



MICHIGAN STATE UNIVERSITY
BOARD OF TRUSTEES
Executive Action Summary

Budget and Finance-Attachment 3

APPROVED
SEPTEMBER 6, 2024
BOARD OF TRUSTEES
MICHIGAN STATE UNIVERSITY

Committee Name Budget & Finance

Date September 6, 2024

Agenda Item: Authorization to Plan – P3 Planning Study

Information

Discussion

Action

Resolution:

BE IT RESOLVED, that the Board of Trustees of Michigan State University hereby authorizes Administration to plan the study for Harrison and Trowbridge project (P3 Planning Study).

Recommendation:

The Trustee Committee on Budget and Finance recommends that the Board of Trustees authorize the Administration to plan the P3 Planning Study, an athletics-focused mixed-use project at the northeast corner of Harrison Road and Trowbridge Road.

Prior Action by BOT: None

Responsible Officers:

- Daniel Bollman, Vice President for Strategic Infrastructure Planning and Facilities
- Alan Haller, Vice President and Director of Intercollegiate Athletics

Summary: Plan for the development of approximately 14-acres on the northeast corner of Harrison Road and Trowbridge Road. The proposed use is aligned with the Campus Facility and Land Use Plan. The primary element of the development would be a new 4,000 seat arena for the Department of Intercollegiate Athletics’ olympic sports necessary to remain competitive in the Big Ten Conference. The expanded Big Ten Conference will require regional competitions, and most other Big Ten Conference institutions have facilities that can host regional events. MSU does not, and absent a new facility, we would likely not be able to have home competition on regular basis. This would put us at a competitive disadvantage.

The remainder of the project site will be developed to enhance the arena and could include buildings to support academic programs, a hotel to augment the Kellogg Center, mixed-use retail/office/housing, market rate housing and parking to serve the site.

Background Information:

The site for this project is in the southern portion of the former Cherry Lane site (formerly the “Faculty Bricks”) bounded by Harrison, Trowbridge, Birch and Wilson roads in the north mixed-use district and directly south of the Student Recreation and Wellness Center currently under construction. The site has high visibility and serves as a gateway to the campus.

The University issued a Request for Qualifications on August 5, 2024, for the purposes of seeking experienced real estate developers capable of completing the project, determining developer interest in the project and assisting in defining the feasibility and scope of the project. This authorization to plan will allow the Administration to continue the Request for Qualifications (RFQ) process with the intent to have pre-qualified developers with demonstrated interest in the project and a vision for the project that aligns with the University’s goals. A Request for Proposal (RFP) process would then be conducted with those selected development teams.

- It is anticipated that the project will include elements that are a traditional MSU owned and financed project together with elements that are constructed, financed, owned, and operated by a developer on land subject to a ground lease between that developer and MSU. Planning will include multiple units across campus, including Intercollegiate Athletics, Student Life and Engagement, the Office of the Provost, the Finance Office and others.

Source of Funds:

Developer funding for non-MSU owned facilities.

MSU financing for arena with event revenue and philanthropy as a funding source. Developers will be provided an opportunity to finance the arena if it improves the project model. Auxiliary funding contributions upon project completion.

Resource Impact:

The site is located on main campus and a portion of it would become subject to a long-term ground lease with the selected developer. Portions of the project are expected to be financed, owned and operated by the University.