

Agenda Item: Authorization to Proceed - Spartan Gateway District

Resolution:

BE IT RESOLVED, that the Board of Trustees of Michigan State University authorizes the Administration to proceed with the project entitled "Spartan Gateway District."

BE IT FURTHER RESOLVED, that the Board of Trustees of Michigan State University hereby authorizes the Administration to enter into a long-term ground lease, development agreement, and all other documents required in connection with public private partnership portion of the Spartan Gateway District, upon such terms and conditions as may be acceptable to the President or designee. The Spartan Gateway District is expected to include the development of a hotel, restaurants, mixed-use buildings, housing, parking facilities, and a future academic and/or healthcare development zone.

BE IT FURTHER RESOLVED, that the Board of Trustees authorizes the Administration to proceed with the project entitled "Olympic Sports Arena," with a budget of \$150M.

Recommendation:

The Trustee Committee on Budget & Finance recommends that the Board of Trustees authorize the Administration to proceed with the Spartan Gateway District project that will include a public private partnership (P3) for the development of a hotel, restaurants, mixed-use buildings, housing, parking, a University-financed Olympic sports arena, and a future academic and/or healthcare zone.

Prior Action by BOT: Board Authorization to Plan – P3 planning study occurred on September 6, 2024.

Responsible Officers:

- Alan Haller, Vice President and Athletic Director
- Harold Balk, Senior Advisor to the President
- Daniel Bollman, Vice President for Strategic Infrastructure Planning and Facilities

Summary:

The Spartan Gateway District project is a transformational initiative to develop approximately 14 acres on the northeast corner of South Harrison Road and Trowbridge Road. This economic development opportunity site includes amenities such as hotel, market rate housing, retail, restaurants, office, parking, an approximately 6,000 seat Olympic sports arena and a future academic and/or healthcare development. The project will be developed through a combination of a public private partnership (P3) delivery and the MSU delivered arena. The Olympic sports arena will be designed for multiple uses including MSU sporting events (home to women's volleyball, gymnastics and men's wrestling), community events, Michigan high school playoffs and championships, concerts, and other campus activities.

It is anticipated the University will enter into a long-term ground lease under a Development Agreement between MSU and the developer. The developer will leverage the site with additional commercial facilities through private investment.

The project team issued a Request for Qualifications (RFQ) in July 2024 and received qualifications from both local and national developer teams. From the RFQ the team shortlisted three developer teams to receive the Request for Proposals. Proposals were received in November and evaluated in December. The preferred Developer was identified to open negotiations.

The project will be developed in three phases:

Phase 1 Arena, Hotel, and parking operational late 2027 for the arena mid 2028 for the hotel and parking
Phase 2 Housing, office, and retail operational 2030
Phase 3 Future MSU facility (use TBD) TBD

Background Information:

This public private partnership (P3) delivery strategy provides an opportunity to enhance the student and community experience by bringing new facility amenities to an area of campus that is currently underdeveloped. This is a vision that aligns with the goals of the Campus Facility and Land Use Plan to engage Spartans with external partners and the community. The existing practice and event facilities for MSU Olympic sports are obsolete and a venue for MSU Olympic sports is needed to remain competitive in the Big Ten Conference. There is potential to support other event venues for campus, including concerts, graduations, conferences, and other campus and community related functions.

Source of Funds:

The developer will finance the commercial facilities (hotel, market rate housing, retail and office, and parking) and the arena will be financed by MSU bonds with funding from the arena's ticket sales/rental fees, philanthropy and sponsorship, and university general funds.

Resource Impact:

This project will activate the Trowbridge Road entrance to campus with a transformational mixed-use district that will create a unique experience for students, faculty, alumni, and the community. The arena will fill an event need with an approximately 6,000 seat capacity that will provide space for MSU sporting events, community events, Michigan high school playoffs and championships, concerts, and other campus activities.

The mixed-use development will require MSU to define a long-term strategy for the Kellogg Hotel and Conference Center. There is an enhanced opportunity for program synergy and collaboration with the School of Hospitality Business.

CP24031

Spartan Stadium

Breslin Event Center

Student Rec and Wellness Center

Spartan Gateway District

Board of Trustees

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STEP I | Board Authorization to Plan P3 planning study CP24031 on September 6, 2024











MICHIGAN STATE UNIVERSITY



