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REVITALIZING THE VILLAGE

Ball State University

Board of Trustees

January 26, 2024

BALL STATE UNIVERSITY

PRESENTATION OVERVIEW

Site 1

- PAC and Hotel Design
- Build Operate Transfer Agreement
- Ground Lease

Site 2

- Site Plan
- Acquisition/Purchase Agreement

Site 3

- Programming
- Design
- Acquisition/Purchase Agreement
- Build Operate Transfer Agreement

Site 4

- Concept Plan

Site 5

- Concept Plan

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A NEW VISION FOR THE VILLAGE
Create a best-in-class, multigenerational District driven by arts and culture, entertainment, and innovation with a new select-service hotel, new dining, retail, service, living, and gathering options featuring a new performing arts center.
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APPROVALS PROCESS

Build Operate Transfer (BOT) Agreements

- Ball State University has conducted the process set forth in Indiana Code 5-23 to identify potential partners for the completion of the Site 1 and Site 3 elements of the Village Revitalization Project.
- The Board has provided notice to the public of two hearings at today's meeting regarding the proposal for agreements governing partnerships for the Site 1 and Site 3 elements of the Village Revitalization Project, each of which is called a "Build Operate Transfer Agreement" that the University has received.
- After receiving comments from the public at the public hearings, the Board may consider the proposal by an affiliated entity of Fairmount Properties to enter into a Build Operate Transfer Agreement for each of Site 1 and Site 3 respectively.

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PERFORMING ARTS CENTER

Site 1

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PERFORMING ARTS CENTER

Site 1

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PERFORMING ARTS CENTER

Site 1

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TAPESTRY BY HILTON

Site 1

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TAPESTRY BY HILTON

Site 1

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SITE 1: TAPESTRY BY HILTON HOTEL

- 95 guest rooms, including 7 suites
- 4,300 square foot ground floor bar and restaurant with outdoor seating and direct access to PAC lobby space
- 1,200 square foot lobby
- 1,100 square feet of meeting spaces, divisible in multiple configurations
- 1,000 square foot fitness room
- 4,300 square foot rooftop bar/lounge with covered outdoor terrace

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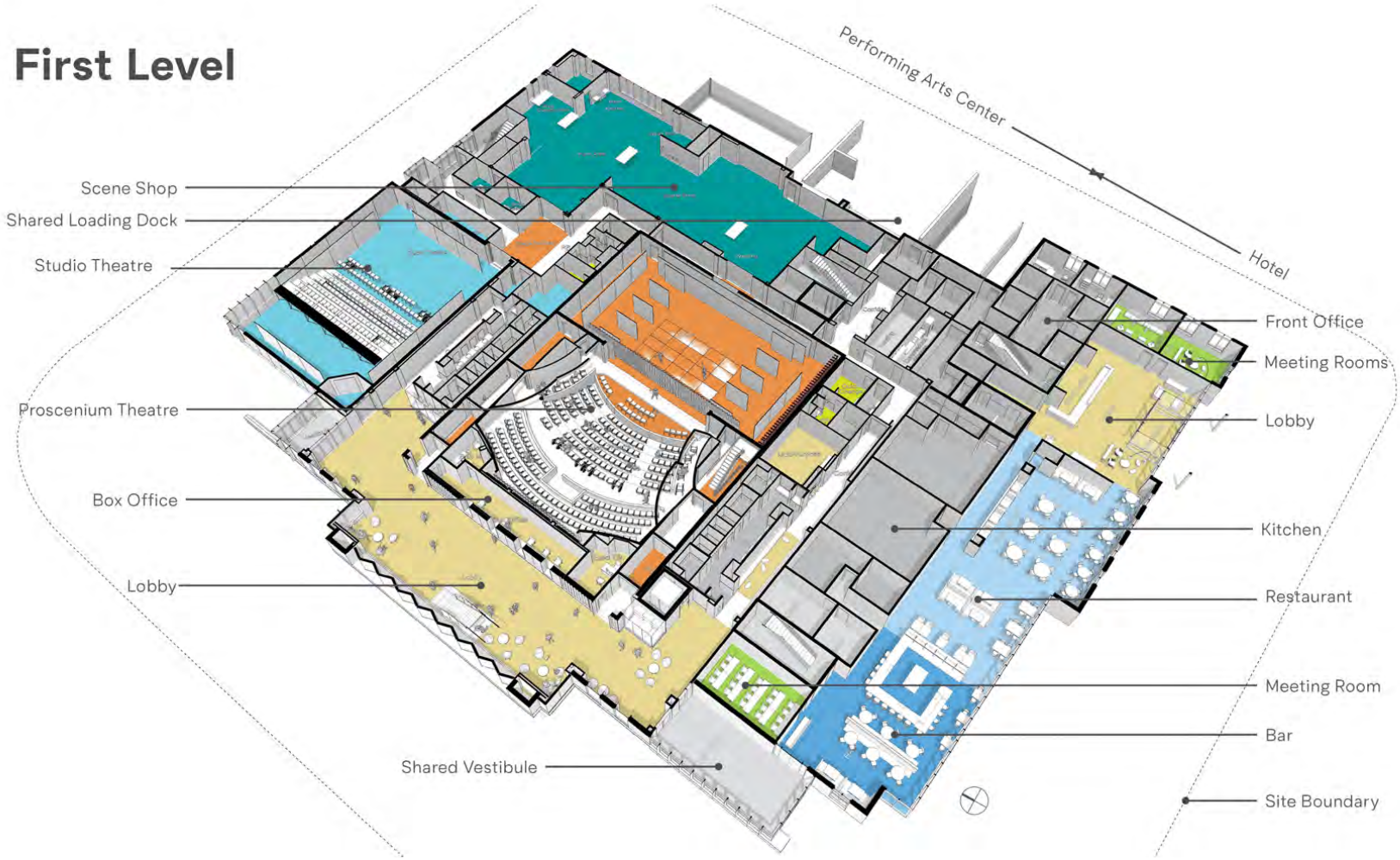

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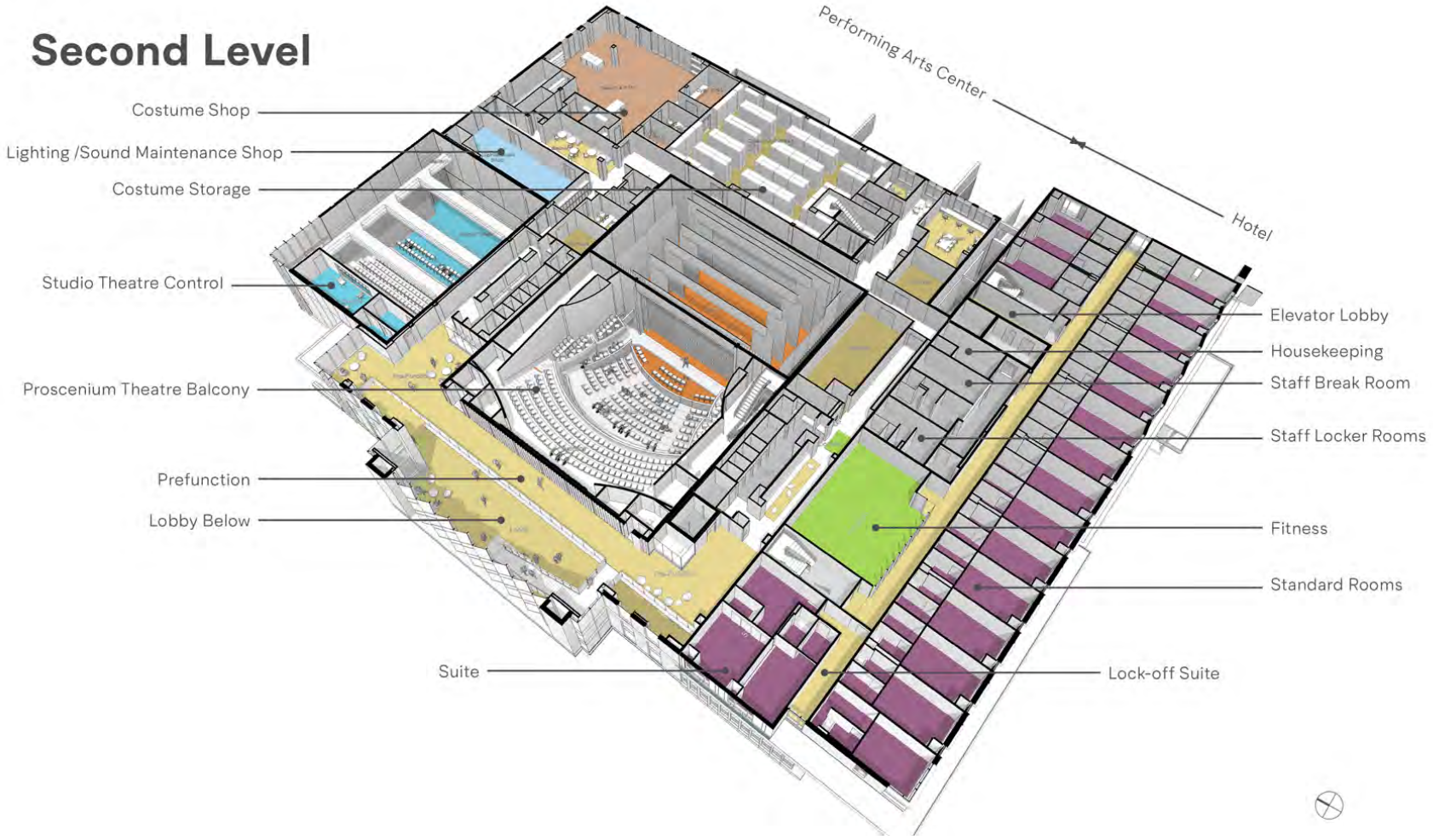

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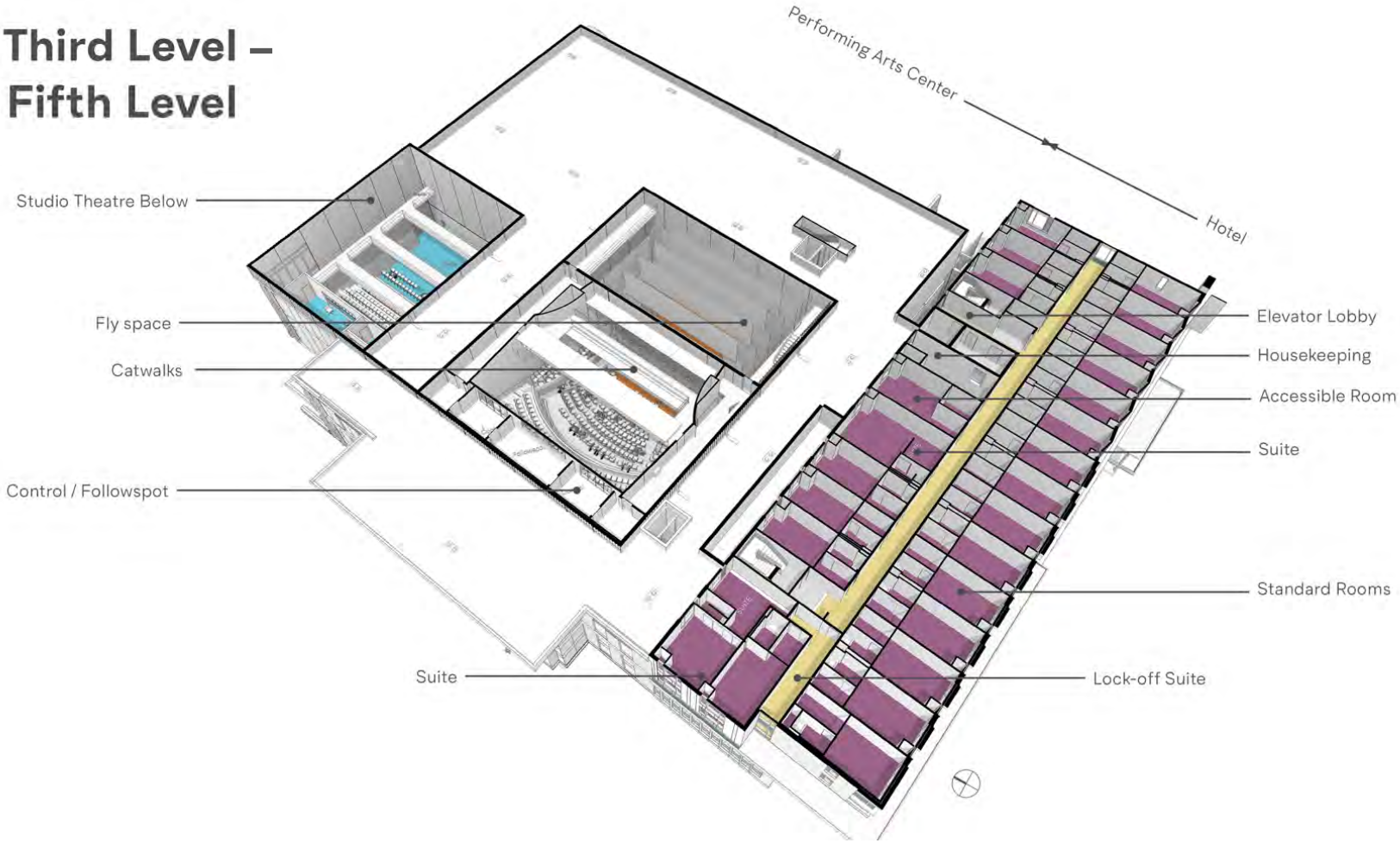
Third Level – Fifth Level



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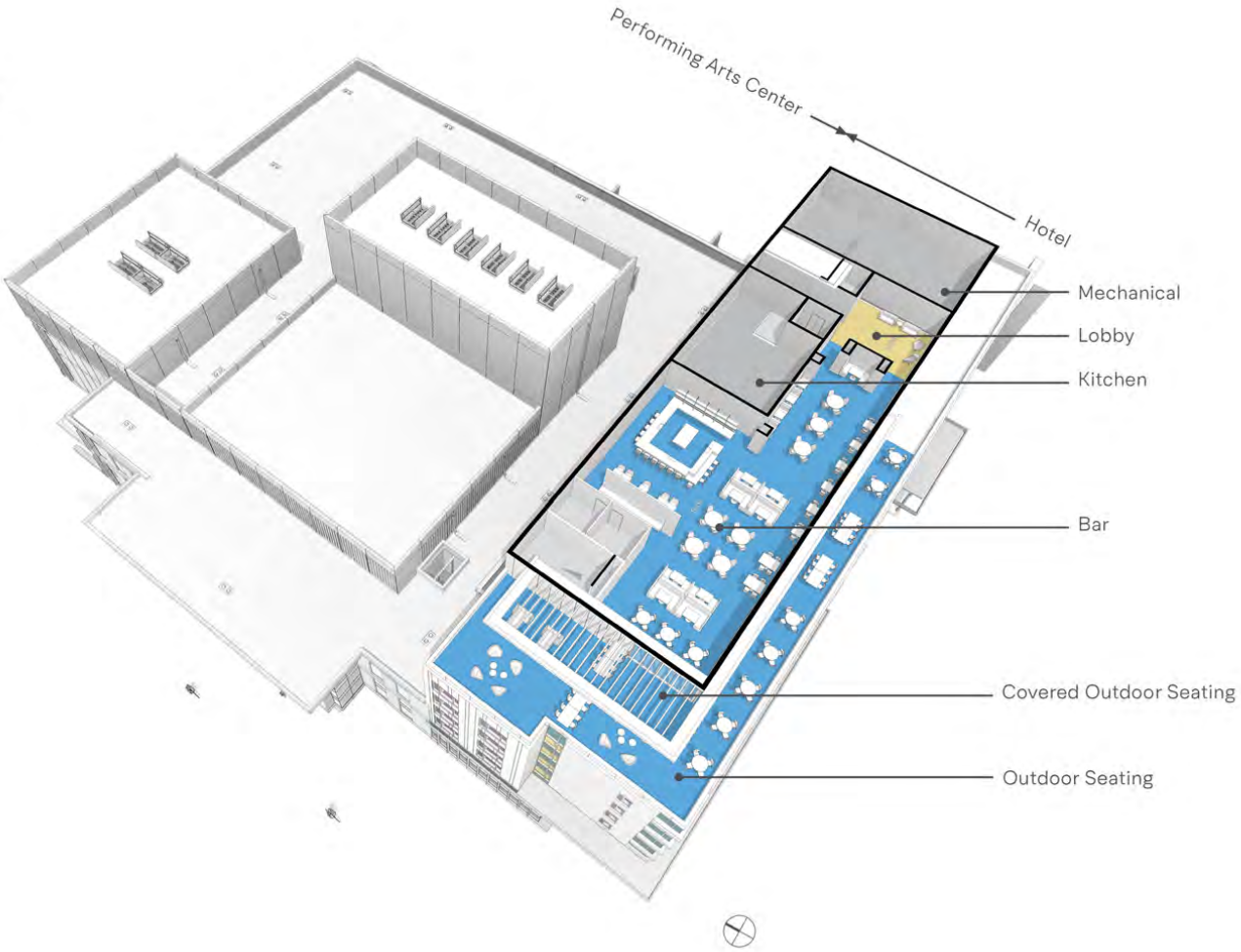
Hotel Rooftop



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BUILD OPERATE TRANSFER AGREEMENT
SITE 1 - PAC

- Authorizes Ball State University to sign agreement with affiliated entity of Fairmount Properties to lead design and construction of Performing Arts Center and transfer to us after construction and a 30-day operation period.
- All design contracts and construction contracts flow through Fairmount Properties.
- Fairmount Properties leads bidding and delivery process, but still must comply with Ball State design and construction standards.
- Scope includes the PAC project and all site improvements around PAC and hotel projects.
- Total project budget not to exceed $69.9 million.
    - PAC total budget $63.9 million
    - Site improvements and infrastructure budget $6 million

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GROUND LEASE
SITE 1 – HOTEL

- Authorizes Ball State University to sign 75-year ground lease with affiliated entity of Schahet Hotels.
- Schahet Hotels will have full rights to build, own, and operate hotel facility on land.
- Ball State University will provide a tenant improvement allowance to help close financing gap associated with cost of hotel construction. This allowance will not exceed $10 million.
- Ball State University will approve all food and beverage concepts throughout term of lease.
- Ball State University will receive a Base Rent payment, starting at $1,000 per year, increasing to $100,000 per year by Year 13 (11th year of operations).
- Ball State University will also receive annual Incentive Fee equal to 5% of net operating income starting in Year 13 (11th year of operations). Incentive Fee is projected to be $101,000 in Year 13.
- Ball State University will be repaid in full for its tenant improvement contribution as part of any future capital event (sale or refinancing).
- Ball State University will have a Right of First Refusal for sale of hotel during term of lease.

SITE 2: MIXED USE DEVELOPMENT CONCEPT

- 13,500 sf retail on ground floor
- 80 upper floor apartments
- Barnes and Noble could expand into second floor (decrease total apartments)
- Surface parking lot for residents
- Added on-street parking to Calvert Street and North Street
- Parking lot area could be future phase

PURCHASE AGREEMENT
SITE 2

- Ball State University will purchase five properties on Site 2 from Cardinal Properties for a total cost of $1,475,000. These properties will be included within a future ground lease to Fairmount Properties for mixed-use development constructed on this site.
- Transfer of properties to occur no later than July 1, 2024.

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SITE 3: CENTER FOR INNOVATION
BALL STATE PARTICIPANTS

- Emerging Media Development and Design
- Institute for Digital Intermedia Arts
- Entrepreneurial Leadership Institute
- Lifetime Learning
- Industry Engagement
- Career Center
- Community Engagement
- East Central Indiana Small Business Development Center

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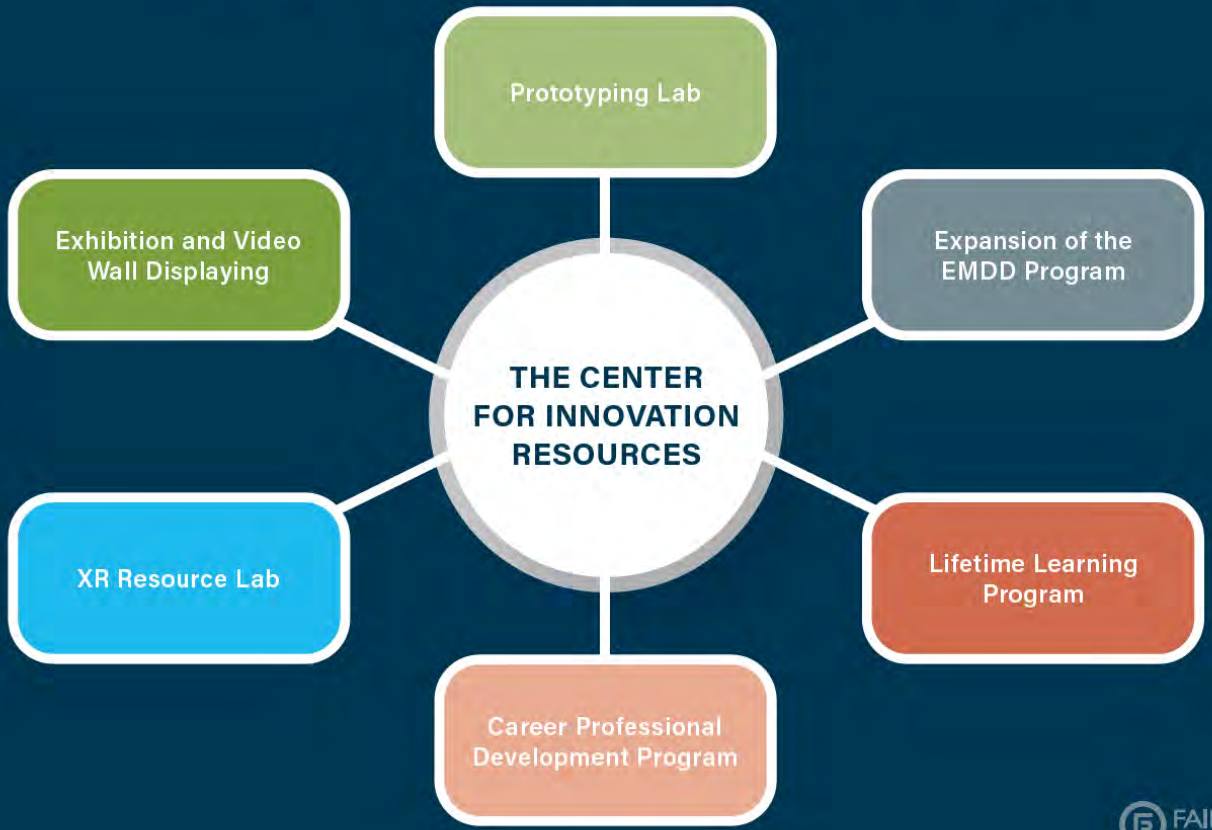
PRELIMINARY RESOURCES OF THE CENTER FOR INNOVATION



FAIRMOUNT PROPERTIES

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CENTER FOR INNOVATION

Preliminary Design Concept (Approx. 31,000 gsf)

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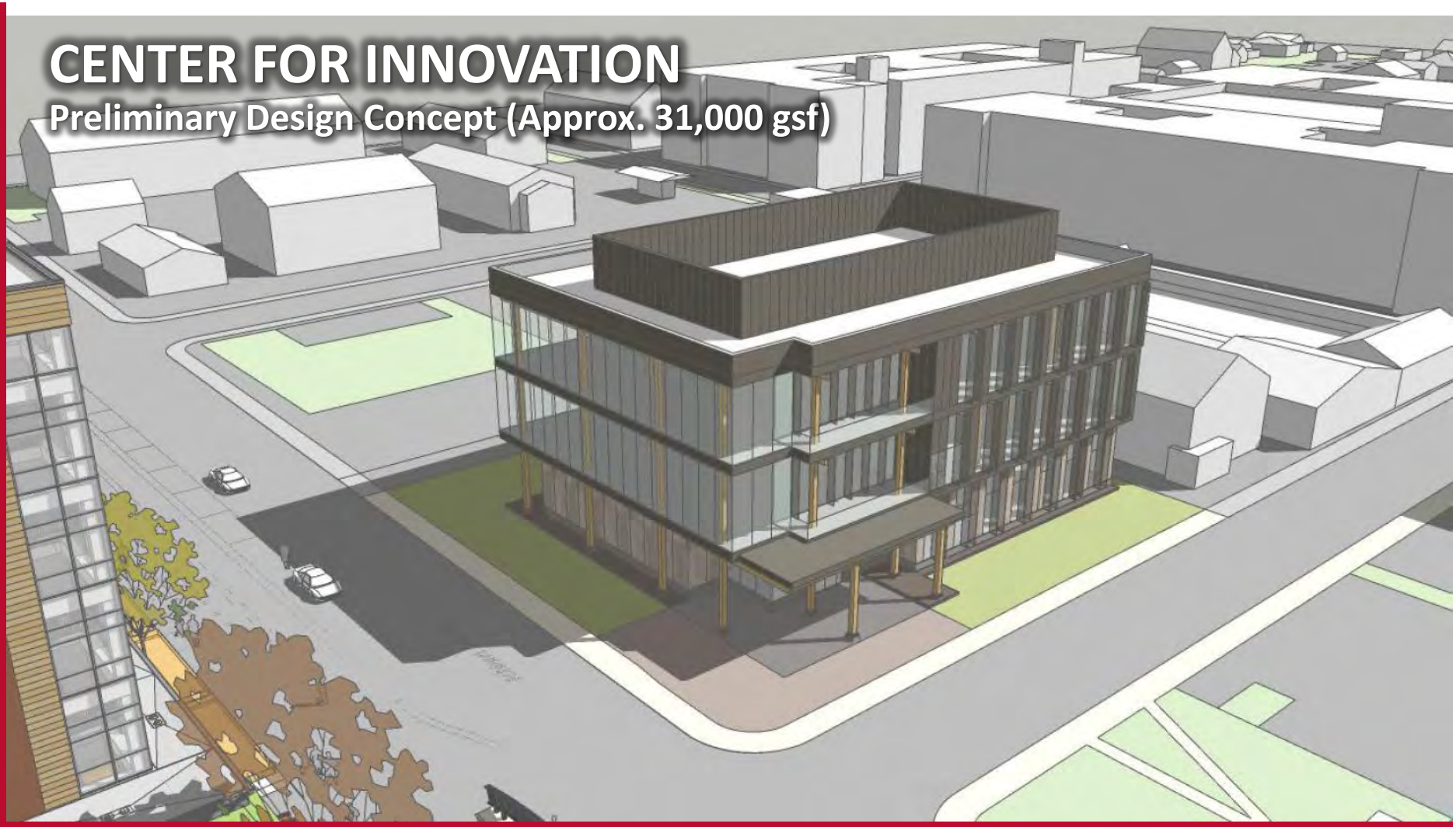
CENTER FOR INNOVATION

Preliminary Design Concept (Approx. 31,000 gsf)



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PURCHASE AGREEMENT
SITE 3

- Ball State University will purchase two properties on Site 3 from Cardinal Properties for a total cost of $852,400.
- Transfer of properties to occur no later than July 1, 2024.

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BUILD OPERATE TRANSFER AGREEMENT
SITE 3 – CENTER FOR INNOVATION

- Authorizes Ball State University to sign agreement with affiliated entity of Fairmount Properties to lead design and construction of Center for Innovation and transfer to us after construction and a 30-day operation period.
- All design contracts and construction contracts flow through Fairmount Properties.
- Fairmount Properties leads bidding and delivery process, but still must comply with Ball State design and construction standards.
- Total project budget not to exceed $21.3 million.

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SITE 4: MIXED USE/COMMERCIAL CONCEPT PLAN

- Option 1: 7,700 sf retail/restaurant user(s) with surface parking behind building.
- Option 2: Add second story for office tenant(s).
- Outdoor patio seating and overhead doors.
- Fairmount Properties has purchased TIS Bookstore property, future renovation.
- Event plaza will be located in proximity to new building and TIS Bookstore.
- Land purchase between Cardinal Properties and Fairmount Properties.

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SITE 5: RESIDENTIAL CONCEPT PLAN

- Partnership between Fairmount Properties and one of two potential homebuilders.
- 26-30 owner-occupied single family patio homes and attached townhomes.
- Dill Street proposed to be vacated, to increase greenspace and provide public amenity.
- Land purchase between Cardinal Properties and Fairmount Properties.

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OWNER-OCCUPIED RESIDENTIAL
Preliminary Design Concept

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STATE APPROVALS TIMELINE

February 8, 2024:	Materials Submitted to Indiana Commission for Higher Education (ICHE).
February 22, 2024:	ICHE Budget and Productivity Committee Meeting to include presentation of each Approval Item.
March 14, 2024:	ICHE Meeting to include presentation of each Approval Item.
April 2, 2024:	Materials Submitted to State Budget Agency (SBA) for consideration and approval by State Budget Committee (SBC).
Late April 2024:	State Budget Committee (SBC) Meeting to include presentation of each Approval Item.
Late April 2024:	SBA delivers recommendation and materials to Governor's Office.

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BOARD RESOLUTION SUMMARY

1. BOT Agreement with Fairmount Properties for Site 1 not to exceed $69.9 million for PAC construction and infrastructure/site improvements.

2. Ground Lease with Schahet Hotels for term of 75 years to construct a 95-room Tapestry by Hilton Hotel. Lease includes a tenant improvement contribution not to exceed $10 million.

3. Purchase Agreement with Cardinal Properties for five properties on Site 2 totaling $1,475,000.

4. Purchase Agreement with Cardinal Properties for two properties on Site 3 totaling $852,400.

5. BOT Agreement with Fairmount Properties for Site 3 not to exceed $21.3 million for completion of Innovation Center.

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