

**Agendum
Oakland University
Board of Trustees Formal Session
October 12, 2020**

**LOWER FIELDS ATHLETIC COMPLEX (GRIZZ DOME)
LEASE PAYMENT DEFERRAL**

1. **Division and Department:** Finance and Administration Division
2. **Introduction:** On May 7, 2014, the Board approved the schematic design, construction, lease, and funding of a multipurpose domed athletic practice facility (now referred to as the Grizz Dome), 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). On June 8, 2015 the Board approved an amended Grizz Dome project cost not to exceed \$5,083,875, a \$183,875 increase over the original authorization due to poor soil conditions, inclement weather, and scheduling challenges; as well as authorizing the Vice President for Finance and Administration to negotiate and execute an amended Agreement with TSW to fund the incremental construction costs.

The Grizz Dome 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.

Under the amended Agreement with TSW, Athletics uses the Grizz Dome 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 Grizz Dome 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. TSW pays Oakland \$30,433 per month in lease payments 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 Grizz Dome, as well as monthly university support staff who oversee use of the Grizz Dome during TSW occupancy.

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

Due to the 2020 COVID-19 pandemic, and the resulting Executive Orders from the Governor, TSW's operations of the Grizz Dome have been discontinued with all revenue generating activities ceasing. The Vice President for Finance and Administration has engaged in discussions with TSW management resulting in a

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proposal to alleviate the burden of TSW's payments to Oakland University for April 2020 through December 2020, and to resume payments in January 2021, spreading the accrued payments over the remaining 120 months of the Agreement.

3. **Previous Board Action:** On May 7, 2014, the Board approved the schematic design, construction, lease, and \$4,900,000 in funding for the Grizz Dome. On June 8, 2015, the Board approved a \$183,875 increase over the original authorization, as well as the Vice President for Finance and Administration to be authorized to negotiate and execute an amended Agreement with TSW to fund the incremental construction costs.
4. **Budget Implications:** In accordance with the amended Agreement, TSW is paying Oakland \$30,443 monthly, plus reimbursing Oakland for fifty percent of the Grizz Dome's utilities and custodial costs, as well as monthly university support staff who oversee use of the Grizz Dome during TSW occupancy. Net operating costs have been budgeted in Oakland's General Fund operating budget. Lease payments and reimbursements from TSW have been paid through the month of March, 2020. The monthly lease payments from April – December, 2020 will be spread out over the remaining lease term, payable on a monthly basis over the final 120 months.
5. **Educational Implications:** The Grizz Dome 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 Vice President for Finance and Administration.
8. **Recommendation:**
RESOLVED, that the Vice President for Finance and Administration be authorized to negotiate and execute an amended lease agreement with Total Soccer of Wixom to alleviate the burden of TSW's lease payments to Oakland University for April 2020 through December 2020, due to lack of income coming in because of the current Executive Order limitations on their normal business operations. Payments will resume in January 2021 and will spread the alleviated payments over the remaining 120 months of the Agreement; and be it further

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RESOLVED, that the Board of Trustees authorizes 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, be it further

RESOLVED, that said contracts, instruments and documents shall 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.

Submitted to the President
on 10/8, 2020 by



John W. Beaghan
Vice President for Finance and Administration
and Treasurer to the Board of Trustees

Recommended on _____, 2020
to the Board of Trustees for Approval by

Ora Hirsch Pescovitz, M.D.
President