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Ball State University
Board of Trustees
January 26, 2024

REVITALIZING THE VILLAGE

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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TARGETED SITES



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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

RATIO
Site 1

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TAPESTRY BY HILTON

Site 1

RATIO

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TAPESTRY BY HILTON

Site 1

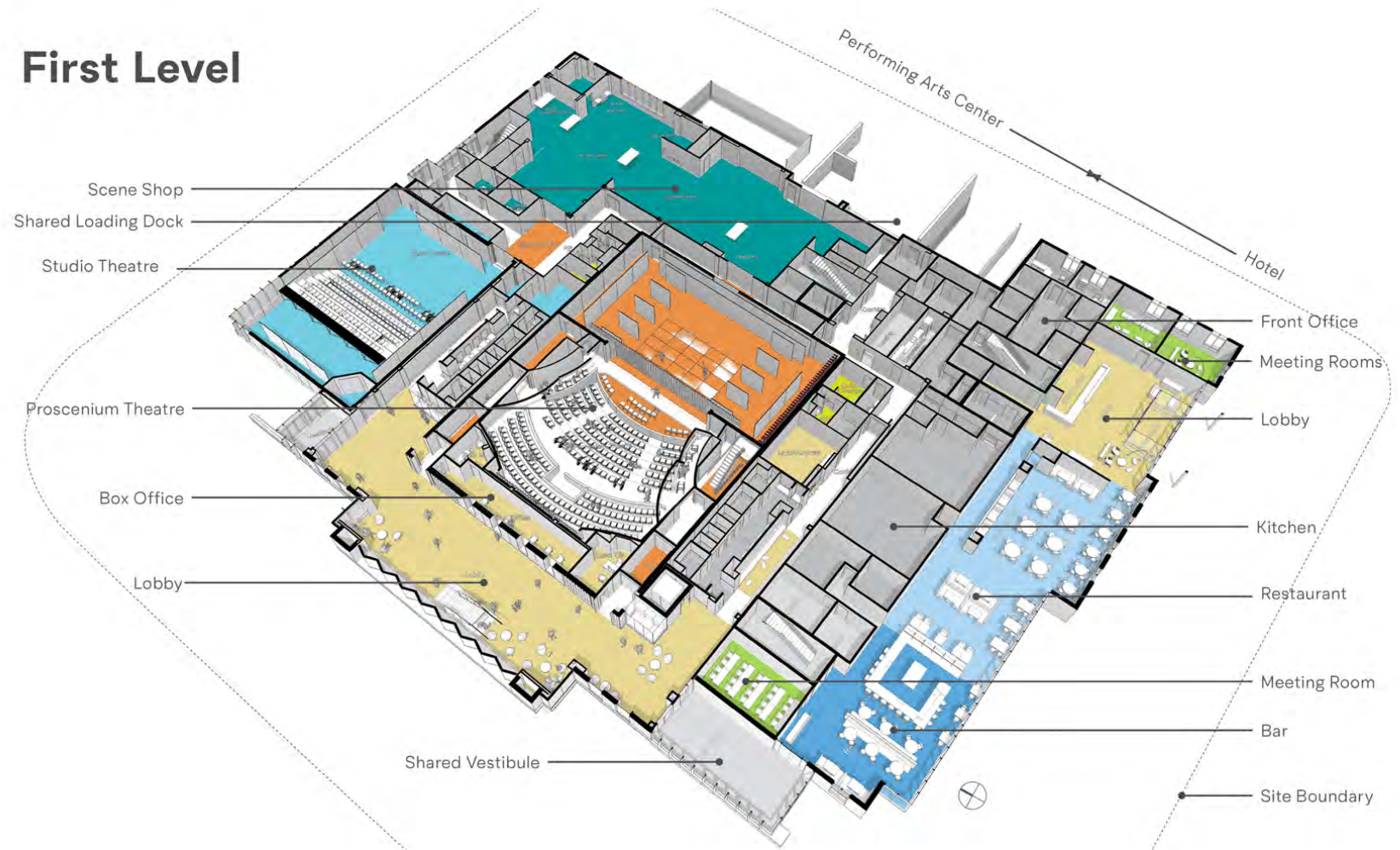


SITE 1: TAPESTRY BY HILTON HOTEL

- 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

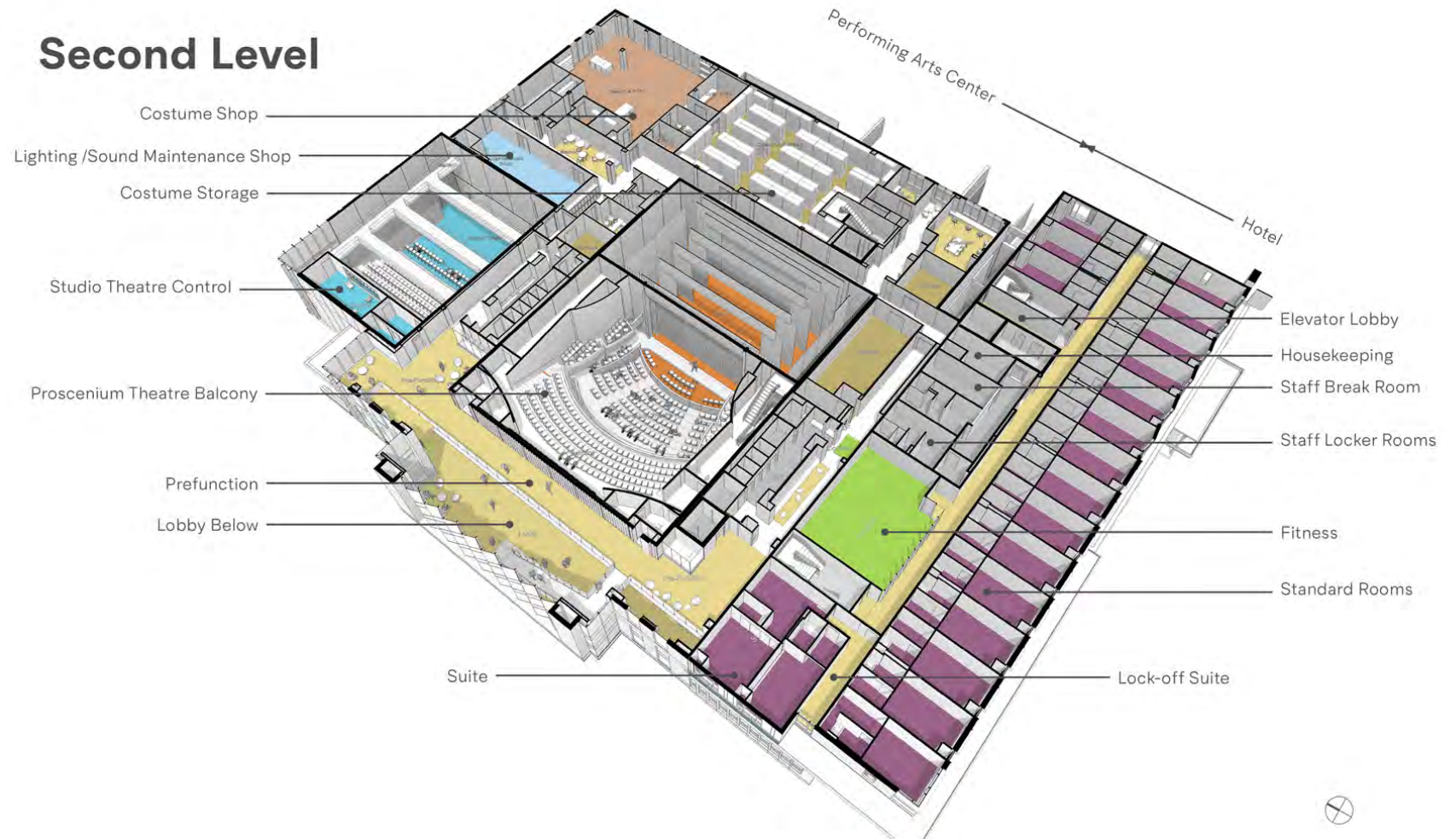


First Level



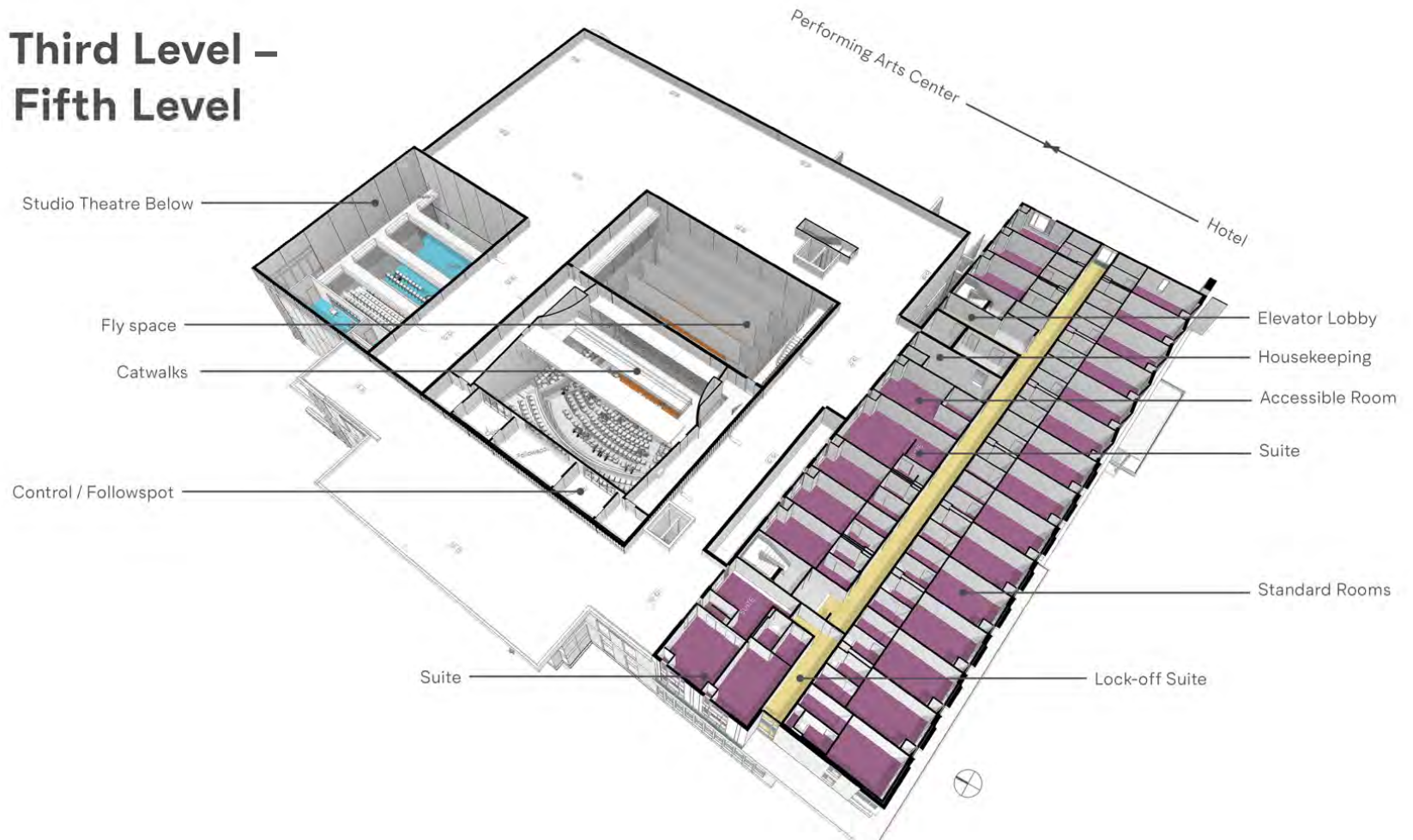
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Second Level

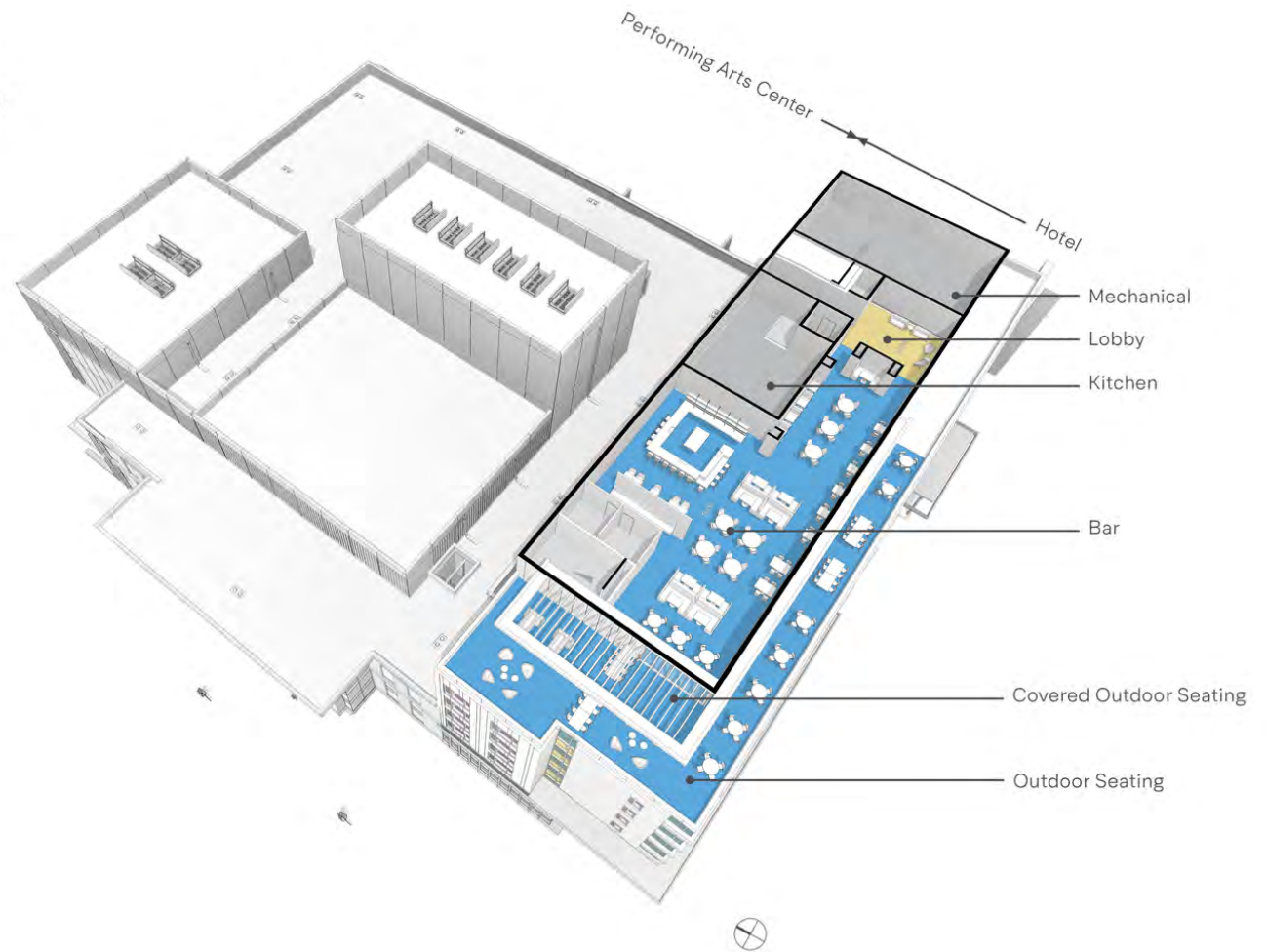


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Third Level – Fifth Level



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



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

MASTERPLAN UPPER FLOORS

UNIT TYPES:	
2 BEDROOM:	1029 SF
1 BEDROOM:	720 SF
STUDIO:	512 SF
LEVEL 1:	
RETAIL +	10,000 SF (APPROX. 85'-0" X 184'-0")
RETAIL+	3,300 SF (APPROX. 83'-0" X 68'-0")
LEVEL 2:	
STUDIO +	6
1 BEDROOM +	13
2 BEDROOM +	2
LEVEL 3:	
STUDIO +	6
1 BEDROOM +	13
2 BEDROOM +	2
LEVEL 4:	
STUDIO +	6
1 BEDROOM +	13
2 BEDROOM +	2
LEVEL 5:	
STUDIO +	6
1 BEDROOM +	13
2 BEDROOM +	2
TOTALS:	
STUDIO +	20
1 BEDROOM +	52
2 BEDROOM +	8
LEVEL 1:	
18,180 GSF	
LEVEL 2:	17,375 GSF
LEVEL 3:	17,375 GSF
LEVEL 4:	17,375 GSF
LEVEL 5:	17,375 GSF
GRAND TOTALS:	
TOTAL AREA:	87,680 GSF
UNITS:	80



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.



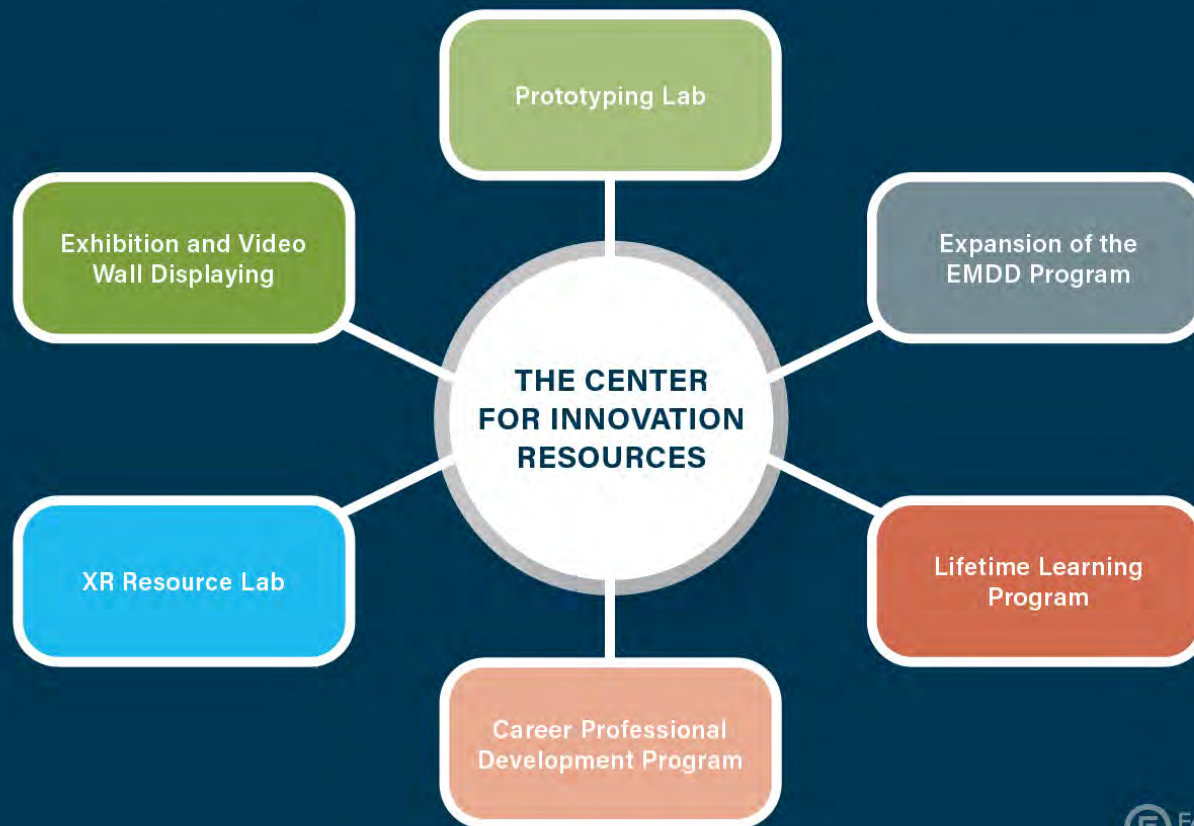


SITE 3: CENTER FOR INNOVATION BALL STATE PARTICIPANTS

- 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



PRELIMINARY RESOURCES OF THE CENTER FOR INNOVATION



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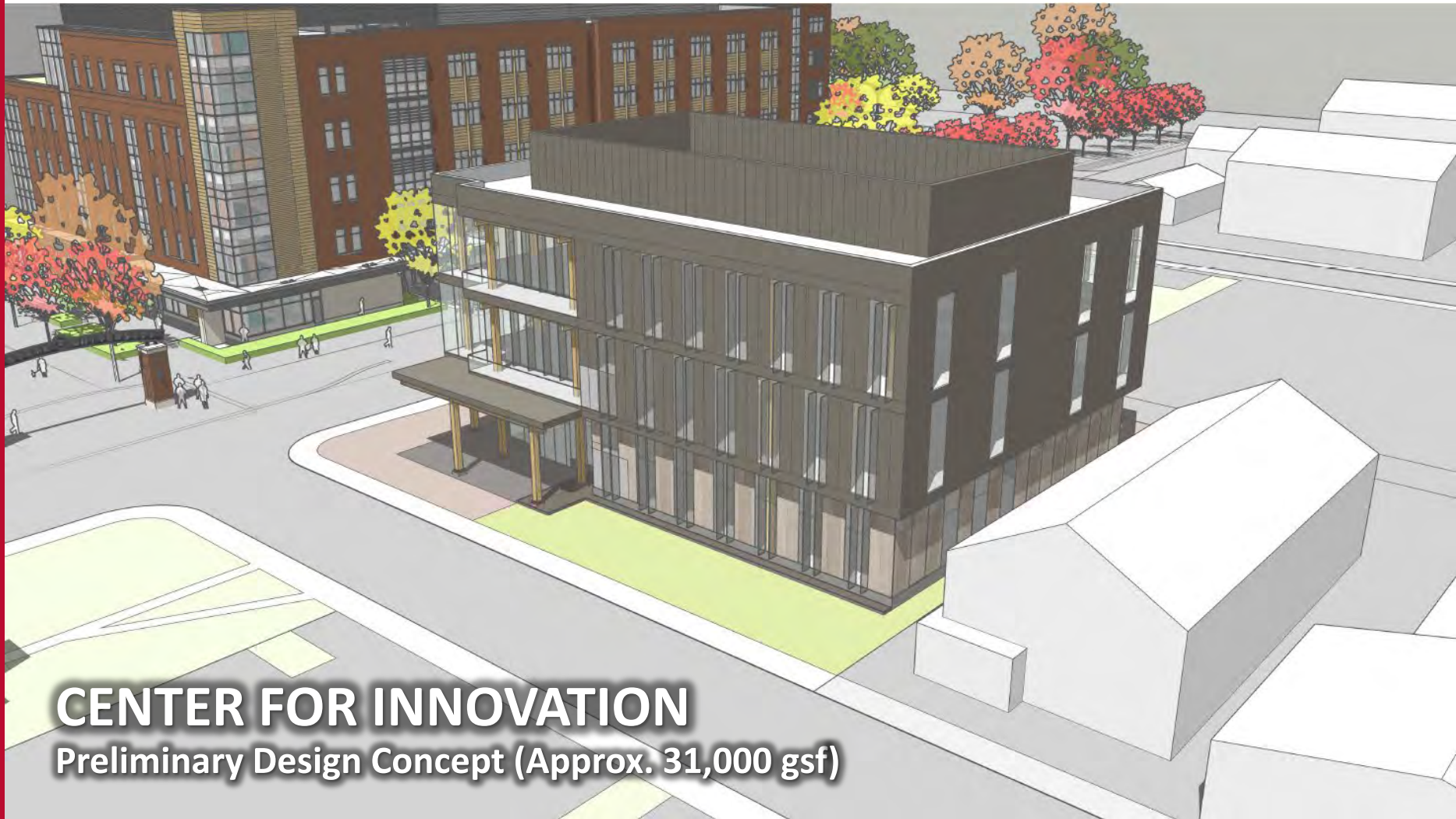
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CENTER FOR INNOVATION

Preliminary Design Concept (Approx. 31,000 gsf)

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.





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.



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.



A MASTER PLAN OPTION 1 - RETAIL
SITE FOUR: RENDERING



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

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.



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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