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May 30, 2018

The Honorable John M. Lawrence
PA House of Representatives
1 Commerce Blvd., Suite 200
West Grove, PA 19390

Dear Representative Lawrence:

Thank you for contacting President Barron with your questions and concerns regarding the proposed "Third Level Suite Renovation and Elevator/Lobby Addition and Renovation" at Beaver Stadium. As a state-related University we value and appreciate your support. President Barron has asked me to respond on his behalf.

Before addressing each of the specific questions you included in your letter dated May 14, 2018, I believe it is best to explain our process thus far.

On January 8, 2018, Penn State University's Office of Physical Plant released a Request for Proposal for an Architect/Engineering Team Selection for the Third Level Suite Renovation and Elevator/Lobby Addition and Renovation Projects.

Currently, we have selected an architect and construction management firm and are working with our design committee to develop a schematic design and cost estimates for the projects. Although these renovations would improve the experience for suite holders, donors and friends, they are being bid separately because, depending on cost, we may decide to complete both projects, just one project, or not to proceed with either project.

Upon completion of design and cost estimates, we will determine whether we wish to proceed with each project. Assuming a decision is made to move forward we would then take the necessary steps to obtain bids and start construction. The plan would be to complete the work prior to the 2019 football season.

In light of the process that I have described and the current status of the projects, attached are the specific answers to your questions. It is important to stress a few key points about our transparent process. First, no state appropriations nor student tuition revenue will be utilized should one or both projects go forward. Second, these projects are under consideration to address important safety and accessibility concerns and to help ensure patrons do not continue to experience repercussions of an over-crowded lobby and lengthy elevator delays, as well as to promote the overall game day experience.

Please let me know if you have further questions.

Sincerely,

Zack Moore
Vice President for Government and Community Relations
Penn State University

Why was the Third Level Suite Renovation and Elevator/Lobby Addition bid as "two projects for bidding" when in reality it is "one seamless project"?

The project is two separate efforts so that each project could be delivered independently and may be delivered at different times. However, because of the need to integrate these efforts, we chose to design them together to ensure that, should we decide to proceed, the projects would complement each other.

Was the seemingly unusual and creative separation of this project into "two projects for bidding... purposes" specifically an attempt to keep each segment under the \$10 million threshold required for Board approval?

The projects, even if they were combined, may still fall below the Board of Trustees (Board) approval level of \$10 million. It is important to note that projects over \$5 million are still submitted to the Board as informational and at the appropriate time in the project cycle would come before the Board for transparency. The projects are two separate projects so that we can move forward with only one, both or neither, pending the outcome of the design, timing, and costs.

Have you received any preliminary estimates as to what this project/projects may cost?

No, the project team is currently working on the schematic design and when complete will have a preliminary estimate. We have not reached that point in the project yet. Once estimates and proposed designs are developed, a decision will be made as to whether either project will proceed. If so, we will continue to follow the policies of the University and the bylaws of the Board.

If only one part of the proposed project proceeds, and the cost is under \$10 million, will the project be brought before the Board for approval given the highly visible nature of the project?

As mentioned previously, in accordance with the Board's bylaws, the project will be submitted to the Board as an information item if it is greater than \$5 million but less than \$10 million.

If the proposed project proceeds, will funding come from the athletic department's budget, the general fund of the University, donors, or other funds?

Final decisions about specific funding sources for the potential projects have not been made and will not be made until the final project scope and costs have been determined. What we can say categorically is that neither state appropriations nor student tuition revenue will be utilized as sources if the project(s) move forward.

Has the University considered the optics of a multimillion dollar renovation of the President's suite at Beaver Stadium, and the construction of an "exclusive elevator" at a time when tuition costs for Penn State are at an all-time high, and Penn State is regularly profiled as having one of the most expensive in-state tuition rates in the nation?

The University is always concerned about the public perception of the actions it takes and is mindful of the costs of projects and the impact they may have on students. In this case, if the projects are

approved, no tuition or state appropriated dollars will be utilized. This decision has been made to ensure that there be no connection between this project and the tuition rates paid by our students.

What is the need to renovate the President's suite? I have been in the President's suite, and candidly, it is an incredible venue as-is. What specific additional features or upgrades are contemplated?

We hope to achieve several positive outcomes from the proposed renovations. When the current suites were originally added to the stadium, plans included a second set of elevators, but they were ultimately not included in order to save costs at that time. Patrons utilizing all levels of the suites are experiencing the repercussions of that decision with an over-crowded lobby and lengthy delays. We believe the addition of new elevators are important for the safety and accessibility of our patrons, as well as their overall game day experience.

Renovations to the third level suites would provide patrons with an improved game day experience, but would also make the space more versatile, so it could be utilized more often for meetings and events – something our peer institutions within the Big Ten and others across the nation are already doing. Although this renovation would improve the experience for suite holders, donors and friends, it is also being bid separately because, depending on cost, we may not wish to complete this project.

Has the University obtained architectural renderings of the proposed upgrades, and are these available for review?

As mentioned above we are currently working with our selected architect, construction management firm and design team to develop a schematic design. No architectural renderings have been developed for the project at this time.

If the project proceeds, what is the likelihood that the improved suite and newly installed elevator will be "taken down" when the suites are "moved to a lower level" as envisioned in the twenty-year plan to renovate Penn State's athletic facilities?

Improvements to Beaver Stadium are not included in our current five year capital plan; furthermore any future renovations/improvements to the stadium would likely be in a timeframe that will make the current proposals useful and worthy investments.