



City of Grand Forks

Staff Report

Committee of the Whole – April 28, 2025

City Council – May 5, 2025

APPROVED & ACCEPTED

by City Council

05/05/2025

Maureen Storstad

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City Auditor

Agenda Item: Altru Sports Complex (ASC) Project Approvals

Submitted by: Todd Feland, City Administrator
Maureen Storstad, City Finance Director
Dan Gaustad, City Attorney

Staff Recommended Action:

Approve and authorize the Construction Manager at Risk (CMAR) contract amendment for McGough Construction/Construction Engineers for Guaranteed Maximum Price (GMP) Bid Package #1 for the Altru Sports Complex and Site Infrastructure in the amount of \$50,379,912.00 (includes Elevated Walking Track Structure and Children’s Museum Project Concrete Parking Lot Project Alternates), subject to final review and approval of budget amendments from the Finance Department and agreements from the City Attorney’s Office.

Approve and authorize the University of North Dakota (UND) Deep Dive Well of \$1,344,000.00 as part of GMP Bid Package #1 and Upcoming GMP Bid Package #2, subject to agreement with UND, the City and Park District for UND’s funding of the construction and on-going and future capital maintenance and repair of this deep dive well facility and the Park District’s operation of this facility.

Approve and authorize the CMAR to solicit bids for GMP Bid Package #2 in the Design Development estimate amount of \$46,054,320.00.

Approve and authorize Architect of Record contract amendment to JLG Architects for bidding and construction administrative services in the amount of \$2,161,618.10, subject to final review and approval of budget amendments from the Finance Department and agreements from the City Attorney’s Office.

Approval of Resolution directing Issuance & describing terms/covenants thereof (Subordinate Sales Tax Revenue Bonds, Series 2025), to include Continuing Covenant Agreement (CCA) & Rate Lock Agreement with Wells Fargo, along with associated budget amendments, subject to final legal review and approval.

Approve and authorize the ASC Management and Operations Agreement with the Grand Forks Park District, subject to final review and approval from the City Attorney's Office.

Committee Recommended Action:

Motion by Weigel, second by Fridolfs to approve all recommended items except agreement with Park District. Motion passed 6-1, with Osowski dissenting.
Motion by Osowski, second by Berg to approve Agreement with Park District.
Motion passed unanimously.

Council Action: Motion by Weigel, second by Lunski to approve on consent agenda. Motion carried 6-1 with Osowski dissenting.

BACKGROUND:

In 2022, the Grand Forks Park District (Park District), with support from the City of Grand Forks (City), hired BerryDunn, Barker Rinker Seacat (BRS), and Water Technology Inc. (WTI) to complete an Indoor Sports Facility and Indoor Aquatic Facility Feasibility Study (Feasibility Study). This Feasibility Study was completed in 2023 and led to a proposed city-wide vote for an extension to the existing 0.75% Alerus Center Sales Tax. Funding, which passed with 66% voter approval. From the passing of this sales tax extension in November of 2023, this sales tax will be used to support ongoing capital improvements of the Alerus Center and the capital construction and long-term capital maintenance of the new Altru Sports Complex (ASC).

The City and Altru have entered into a complex naming rights agreement for the ASC, which will help support the project funding. The late Jim Fristad donated \$500,000.00 and JR Simplot in Grand Forks donated \$75,000.00 to the ASC. Additional funding, donor and financial support will be explored and considered throughout the project's development.

The ASC will be owned by the City and operations and maintenance are proposed to be managed by the Park District. The City and the Park District entered a memorandum of understanding (MOU) between each party to provide these management and operation services, and as noted below, the City negotiated with the Park District for a long-term operation and maintenance agreement.

The City administration along with the University of North Dakota (UND), Park District, and Grand Forks Public School District have agreed on a Community Based Use Agreement For UND Athletic Facilities. The UND facilities include the Frederick "Fritz" D. Pollard Jr. Athletic Center, Memorial Stadium Track and Turf Facility, and Albrecht Field – Softball Complex.

The conceptual location of the ASC, and also the proposed Children's Museum, is located just south of the existing Alerus Center, west of South 42nd Street, north of 17th Avenue South, and east of Interstate 29. The City recently purchased the remaining 6.28 acres of the site for \$2.12 million. Currently, the proposed Altru Sports Complex project is approximately 224,000 square feet in size and is planned to include the following amenities:

- 50 Meter Indoor Pool
- 25 Yard Instructional Pool
- Deep Diving Well
- Indoor Turf with Sprint Track and Elevated Walking Track
- Indoor Pickleball – Eight (8) Courts

- Multi-Use Program Rooms
- Concessions
- Spectator Seating
- Facility & Aquatic Support Spaces
- Administrative Offices
- Site Infrastructure

The Children’s Museum made the decision that the site south of Alerus Center near the ASC is their preferred location. The previous preferred location was near the Choice Health and Fitness Center on Altru owned land. The estimated land requirement for the Children’s Museum is between four (4) to five (5) acres on the south of the Alerus Center site and in the southeast corner of the site. The land is currently owned by the City and was purchased using City Alerus Center sales tax funds. The noted Children’s Museum parcel was transferred from the City to the Jobs Development Authority (JDA), and the JDA transferred funds to reimburse the City for the value of the 4–5-acre parcel based on the per acre purchase price paid by the City for the larger tract that contains or adjacent to this 4–5-acre tract. The Grand Forks JDA will enter into a long-term ground lease agreement with the Children’s Museum for this 4–5-acre parcel. Also, a funding and development agreement with the Children’s Museum will be finalized and entered into.

ANALYSIS AND FINDINGS OF FACT:

- The City has accomplished many ASC goals to date to include the following.
 - Park District Feasibility Study planned and completed from 2022 to 2023.
 - City Council approval calling for a Special Election for a sales tax extension of the Alerus Center ¾% sales tax to include the ASC and the Alerus Center.
 - Voter approved extension of the ¾ percent “Alerus Center” sales tax with a 66 percent approval on November 14, 2023.
 - Altru complex naming Letter of Intent of \$10 million – City Council approval December 18, 2023.
 - Grand Forks Park District Operations and Maintenance Letter of Intent – City Council approval December 18, 2023.
 - City Council approval of Sales Tax Ordinance Amendment on January 2, 2024.
 - JLG Architects selected and contracted as the Architect of Record in April 2024.
 - Bolton & Menk selected and contracted for master planning and traffic study services in May 2024
 - McGough and Construction Engineers were selected and contracted as CMAR in May/June 2024.
 - ASC schematic design, stakeholder engagement, cost estimating, site master planning, traffic study, support infrastructure planning, and Children’s Museum engagement from May to September 2024.
 - City Council approval on October 7, 2024 of the Community Based Use Agreement for UND Athletic Facilities; Schematic Design Plan; Site Master Plan, Traffic Study and Support Infrastructure Plan; Children’s Museum Agreement on Long Term Ground Lease; and Design Development and Construction Document Phases with JLG Architects.
 - City Council approval on March 3, 2025 for the Engineer’s Report for the ASC paving, stormwater and sitework, and created the Special Assessment District.
 - City Council approval on March 17, 2025 of bidding GMP Bid Package #1 for the ASC and Site Infrastructure and resolution solicitation of bids for ASC temporary financing.
- The ASC project team have had many meetings on the project from 2022 to present to include public input, stakeholder workshops, advisory team, Park Board, and City Council meetings. Previous City Council meetings can be found on the City’s website under Altru Sports Complex and links are provided with the material provided at each noted meeting.
- The City administration recommended, and the City Council approved on March 17, 2025, expedited project delivery and construction with a GMP Bid Package #1 and GMP Bid Package #2 Design Development (DD) like the Grand Forks Regional Water Treatment Plant Project in 2016

that provided the opportunity to reduce project costs and early identification of cost or schedule issues.

- Based on March 5, 2025, McGough estimates, the GMP Bid Package #1 represents more than 50 percent of the total building construction cost (\$105,559,978.00 estimate) plus the overall site infrastructure cost (\$10,657,925.00 estimate) and included the following.
 - Building Foundations.
 - Building Structure.
 - Building Enclosure.
 - Aquatic Package.
 - Site Infrastructure.
- Estimated 2025 Timeline Highlights as follows.
 - March 10 and 17 Committee of the Whole and City Council – GMP Bid Package #1 soliciting bids and soliciting interim financing bids/proposals requests. March 20 to April 15 GMP Bid Package #1 bidding duration.
 - February 26 to April 4 – GMP Bid Package #2 Design Development Estimating Duration.
 - April 28 and May 5 Committee of the Whole and City Council – Consideration of approval of GMP Bid Package #1 bids and authorization to bid GMP Bid Package #2, JLG Bidding and Construction Administration Agreement, interim financing bids/proposals, ASC Operation and Maintenance Agreement with the Park District.
 - GMP Bid Package #2 Bidding duration from May 22 to June 24.
 - July 14 and July 21 Committee of the Whole and City Council – Consideration of approval of GMP Bid Package #2 bids.
- GMP Bid Package #1 included 19 bid packages and 86 total bidders in the following 19 bid packages.
 - Site Fence.
 - Surveying.
 - Earthwork & Utilities.
 - Rammed Piers.
 - Building Concrete.
 - Precast Concrete.
 - Pre-Engineered Metal Building.
 - Steel Supply.
 - Steel Erection.
 - Waterproofing.
 - Metal Panels.
 - Storefronts and Curtainwalls.
 - Roofing.
 - Elevators.
 - Landscaping.
 - Concrete Paving.
 - Asphalt Paving.
 - Site Electrical.
 - Pool Package.
- The ASC received very competitive bids due to the following reasons:
 - Good timing.
 - Soft construction market.
 - An aggressive and competitive bidding environment.
- The GMP Bid Package #1 and GMP Bid Package #2 DD estimate with design fees and is estimated at \$94,403,929.00 as compared to the 70% DD Estimate on 3/5/25 of \$113,696,768.00. The ASC Project Budget is \$110 million, which allows for more than \$15,596,071 million for owner contingency, project alternates, and ASC project savings.

The GMP Bid Package #2 DD estimate includes \$1,635,968.00 in design and construction contingency and \$520,000.00 in escalation. GMP Bid Package #1 and GMP Bid Package #2 DD estimate includes \$2,391,162.00 in construction contingency.

- GMP Bid Package #1 accepted alternate includes the Elevating Walking Track (steel and concrete) in an additional amount of \$1,718,000.00. The total cost for the Elevated Walking Track component is \$2,877,782.00, the balance of the cost will be provided in GMP #2 after the bids are received.
- The GMP Bid Package #1 Site Infrastructure was also very competitive at \$6,861,788 and as compared to the project budget estimate of \$10,657,925.00. The GMP Bid Package #1 includes the following site infrastructure components: sanitary sewer, watermain, stormwater pond, and paving and landscaping,

The GMP Bid Package #1 accepted add includes expansion of parking lot and sidewalk serving the Children's Museum Project in the additional amount of \$595,000.00.

- The GMP Bid Package #1 includes a UND Deep Dive Well in the amount of \$1,344,000.00, which is subject to an agreement with UND via the City Attorney's Office.
- The GMP Bid Package #2 includes the following components and less than 50% of the total construction cost.
 - Building mechanical.
 - Building electrical.
 - Building interiors.
- The ASC and Site Infrastructure Construction Projects are scheduled as follows:
 - Mobilization and construction start on May 19, 2025.
 - Groundbreaking Ceremony in June 2025.
 - Substantial completion in August 2027.
 - ASC move in and grand opening in September 2027.
 - ASC grand opening in October 2027.
- The potential future phases of the ASC include the following:
 - Potential and future West Expansion of approximately 65,000 sf consisting of sports training, indoor playground, four (4) additional pickleball courts, and/or eight (8) middle school sized basketball/volleyball courts.
 - Potential and future East Expanded Parking.
 - Potential and future approximately 5,000 sf UND Swimming/Diving Team Suite.
- The ASC Management and Operations Agreement negotiated with the Park District generally provides management and operations control of the ASC to the Grand Forks Park District as City's management and operating partner. City Attorney Dan Gaustad will provide a briefing of the agreement at the Committee of the Whole meeting. Significant notes of the ASC Management and Operations Agreement are as follows.
 - Effective agreement date of July 1, 2025, as the Grand Forks Park District is dedicating resources to the ASC Project and intends to move forward with hiring a General Manager in anticipation of the ASC completion in September 2027.
 - Generally, the City, subject to available funding and approval by City Council, is responsible for ASC construction and on-going capital requirements, and the Grand Forks Park District is responsible for ASC operations and maintenance requirements to include funding.
 - Naming rights revenue for athletic and operational facilities is earmarked for City capital requirements.
 - The ten-year term of the ASC Management and Operations Agreement ends on December 31, 2035, with a mid-term review on or before July 1, 2030. The ASC Management and Operations Agreement can be extended via mutual consent and either party can terminate the agreement without penalty with a one year advance written notice.
- Matters related to financing of the project: (\$100M Bonding + \$10M Cash Reserves/Donations)
 - Very competitive bidding environment – received 4 bids:

- Wells Fargo Bank
 - Choice Bank
 - Alerus/Bremer (joint bid)
 - Bell Bank
- Bids analyzed by City Staff & Baker Tilly (Municipal Advisor)
 - Low bidder determined to be Wells Fargo for the entire \$100M
 - Offer fixed rate based on a predetermined draw schedule
 - Approximate rate 3.54% (final rate lock May 5th)
- Resolution related to this financing is attached: Authorizing Issuance, Terms & Conditions to include the Continuing Covenant Agreement (CCA) & Rate Lock Agreement
- Planned permanent financing – expected 2027.
 - Pay off temporary financing.
 - Alerus Center Debt paid down with cash on hand.
 - FFE – estimated at \$1.2M – set aside cash from sales tax & interest revenue that has come in better than budget.
 - Site Infrastructure costs – estimated cost/split as included on presentation slide totaling \$9.3M (previous estimate was \$11.8M).

SUPPORT MATERIALS:

- McGough - ASC and Site Infrastructure Overview.
 - ASC Project Estimating & Budget History Summary.
 - GMP Bid Package #1 ASC Summary - \$50,379,912.00.
 - Includes building, pool, and sitework costs.
 - Includes Site Infrastructure \$6,861,788.00.
 - Includes walking track alternative (\$1,718,000.00 and the concrete Children's Museum parking lot alternative (\$595,000.00).
 - Includes \$964,090 for pool portion of deep dive well.
 - GMP Bid Package #1 Site Infrastructure Summary - \$7,456,788.00 (Included in the GMP Bid Package #1)
 - GMP Bid Package #2 DD Estimate Summary - \$46,054,320.00.
 - Does not include value of alternates of bid package #2.
 - Includes the balance of the deep dive well costs.
 - Includes permit fee for complete project.
- ASC and Site Infrastructure Project Overview Presentation.
- ASC and Site Infrastructure Project - JLG Bidding and Construction Administration Agreement.
- ASC Temporary Financing Bid Presentation.
- 2025 Subordinate Sales Tax Revenue Bonds:
 - Calendar of Events.
 - Summary Bid Tab.
 - Resolution: Authorizing Issuance, Terms & Conditions to include the Continuing Covenant Agreement (CCA) & Rate Lock Agreement.
- ASC Management and Operations Agreement with the Grand Forks Park District, with draft exhibits 1.13 and 1.31.