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This report is an initial step in the University of Minnesota's process of determining the feasibility of building a new on-campus, Big Ten-style, multipurpose football stadium. The report includes conceptual architectural drawings, preliminary cost projections, a business plan, and a list of potential funding sources. The information in this report was developed for the University by a team of experienced sports architecture, construction, transportation, and environmental engineering firms. The study was privately funded by the University of Minnesota Foundation and draws heavily on a state funded study done in 2002 for a joint-use stadium at the request of the Minnesota State Legislature.

This study was undertaken as part of an effort to ensure that Minnesota's only NCAA Division I-A football team has a suitable place to play when the University's lease at the Metrodome expires in 2011. New stadiums take four to five years to plan, finance, design, and construct, so now is the appropriate time for University decision makers to begin thinking about stadium issues.

Building a new on-campus stadium is an option that needs to be explored for several reasons. First, after studying the feasibility of a joint Gopher-Vikings football stadium on campus last year, both parties concluded that such a project did not meet their needs. Second, sharing a facility with a professional team has proven to be a challenge at the Metrodome because the University has had little control over revenue streams, facility operations, and event scheduling. Third, the University must be prepared to represent its interest at the state legislature. New sports facilities will likely be pursued by professional sports teams during next year's legislative session. Governor Pawlenty has formed a committee to screen proposals for the Vikings and Twins facilities.

The primary goal of this study is to address four fundamental questions regarding the feasibility of an on-campus stadium:

- 1) What is an appropriate size and type of stadium for the University?
- 2) What will it cost to construct and operate an on-campus stadium?
- 3) What is the revenue potential for an on-campus stadium?
- 4) How can the University use a stadium to enhance the campus, local, and statewide communities?

In answering these questions, the feasibility study team was guided by the five design themes: 1) provide an enjoyable game-day experience for fans; 2) satisfy the programmatic and operation requirements of the users; 3) design for long-term sustainability and optimal life cycle cost; 4) plan for future flexibility, including potential academic and other complementary uses; and 5) generate maximum revenue for the University.

The information contained in this report represents professional recommendations about site preparations, infrastructure improvements, stadium design, timeline, cost, and other project considerations. The total project cost is estimated at \$222 million, which includes \$16.8 million for site preparation, \$25.1 million for district improvements, and \$180.1 million for the stadium, including essential nonconstruction costs such as design, project management, and inspection. Approximately \$10 million for inflation is factored into these figures. If the project is approved, a good deal of additional work would be required in subsequent stages of project development to validate the cost assumptions in this study. Significant cost fluctuations could occur as the result of that work and other factors detailed later in this report.

The University has not developed a finance plan, but is examining potential sources of new revenue. While a recommendation has not yet been made on the specific mix of revenue streams and financing options, the University is focusing on revenue opportunities that would finance a substantial share of the project cost with new resources, including a very significant level of private fundraising.

Guiding Principles, reviewed by the Board of Regents in November 2003, will shape the decision-making process. In accordance with these principles, any new stadium must advance the University's fundamental academic mission, improve its financial circumstances, enhance campus life, and qualitatively improve the University and Gopher football experience.

As part of its commitment to an open and public planning process, the University will continue to engage in a dialogue about the stadium project with the University community, including faculty, staff, and students; adjacent neighborhoods; local businesses; and other public agencies. The University would consult with these groups during design, construction, and operation of the stadium. This consultation will play a critical role in any future decision-making and the ultimate success of the project.

FEASIBILITY STUDY REPORT

This report is the result of an analysis conducted by the University with the assistance of a team of consultants composed of leading industry experts. These consultants were selected based upon their respective professional reputations, previous project experience, and their participation in the 2002 joint-use stadium study.

In arriving at the information presented in this report, the study team reviewed athletics department and other user requirements, conducted a market study and transportation analysis, toured other collegiate stadiums, and considered numerous options for integrating the stadium into the campus and surrounding community.

The report provides the University with the necessary information to make decisions about the option of constructing a new campus stadium.

LOCATION

The criteria considered in locating a football stadium on campus include enhancing campus life, complementing the University's existing athletics facilities, and providing accessibility for patrons. The University's Huron Avenue parking complex is the proposed site for the new stadium. (See Figure 1: Existing Site.) This site, approximately 32 acres, is in close proximity to existing major athletics venues—including Williams Arena/Sports Pavilion and Mariucci Arena—and meets the University's requirement for a large East Bank location where stadium activities could be well integrated into the residential campus environment. The site is accessible to those coming to campus. No other sites meet these criteria.

Constructing the stadium in this proposed location would have the potential to improve the existing campus landscape. The majority of the proposed site is currently occupied by large surface parking lots. Three obsolete and largely vacant University buildings already slated for demolition occupy the southwest corner of the site. The site is well served by regional roads and the University's dedicated bus transitway.

This site has room for a new football stadium as well as potential future development of new academic and research facilities. There is, for example, enough land remaining on the site to accommodate at least 1.5 million square feet of additional space or approximately six buildings the size of the new Molecular and Cellular Biology building.

SITE PREPARATION

The site preparation portion of the project centers around three primary activities.

Environmental Cleanup—This area of campus was previously owned and occupied by a railroad and by industrial businesses. The activities of these businesses, which ceased prior to University acquisition of the property, affected both the soil and groundwater quality of the site. Although the majority of the site is now a paved surface parking lot, any development will require contamination to be removed and treated.

Land Acquisition and Demolition—The project plan includes the purchase and demolition of three properties in the 2300 block of University Avenue S.E. This is required to widen 23rd Avenue S.E., a primary road leading into the site. The balance of the area from the demolished property will be used to replace lost surface parking. Three other University buildings (Holman, Poucher, and University Press) currently located on the site were designated for demolition prior to the stadium discussion and will be removed before the start of this project.

Soil Correction and Preparation—Site preparation would require the excavation of existing fill soils and the underlying soft compressible peat to establish a suitable foundation for both the stadium structure and the replacement surface parking. Where possible, excavated soil will be reused on the site. A storm water management plan would be prepared as part of the project.

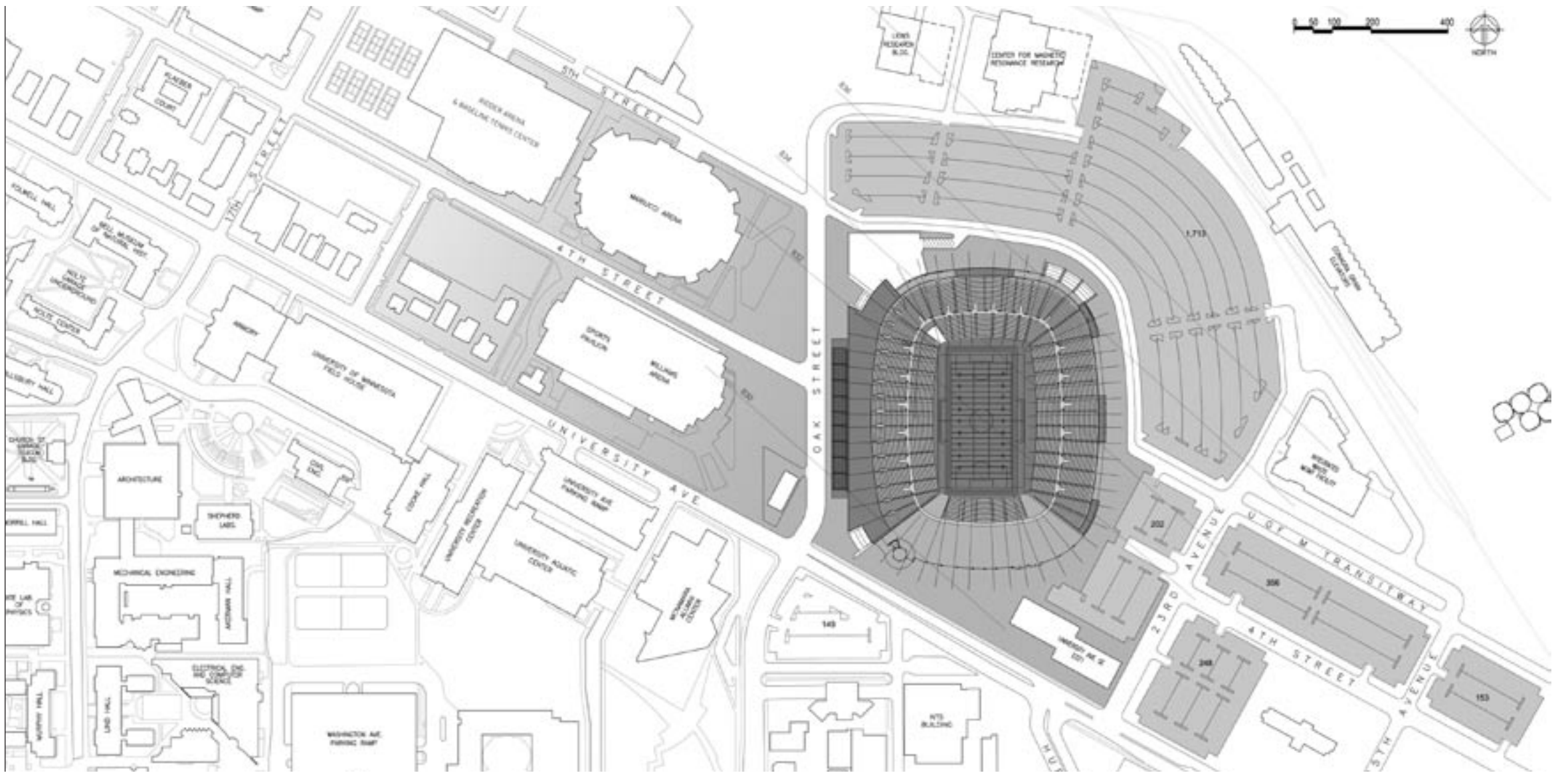


Figure 2: Proposed District Plan

The University will require that any new stadium integrate well into the campus and the surrounding community on both game and nongame days. If this project is pursued, a new stadium would be designed, constructed, and operated in a manner that is compatible with the campus environment and the commercial and residential areas near the stadium site. This section of the report addresses physical and operational issues outside the walls of the actual stadium, focusing on campus integration, transportation, parking, and utilities. (See Figure 2: Proposed District Plan.)

CAMPUS INTEGRATION

The plan would position the stadium in the southwest corner of the site, adjacent to the Williams Arena/Sports Pavilion complex, Mariucci Arena, and the McNamara Alumni Center. Placing the stadium in this location would promote a logical and orderly extension of the campus. The stadium would be similar in height to the adjacent buildings and designed to reflect existing campus architecture.

The project would create two new landscaped plazas for the campus. The first—approximately the size of Northrop Mall—would be located on the west side of the stadium in the space created by the realignment of Oak Street. The second would be at the open end of the horseshoe-shaped bowl. Both plazas would provide a mix of paved and green spaces designed to accommodate a broad range of campus activities. On game days, both plaza areas would be pedestrian-only zones for pregame activities by alumni, fans, sponsors, and the marching band.

TRANSPORTATION

The orderly movement of people and traffic into the district and around the site, both before and after games, is an essential requirement for the success of this project. Most patrons—approximately 75 to 85 percent—would arrive by car. The regional highway system has sufficient capacity to accommodate these vehicles. Game day traffic would be routed on the regional road network, keeping the local streets free to the extent possible from stadium traffic. Approximately 15 to 25 percent of all attendees would arrive on foot or by transit. Various regional transportation proposals have the potential of improving transit usage.

The project would require the construction and realignment of several roads into and around the site. The transportation plan includes the realignment of Oak Street and the University transitway, a partial reconstruction of University Avenue and Huron Boulevard, and the widening of 23rd Avenue. The realignment of Oak Street, required to accommodate changes to Huron Boulevard, would be designed to accommodate a future bridge to the Kasota Parkway envisioned in the City of Minneapolis plan for the area.

A detailed traffic management program would be developed as part of a final stadium plan to ensure efficient game day traffic operations.

PARKING

There is sufficient existing University and State Fairgrounds parking available to meet projected game day requirements. Current projections indicate a need for approximately 17,000 parking spaces for a capacity crowd. There are approximately 13,000 University controlled parking spaces on the east and west banks within walking distance of the stadium, 2,000 of which are likely to be required on game day for other non-stadium related activities. The balance of game day parking would need to occur on the St. Paul campus and State Fairgrounds, where as many as 10,000 additional spaces could be made available. A free shuttle service using the University's dedicated transitway would provide for efficient service before and after the game to the State Fairgrounds and the West Bank.

There are currently 2,700 surface parking spaces on the stadium site. These spaces would be replaced on or near the site as part of the project. No increase or decrease in car parking is proposed. Only fans with prearranged parking would be able to park on site on game days.

UTILITIES

Upgrades to the existing utility systems would be necessary to serve the stadium. Electricity would be provided from the University's existing 4th Street station. Data and telecom lines, which currently pass through the middle of the site, would be redirected. Domestic water, storm sewer, sanitary sewer, and natural gas service would be extended to the site. This plan assumes that year-round climate control would be provided by gas-fired boilers and electrical chillers.



The stadium design conceived in this report complements the campus environment and meets all of the revenue and fan amenity requirements of a modern Division I-A collegiate football stadium. Based on a preliminary market analysis, advice from industry experts, and recent visits to other stadiums, this design has the following characteristics.

Structure—An open-air stadium with a horseshoe-shaped bowl and a traditional collegiate “look and feel.” The field would be an all-weather, next generation artificial playing surface comparable to the Gophers’ existing indoor practice field.

General Seating—50,000 seats in a mix of chair-back seats and benches. The stadium would be designed to accommodate future incremental seating expansion to 80,000.

Premium Amenities—39 suites, 750 loge seats, 300 indoor club seats, 1,250 outdoor club seats, and a 30,000 square-foot indoor club. Loge seats—an outdoor, rail-enclosed, small group seating area—a popular amenity in other sports markets, would be a unique, appealing amenity here because they do not exist in any of the major local sport venues. An additional and more detailed market analysis is recommended to verify these assumptions.

Team Facilities—Home and visitor game-day locker and training rooms would be included.

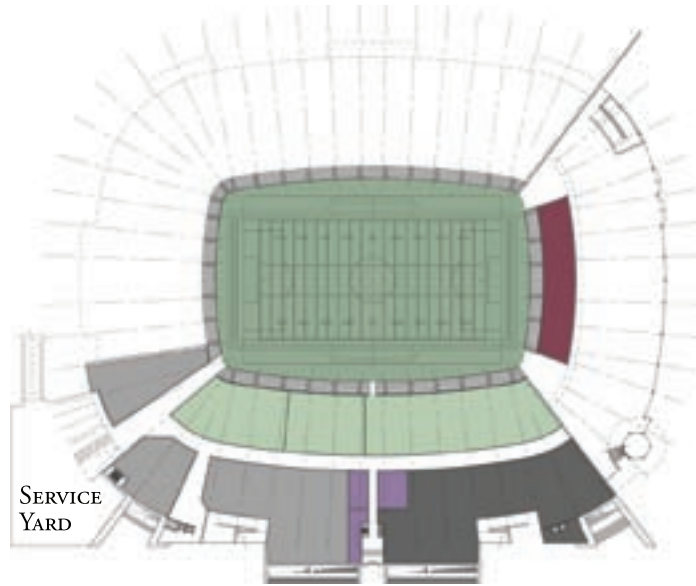
Media—Provisions for print media and radio and television broadcast would be included. The facility would also include loading docks, truck staging, and camera platforms.

Concessions and Merchandise—Provisions for concessions, catering, and sale of collegiate apparel at a level comparable to other modern Division I-A collegiate sports facilities.

Other Spaces—Marching band rehearsal, storage facilities, and a hall of fame.

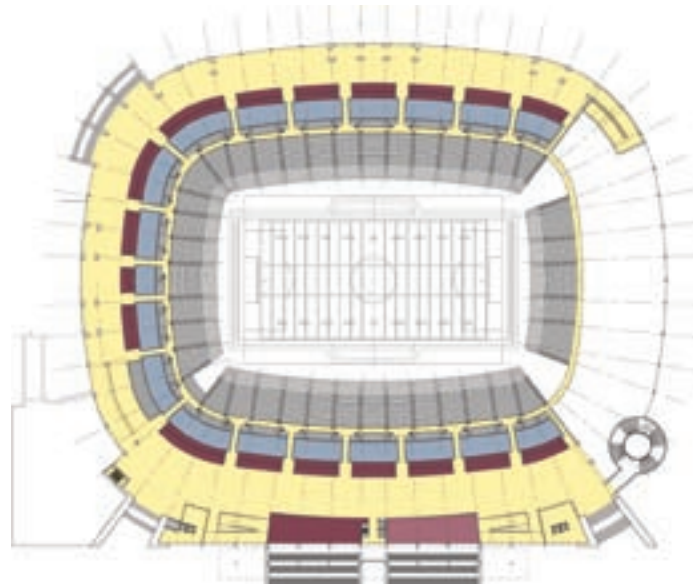
This stadium plan would concentrate all of the building’s programmatic spaces (e.g., locker rooms, media facilities, suites) and year-round functions (e.g., concessionaire, facilities management, marching band) into a five-story structure that forms the west side of the stadium. The west side of the stadium would be operated year-round. The concourse space under the end zones and east side of the stadium would not be climate controlled and could be “closed-down” when the stadium is not in use.

Graphics on the next page provide a level by level description of the proposed stadium. (See Figure 3: Stadium Plan Drawings and Figure 4: Stadium Section Drawings.)



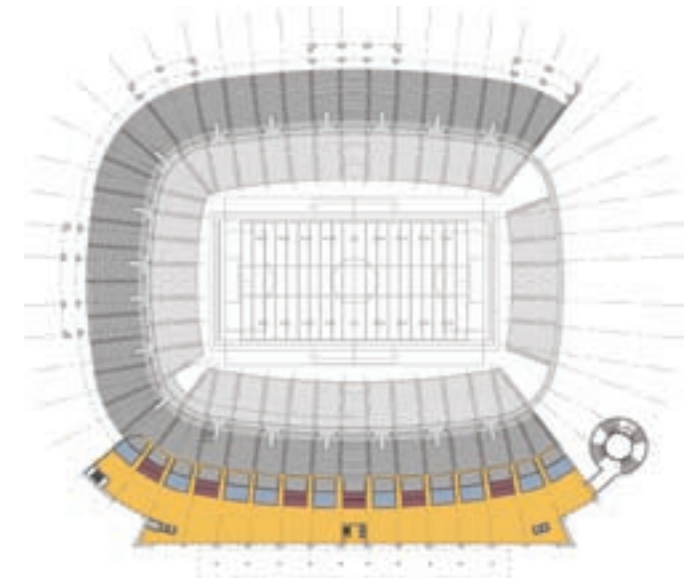
SERVICE LEVEL

This level would contain team facilities, locker rooms, media interview rooms, and year-round space for the marching band, as well as back-of-house support space for concession and facilities management. The Gopher locker room would have direct field access. This level would have easy access to the loading docks and service yard.



CONCOURSE LEVEL

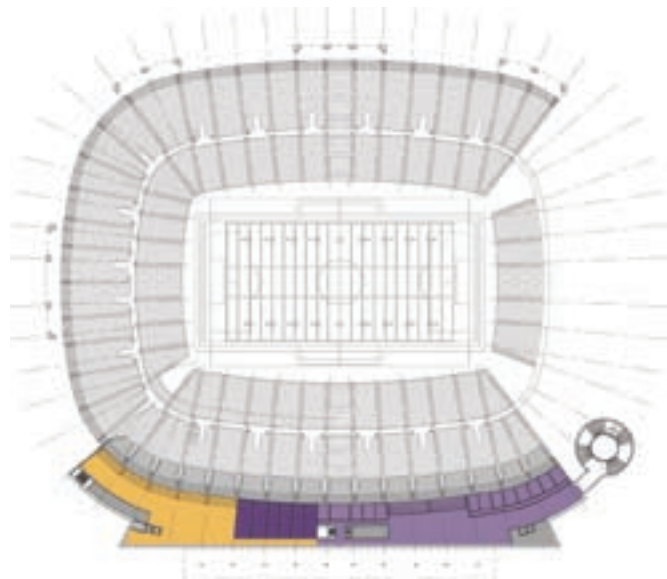
This level would be the primary concourse serving the seat bowl. Stadium patrons would have easy access to restrooms, concessions, and novelty stands. This level would also include fan services, ticket windows, a team store with street access, and an athletics hall of fame. There would be five primary public entrances to the stadium: one at each corner and a main entrance adjacent to the team store and hall of fame. One of the entrances would be reserved for students. A ceremonial entrance to the stadium and field would be located at the corner of the stadium closest to campus.



CLUB LEVEL

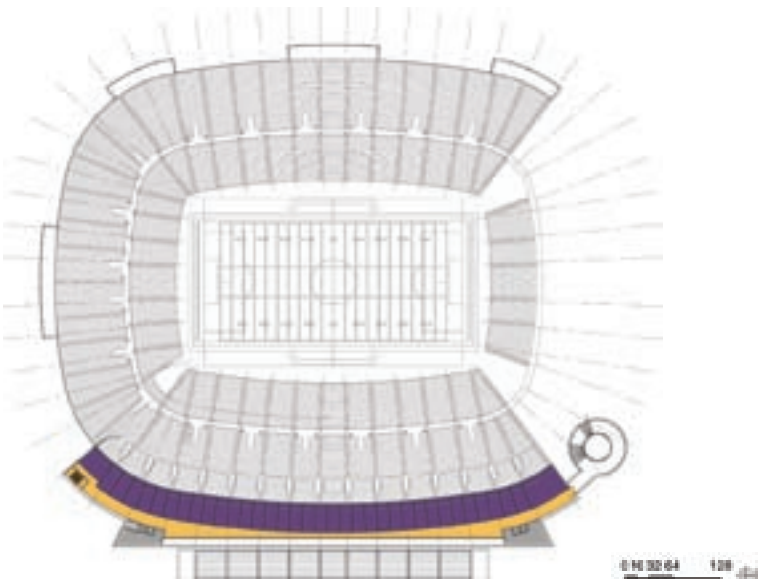
This level would provide concessions, restrooms, and an indoor gathering space for patrons sitting in the club and loge seats. The club would have views of campus. Special club areas would be provided for entertainment and sponsorship events. Patrons would have access to this level from dedicated entries at the concourse level. The club would be available on nongame days for use for other University events.

Figure 3: Stadium Plan Drawings



MEDIA AND INDOOR CLUB LEVEL













This level would include a 300-seat indoor club, special suites for University-sponsored events, restrooms, and space for the media. The current plan would include space for 150 print reporters, multiple radio and television broadcast booths, home and visitor coaches' booths, as well as space for statisticians, officials, security, sound system operators, instant replay, scoreboard operators, and team operations. The indoor club area would be used as a student-athlete "training table" facility on nongame days. An elevator would provide direct access to the media interview area on the service level.

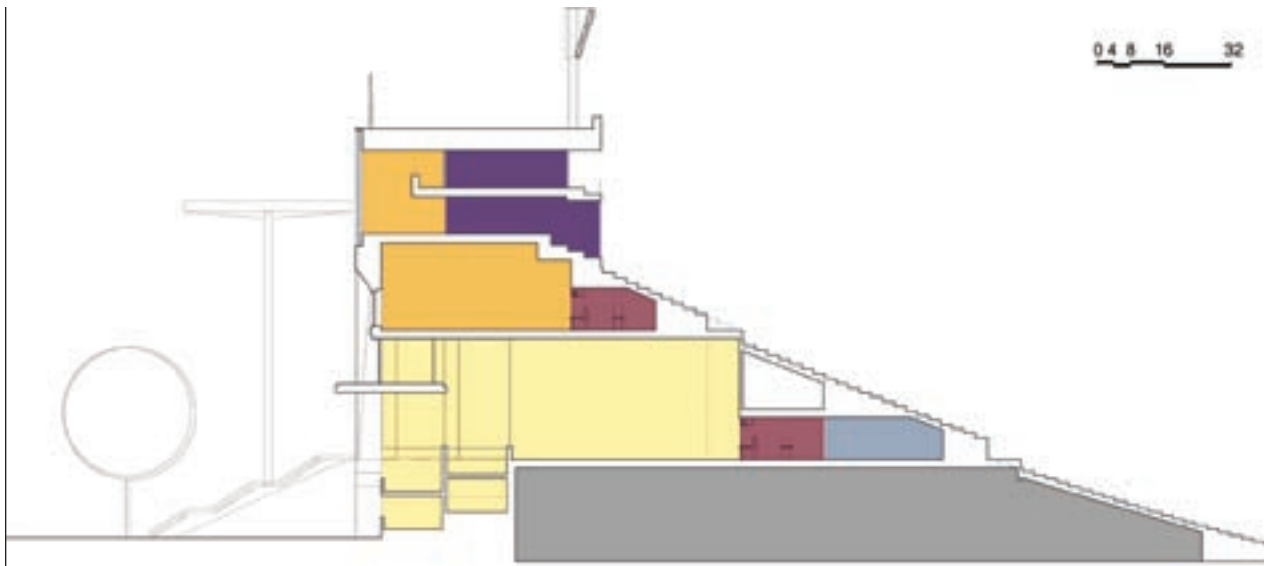


SUITE LEVEL

This level contains 35 12-person suites, 4 group suites, restrooms, and catering facilities. Patrons would have access to this level from dedicated entries at the concourse level.

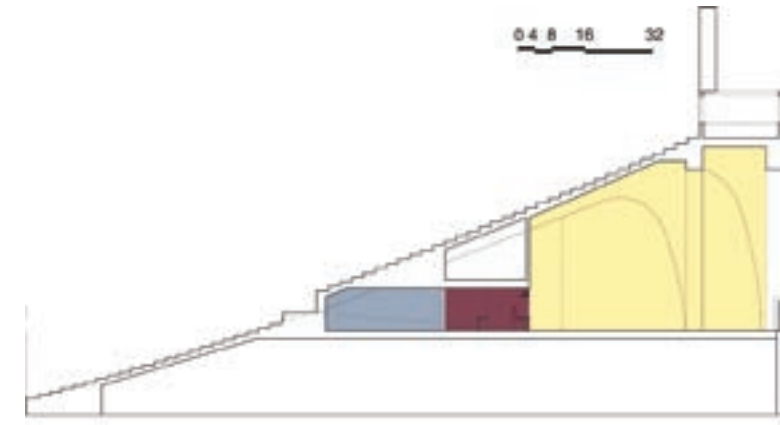
KEY:

- | | |
|---|--|
|  SEATING |  CONCESSION/RETAIL |
|  CONCOURSE |  HALL OF FAME |
|  FIELD |  TOILETS |
|  TEAM FACILITIES |  CLUB |
|  BAND |  MEDIA FACILITIES |
|  BACK OF HOUSE |  SUITES |



WEST SIDE OF THE STADIUM

This section through the west side of the stadium shows the five-story tower and the seating bowl. The loge (rail-enclosed) and club seating is shown immediately adjacent to the club lounge.



EAST SIDE OF THE STADIUM AND END ZONES

This section through the east side of the stadium shows a typical section of the main seating bowl.

KEY:

- | | |
|---|--|
|  CONCOURSE |  CLUB |
|  BACK OF HOUSE |  MEDIA FACILITIES |
|  CONCESSION/RETAIL |  SUITES |
|  TOILETS | |

Figure 4: Stadium Section Drawings

EXTERIOR FAÇADE AND ARCHITECTURAL DESIGN

The stadium would be designed to reflect the look and feel of existing University buildings, consistent with good campus planning. The stadium façade would incorporate an architectural technique that uses a clearly delineated base, middle, and top as means of visually dividing the exterior façade. This technique was used in the buildings on the historic Northrop Mall. The stadium would use a natural stone base with stone detailing in pedestrian areas. The natural stone would transition to brick of an appropriate color and texture for the campus. Detailing would embrace a forward-looking aesthetic and celebrate leading-edge construction means and methods. The west side tower structure would have a solid façade of stone, brick, glass, and steel. The north end zone and east side of the stadium would have a more open concourse, making more selective use of the same materials. A brick and wrought iron fence would define the outer edge of the concourse on the east and south sides. Public entries would be marked with architectural treatments such as towers, canopies, integrated environmental graphics, and architectural lighting. Economical materials would be used for low visibility and nonpublic areas.

The playing field would be located approximately four feet below existing grade. A combination of landscaped walks, ramps, and stairs would be used to gradually bring patrons up to the concourse level entrances.

ADDITIONAL USE AND COMPLEMENTARY ACTIVITIES

This facility would be planned and designed to accommodate the maximum possible number of complementary uses. The stadium would be designed for soccer as well as football. The artificial turf playing field would allow for regular use by the University's recreational sports program and for other athletic purposes, such as state tournaments. The facility would be capable of hosting major University gatherings, such as freshman convocation or graduations. The main indoor club lounge and catering facilities would be suitable locations for conferences and large sit-down events.

CONSTRUCTION STANDARDS

The stadium would be designed and constructed to a standard that would ensure long-term sustainability, future flexibility, and an optimal life cycle cost, and to meet applicable University construction standards. Where existing University standards would not address a particular element, a comparable industry standard would be used.

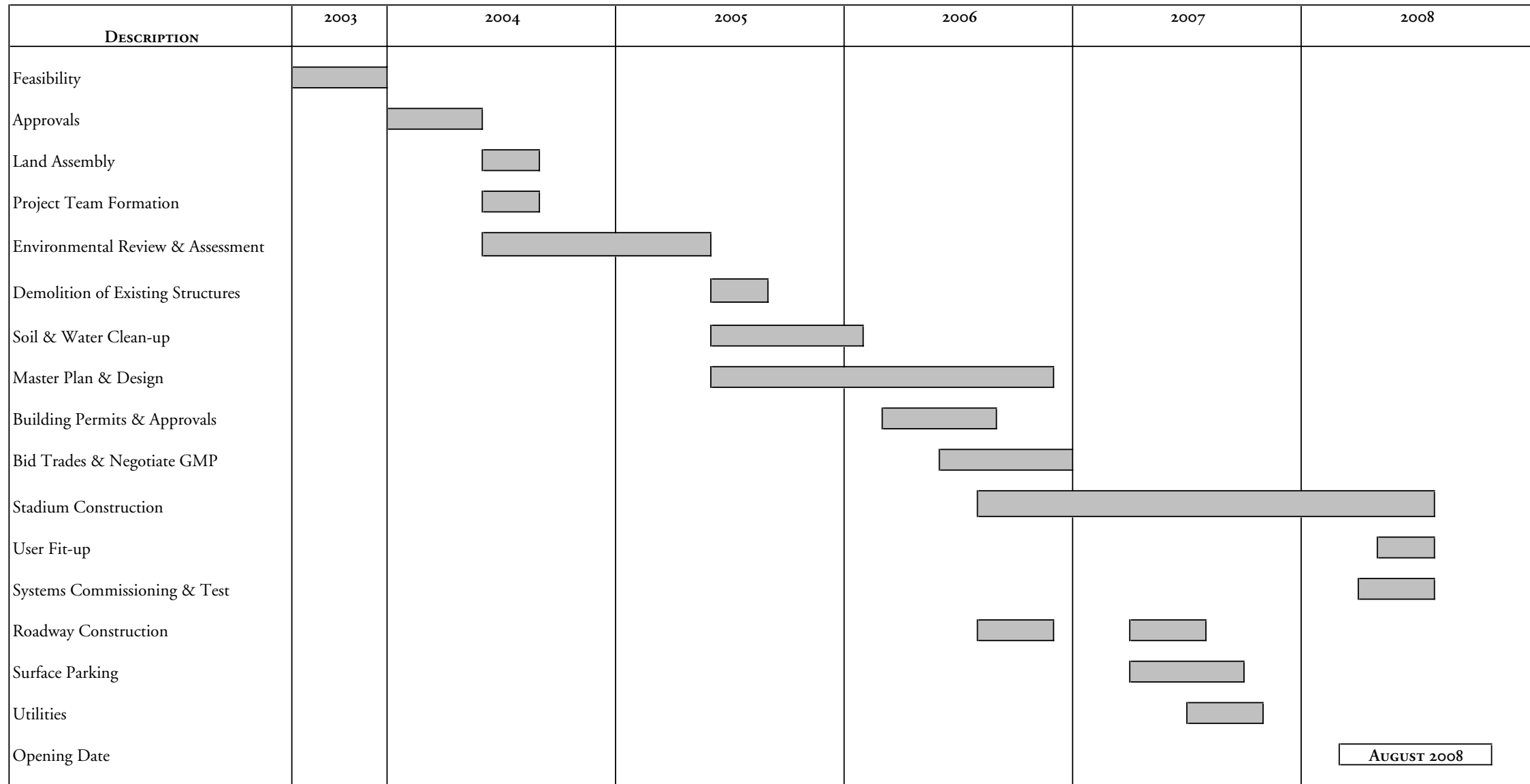


Figure 5: Project Timeline

A new stadium would take four to five years to plan, finance, design, and construct. (See Figure 5: Project Timeline.) Major project activities addressed in this timeline include:

Project Team Formation—A project of this size would need an organizational structure to administer and coordinate the overall project, and a project management staff to oversee planning, design, and construction. Consultants would need to be selected to prepare the Environmental Assessment Worksheet and Environmental Impact Statement, and an architect and engineering team would need to be selected to design the stadium.

Environmental Impact Statement (EIS)—The University will carefully review the potential environmental impacts from the project. The EIS process would require the development of a scoping document, preparation of a draft EIS, public comment and review, preparation of the final EIS, and final approval. The EIS would likely consider issues related to land, water, and other natural resources, as well as the overall compatibility with surrounding activities. The EIS would consider alternatives to the plan presented in this document and steps that could be taken to eliminate or mitigate adverse environmental impacts identified in the EIS. The EIS process typically takes at least a year to complete. The results of the environmental review process would be incorporated into the planning and decision-making process.

Planning and Design—A much longer, more detailed planning and design process would be required if the University decides to pursue this project. Preparation of the actual site plan and design documents would take 18 months.

Procurement—In accordance with University policy, legal requirements, and good business practices, the University would be consistent in its commitment to open, public, and competitive procurement processes.

Construction—The timeline for construction of this stadium is 24 months. This report does not make any assumptions about project delivery method.

PROJECT TIMELINE

	SITE	DISTRICT	STADIUM	TOTAL
PROPERTY ACQUISITION				
Land	3,200,000			\$ 3,200,000
PREDESIGN				
Predesign				
DESIGN FEES				
Architectural/Engineering	620,000	1,325,000	12,313,000	\$ 14,258,000
PROJECT MANAGEMENT				
Project Management G&A	495,000	1,815,000	4,368,000	\$ 6,678,000
CONSTRUCTION COSTS				
Site Prep and Hazard Abatement	11,086,700			\$ 11,087,000
Infrastructure/Roads/Utilities		18,911,145		\$ 18,911,000
Construction			148,221,000	\$ 148,221,000
Permits/Insurance/Taxes	101,000	140,000	1,466,000	\$ 1,707,000
ART				
Included in Construction Costs				
OCCUPANCY				
Included in Construction Costs				
OTHER				
Transaction Costs	117,000	180,000	397,000	\$ 694,000
Marketing Costs				
Project Contingency	780,985	1,118,557	8,338,000	\$ 10,238,000
EIS Mitigation Costs			1,000,000	\$ 1,000,000
Sales Tax Credit			(3,631,000)	\$ (3,631,000)
Financing Costs				
TOTAL				
Project Cost (2003)	16,401,000	23,490,000	172,472,000	\$ 212,363,000
PROJECT COST ESCALATION (2006)	16,971,000	25,104,000	180,086,000	\$ 222,161,000

Note: The total stadium cost is estimated at \$180 million. This estimated cost can be divided into two components—construction costs (\$160 million) and non-construction costs (\$20 million). The non-construction costs include design, project management, testing, and other fees.

Figure 6: Project Cost Summary

COST

The total project cost is expected to be \$222 million. All cost estimates are based on other recently completed comparable projects, adjusted for local market conditions, and inflated to the estimated bid and award date for each component. However, any further development of this project will require a substantial amount of additional work and significant cost fluctuations could occur. Some of the factors that could affect cost include market conditions, project delivery methods, fluctuations in labor and material prices, the assessment and mitigation of environmental impacts, program changes, and the quality of interior finishes, as well as future rates of inflation.

This estimate includes approximately \$10 million for inflation, which is necessary to adjust the cost for each component from current dollars to the projected bid and award date. The cost estimate is structured around the three primary project components of site, district, and stadium. (See Figure 6: Project Cost Summary.)

Site: \$17.0 million

Included in the site preparation costs are remediation of existing soil and groundwater contamination, excavation and soil preparation for the stadium and related infrastructure, and acquisition of additional land required for the reconstruction of 23rd Avenue S.E.

District: \$25.1 million

Included in the district improvement costs are utility infrastructure improvements; realigning Oak Street; widening University Avenue; reconstructing 23rd Avenue; intersection signals on Oak Street, University Avenue, and 23rd Avenue; surface parking replacement; and plaza construction.

Stadium: \$180.1 million

Included in the stadium cost estimate are all expenses required to design, construct, furnish, and equip the stadium structure and field.

A more detailed breakdown of the project costs is shown in Figure 6. The information is presented in the format used by the State of Minnesota.

FUNDING

The University is currently examining several sources of potential funding for the estimated \$222 million total project cost. Although no decision has been made on the specific mix of revenue streams and financing options to be used, the University is focusing on revenue opportunities that would finance a significant share of the overall project cost with new resources, including substantial private contributions.

No single source of funds will be sufficient to fund a new football stadium. In the event that University-identified revenue sources cannot fund the entire project, the University should not preclude discussions with other public officials on additional financing mechanisms. On that basis, the University's focus during the feasibility stage has been to assess the ability to fund a significant share of the overall project cost within the following broad categories:

Private Contributions—A substantial amount of private fundraising will be required to support the project. The University of Minnesota Foundation is assessing the gift potential and working with Intercollegiate Athletics on plans for a multifaceted fundraising campaign. Such a campaign would be likely to have several components, including the cultivation and solicitation of leadership and major gifts; programs for the purchase of ongoing rights for various forms of preferred and general seating; and wide-ranging opportunities for large numbers of University alumni, Gopher football fans, and Minnesotans to contribute to the realization of returning Gopher football to campus. Opportunities would exist to recognize those who make contributions in appropriate ways including the naming of various areas of the stadium and grounds. Realization of the potential for private support would be enhanced by the development of a viable funding plan, including any confirmed public or private participation.

Legal Claims and Settlements—A potential source of funds may be compensation from parties responsible for any pollution or adverse environmental conditions found on the site. The University would carefully evaluate available legal remedies and net recoveries that would be available to offset project costs.

Stadium-derived Revenue—If a new stadium is pursued, it would be expected to generate additional revenue for the University. One of the primary goals of returning Gopher football to campus is to improve the financial position of the University and the athletics department. This report includes a preliminary business plan showing the incremental revenue and expense impact of a new stadium. Based upon the assumptions contained in the business plan, the University anticipates that stadium-related revenue would increase by approximately \$3.5 million per year over the first five years, net of expenses. A portion of this additional revenue could be used for project-related costs. The business plan, for example, includes a ticket surcharge that could be dedicated to the retirement of construction bonds.

Student Contributions—The construction of the old Memorial Stadium and Northrop Memorial Auditorium included financial support from faculty members, students, alumni, and friends of the University. Financial support from students for some portion of a new on-campus stadium may be a viable option. Discussions with students regarding a contribution would include, at a minimum, the following two concepts: 1) any contribution from students should be structured to be consistent with the actual opening of the stadium (currently projected for fall 2008) in order to avoid an unfair burden on those students who are enrolled at the University prior to the stadium opening, and 2) any proposal for a student contribution must translate into a specific and tangible benefit to students in exchange for the financial contribution.

Parking and Transportation Services—The University would realize an incremental increase in game day parking revenue with a new stadium. A portion of this revenue, net of expenses, could be used for project-related costs. It is the policy of the University to account for and manage parking revenues and expenses on a campus wide basis through Parking and Transportation Services. An institutional policy decision would need to be made regarding the use of these incremental revenues, preliminarily estimated at approximately \$900,000 per year.

50,000 CAPACITY FOR SIX GAMES A YEAR	BASE YEAR PLANNING ASSUMPTIONS	OPENING YEAR 2008	2009	2010	2011	2012
REVENUES:						
Gross Ticket Receipts ⁽¹⁾	\$7,528,000	\$8,727,000	\$8,989,000	\$9,259,000	\$9,537,000	\$9,823,000
Facility Ticket Surcharge	599,000	599,000	617,000	636,000	655,000	675,000
Big Ten Payouts	(1,724,000)	(1,978,000)	(2,038,000)	(2,099,000)	(2,162,000)	(2,227,000)
Big Ten Paybacks	2,300,000	2,666,000	2,746,000	2,828,000	2,913,000	3,000,000
Non-Conference Guarantees	(200,000)	(232,000)	(239,000)	(246,000)	(253,000)	(261,000)
Gross Receipts After Settlements	\$8,503,000	\$9,782,000	\$10,075,000	\$10,378,000	\$10,690,000	\$11,010,000
Assured seating donations	518,000	600,000	618,000	636,000	656,000	675,000
Suites ⁽²⁾	1,294,000	1,500,000	1,545,000	1,592,000	1,640,000	1,688,000
Club seats ⁽³⁾	1,307,000	1,516,000	1,561,000	1,607,000	1,656,000	1,705,000
Loge seats ⁽⁴⁾	432,000	501,000	515,000	531,000	547,000	563,000
Concessions	393,000	456,000	456,000	456,000	468,000	486,000
Merchandise	28,000	33,000	33,000	33,000	34,000	35,000
Advertising / sponsorship	525,000	609,000	627,000	646,000	665,000	685,000
TOTAL REVENUES⁽⁵⁾	\$13,000,000	\$14,997,000	\$15,430,000	\$15,879,000	\$16,356,000	\$16,847,000
EXPENSES:						
Game-based Expenses						
Ticket tax ⁽⁶⁾	\$739,000	\$848,000	\$873,000	\$900,000	\$927,000	\$954,000
Premium seat parking ⁽⁷⁾	74,000	86,000	88,000	91,000	94,000	97,000
Game-day ⁽⁸⁾	750,000	869,000	896,000	922,000	950,000	979,000
University overhead	468,000	540,000	555,000	572,000	589,000	606,000
Facility-based Expenses						
Capital replacement reserve	1,078,000	1,250,000	1,287,000	1,326,000	1,366,000	1,407,000
Repairs and maintenance	345,000	400,000	412,000	424,000	437,000	450,000
Stadium operations	1,023,000	1,185,000	1,221,000	1,257,000	1,296,000	1,334,000
TOTAL EXPENSES	\$4,477,000	\$5,178,000	\$5,332,000	\$5,492,000	\$5,659,000	\$5,827,000
REVENUE LESS EXPENDITURES	\$8,523,000	\$9,819,000	\$10,098,000	\$10,387,000	\$10,697,000	\$11,020,000
Net Current Metrodome Revenues ⁽⁹⁾	5,616,000	6,510,000	6,705,000	6,906,000	7,113,000	7,326,000
INCREMENTAL CASH FLOW OVER CURRENT STATUS	\$2,907,000	\$3,309,000	\$3,393,000	\$3,481,000	\$3,584,000	\$3,694,000

⁽¹⁾ Gross ticket receipts include ticket revenues for all seating categories.

⁽²⁾ Suite revenue includes both standard and party suites. Excludes ticket revenue.

⁽³⁾ Club seats includes indoor club and outdoor club seats. Excludes ticket revenue.

⁽⁴⁾ Excludes ticket revenue.

⁽⁵⁾ Parking revenue has been excluded from this analysis.

⁽⁶⁾ Ticket tax totals 10.0% and comprises a 6.5% state sales tax, a 3.0% entertainment tax, and a 0.5% city tax.

⁽⁷⁾ Premium seat (suites, club seats, and loge boxes) pricing is assumed to include parking passes. As a result, an allocation for this revenue is accounted as an expense.

⁽⁸⁾ Game day expenses have been increased from an average of \$93,333 at the Metrodome to approximately \$125,000 per game at the new facility, reflecting the higher costs associated with a new state-of-the-art facility, as well as additional expenses including neighborhood clean-up, traffic police, and other local community initiatives.

⁽⁹⁾ The University currently generates about \$5.6 million each year at the Metrodome. This figure includes all game day revenues and expenses.

Note: The projected \$3.3 million in new revenues during the opening year assumes a capacity attendance of 50,000 per game for six games. If the attendance remained at its current five-year average of 43,000 per game, the University would anticipate \$1.8 million in new revenues.

Figure 7: Preliminary Stadium Business Plan

A preliminary stadium business plan was developed with two primary purposes. The first was to assess local market conditions for Gopher football for use in determining the appropriate stadium size and premium seating configuration. The second purpose of the plan was to estimate both the new revenues and new expenses associated with the University operating its own stadium on campus. This analysis shows a net revenue increase to the University of approximately \$3.5 million per year on average for the first five years. (See Figure 7: Preliminary Stadium Business Plan.)

MARKET ANALYSIS AND COMPARABLES

The preliminary market analysis makes a guarded but optimistic assessment of the financial prospects for Gopher football in a new on-campus venue. The analysis highlights the strength of the Big Ten Conference, the recent success of the Gopher football program, strong recruiting, and a large local alumni base as positive factors. On a more cautionary note, the analysis cited a general lack of public enthusiasm for Gopher football at the Metrodome, a lack of grassroots support for high school and college football in Minnesota, and strong competition from professional sports teams in the local marketplace.

The market analysis also cited a number of positive demographic indicators for the geographic area considered to be Gopher football's primary market area. This market area, defined as the geographic area within 75 miles of the proposed stadium site has 3.75 million people. Compared with other schools in the Big Ten, this area has the highest percentage of population in the 25 to 44 age bracket, the highest median household income, and the largest number of households with incomes over \$50 thousand per year.

An additional and more detailed market analysis is recommended if the project moves forward.

STADIUM CAPACITY AND PREMIUM AMENITIES

A key component of the market analysis was determining the size of the stadium and the optimal mix of amenity seating. Attendance at Gopher football games during the last five seasons at the Metrodome has averaged about 43,000 people per game. This figure is comparable to national averages for Division I-A programs. A review of recently completed new football stadiums (professional and collegiate) around the country has shown that,

on average, teams with new facilities experience about a 13 percent increase in attendance. A second industry tool for determining the appropriate size of a new facility is a penetration analysis. This analysis indicates that the largest five Big Ten football markets have a stadium capacity that is 1.6 percent of the market's population. A 50,000 seat stadium capacity would be 1.3 percent of the Twin Cities market. These two analyses both give a preliminary indication that a collegiate stadium with a 50,000 person capacity is appropriate for the Twin Cities market.

The premium seating analysis indicates a market for approximately 35 to 40 suites and 1,200 to 1,500 club seats. These numbers are comparable to other Big Ten stadiums (excluding the much larger Penn State and Ohio State facilities) and to other major market collegiate stadiums around the country. A penetration analysis similar to that conducted for the general seating confirmed the estimates but indicated that if the Twin and Vikings both build new stadiums, a strong marketing effort may be required to sell all of the club seats each year.

STADIUM BUSINESS PLAN ASSUMPTIONS

The stadium business plan makes a number of operating and revenue projections in reaching its conclusions about potential new revenues and expenses. These projections are based on results from other collegiate and professional sports venues, current Metrodome revenues and expenses, and the University consulting team's general industry knowledge. The business model assumes a ticket price increase when the new stadium opens and an annual increase in revenues and expenses thereafter. The model also assumes that the stadium will sell the available seating inventory for each game. Further market research would be required to validate these assumptions.

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The University of Minnesota would like to recognize the following firms for their contributions to this report.

These consultants were selected based upon their respective professional reputations, previous project experience, and their participation in the 2002 joint-use stadium study.

CRAWFORD ARCHITECTS

Crawford Architects is a Kansas City and Sydney, Australia-based firm specializing in sports architecture, with extensive experience in the design of stadium and arena projects worldwide. Crawford personnel have provided innovative solutions to complex urban projects, including work at three Olympic Games—most recently the 2000 Olympic Stadium in Sydney, Australia—as well as the renovations of Fenway Park in Boston and Lambeau Field in Green Bay and the development of the Washington State Football/Soccer Stadium in Seattle.

CSL INTERNATIONAL

Conventions, Sports & Leisure International (CSL) is a leading advisory and planning firm specializing in providing consulting services to the sports, entertainment, and leisure industries. CSL was established for the specific purpose of providing a source of focused research and expertise in these industries. CSL has performed various market and financial analyses for a variety of colleges and universities, including Iowa State University, Michigan State University, University of California-Los Angeles, University of Michigan, University of Minnesota, and University of Wisconsin.

GALE-TEC ENGINEERING

Gale-Tech is a Twin Cities-based firm providing geotechnical and rock mechanics engineering services. Previous University projects include the 4th Street Parking Ramp and the Aquatics Center. More recently, Gale-Tech completed the rock engineering associated with the Riverbend Commons Project, which included evaluation of its impact on nearby streets and structures.

HINES/TURNER CONSTRUCTION

Hines/Turner is a partnership between two of the nation's largest development and construction firms. The team has been involved in the building of numerous NFL and Division I collegiate stadiums and sports arenas, including the Ericsson Stadium in Charlotte, North Carolina; the Seattle Seahawks Stadium in Seattle; Invesco Field at Mile High in Denver; and the Arizona Cardinals/TSA Multi-Purpose Facility in Phoenix.

PEER ENGINEERING

PEER has provided environmental services for the University of Minnesota since 1994. Work completed by PEER at the University includes Holman and University Press Buildings, the Ridder Hockey Arena and Baseline Tennis Center, Coffman Memorial Union, renovations on the Washington Avenue Pedestrian Bridge, and reconstruction of Delaware Street.

SEBESTA BLOMBERG

Sebesta Blomberg has a long history of providing utility engineering, environmental services, and geotechnical evaluations to the University of Minnesota. Its work with the University includes master planning, predesign, design, and construction of utilities in areas such as the Minneapolis campus's West Bank and South Mall, and the St. Paul campus. Sebesta Blomberg provides similar utilities planning services to other colleges and universities around the country, including Indiana University, University of Maryland, and Ohio State University.

SRF CONSULTING

SRF Consulting is a Twin Cities-based transportation consulting and engineering firm that has provided services for the Minnesota Department of Transportation, the University of Minnesota, and the Twin Cities metro area. Projects for these clients include the I-494 Environmental Impact Statement and Water Resources Engineering, the Hubert H. Humphrey Airport Terminal Parking Ramp, the Central Corridor Transit Study, and the Washington Avenue Feasibility Study.

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