitted balance?

As required by bond covenants, an Athletic Improvement Fund has been established and is funded with Athletics Operations funds to maintain and renovate facilities constructed with Athletic Facilities Revenue Bonds. As of 8/28/17, the Athletic Improvement Fund had an uncommitted balance of \$1,432,103.

22. If how maintenance will be addressed and funded for this facility construction/renovation has not been determined yet, what steps are in place to begin to address how your agency/institution will fund maintenance to this and other agency/institution facilities?

N/A – see responses to question 20 and 21.



**Clemson University Schedule of Bond Coverage**

Last Ten Fiscal Years

(amounts in thousands)

**Source:** Clemson University Comprehensive Annual Financial Reports (2016-17 pg.81)

**Athletic Facilities Revenue Bonds**

Fiscal Year Ended June 30	Athletic Revenues	Athletic Operating Expenses	Net Athletic Revenues	Admissions Fee	Total Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
						Principal	Interest	Total	
2017	\$ 117,150	\$ 101,322	\$ 15,828	\$ 2,214	\$ 18,042	\$ 3,845	\$ 4,946	\$ 8,791	2.05
2016	112,996	92,274	20,722	1,927	22,649	3,300	4,752	8,052	2.81
2015	85,185	77,052	8,133	2,046	10,179	1,380	1,616	2,996	3.40
2014	82,087	72,762	9,325	667	9,992	1,470	802	2,272	4.40
2013	76,099	65,588	10,511	2,031	12,542	1,450	953	2,403	5.22
2012	73,151	66,988	6,163	2,015	8,178	975	1,054	2,029	4.03
2011	56,551	54,441	2,110	1,980	4,090	1,725	1,392	3,117	1.31
2010	53,175	51,474	1,701	1,883	3,584	1,640	1,460	3,100	1.16
2009	57,228	52,751	4,477	1,915	6,392	1,565	1,524	3,089	2.07
2008	55,140	48,455	6,685	2,062	8,747	1,490	1,585	3,075	2.84