



A Summary of the
Four Options Under Consideration for
Colorado State University's Football Stadium

October 2014

Colorado State University

Preamble

This summary booklet is provided by Colorado State University to enable decision makers and other interested people to more fully assess the four options available to continue to provide an appropriate venue for Division I football for the CSU Rams.

With the authorization of the Board of Governors of the Colorado State University System, CSU has worked for the last two years to meet a \$110M fundraising goal to construct an on-campus stadium with an estimated cost of \$220M (including appropriate mitigation of city impacts). Not having met that fundraising goal, the University is now weighing a different set of options and circumstances.

This booklet aims to offer the analysis necessary for the Board of Governors and others to make the best choice for the future of the institution and its community, building on the years of campus and community feedback and analysis that have been conducted by the Stadium Advisory Committee, the Community Design Development Advisory Committee, and various other interested groups.

The cost estimates used in this book have been reviewed and approved by internal and external sources and represent the best available information at this time. Additional detail on how we arrived at estimates for each option is available at <http://www.colostate.edu/stadium/>

In preparing these estimates, we have tried to be as conservative as possible and focus solely on the cost of construction (including City impacts) and revenues that would be allocated to fund stadium development. All cost estimates are reported in today's dollars, predicting an anticipated escalation of 6 percent per year going forward. Revenues that would be allocated to fund stadium development would include stadium assets such as corporate naming and sponsorships, premium seating, and revenue generated by hosting other events. The term "Revenue Bonds" has been used in each of the scenarios to identify the portion of the facility cost that can be covered through the issuance of bonds supported by the revenue streams of the respective facility option. These figures reflect interest at a rate of 5 percent. The estimates included here do not include resources that would continue to be allocated to fund stadium operations. In addition, these design options do not include the construction of academic space, although such space could be phased in over time on Options 3 and 4.

Estimates of donor support reflect the best information currently available; total donor support of each option will, of course, depend on the interests and commitment of individual donors.

Costs at a Glance

Option 1: Maintain Hughes Stadium

Total Cost	\$36M-\$42M
Revenue Bonds	\$0
Philanthropic Funding	\$5M-10M
Net Impact to General Fund	\$26M-37M

Option 2: Hughes 2050

Total Cost	\$149M-\$209M
Revenue Bonds	\$103M-\$116M
Philanthropic Funding	\$20M-40M
Net Impact to General Fund	\$0-\$86M

Option 3: On-Campus Stadium, Phased

Total Cost	\$180M-198M
Revenue Bonds	\$125M-140M
Philanthropic Funding	\$35M-60M
Net Impact to General Fund	\$0-\$38M

Option 4: On-Campus Stadium, Public-Private Partnership (P3)

Total Cost	\$225M
Stadium-Supported Lease Payments	\$125-140M
Philanthropic Funding	\$45-60M
Partner Investment	\$0-\$55M
Net Impact to General Fund	\$0 to \$55M



Option 1

Maintain Hughes Stadium

Colorado State University will make the minimum investments required to keep Hughes Stadium functioning at its current level, financed via bonds issued at one time rather than ongoing temporary expenditures. No new revenue-building capacity would be generated.

This estimate updates the 2013 cost estimates to today's costs (October 2014) using an appropriate construction escalation factor and accounts for recently completed emergency projects. Both CSU Facilities Management and Cumming Corporation conducted cost estimates on the same 41 controlled maintenance projects, although the scope of work is grouped differently within each estimate, which results in some notable differences in some costs by line item. Nevertheless, the total updated cost estimates of Facilities Management and Cumming are within 20 percent of each other and both have been considered in developing what is believed to be a conservative cost estimate given here. Both cost estimates can be found at <http://www.colostate.edu/stadium>.

The list of 41 controlled maintenance projects included in the estimate originated with a "bottom up" list of deficient, aged, or broken components and systems. Of the controlled maintenance estimates listed here, 86 percent to 93 percent would be like-for-like repairs and 7 percent to 14 percent would include some embedded improvements and upgrades, where the existing system no longer meets current best practices. The

total cost estimate for this project should also include six items – totaling \$8.1M – that might be considered “upgrades or improvements” but are nevertheless essential to ensure the stadium’s continued functionality as a football venue in the 21st century, including addition of WiFi, TV production facilities, and scoreboard improvements. Including these essential improvements the total updated cost estimates range from \$36M to \$42M.

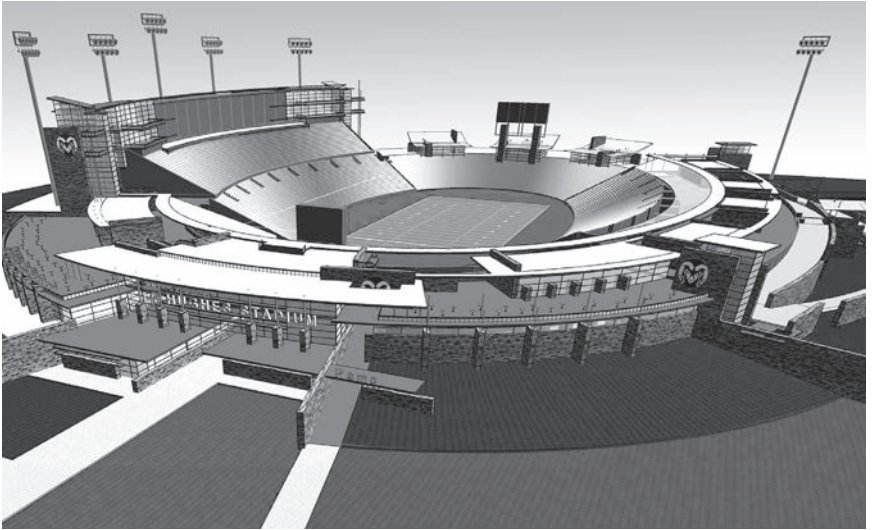
Typically, Facilities Management will perform a Revitalization Program Study on a building prior to identifying all the component and systems that need replacement and additional amenities or improvements that would be desirable or necessary. Such a Revitalization Study has not yet been performed on Hughes, and so this estimate should not be regarded as a thorough or complete list of all deficiencies. It is certain that a revitalization study would uncover additional areas of deficiency and increase the scope of work – and hence the cost estimates given here.

When maintained at this level, the facility would likely not be sufficient over the long term to attract routine home and away combination game agreements with members of the Resource 5 conferences, thus limiting the caliber of the on-field product and game-day experience CSU can provide to its fans.

Advantages

- Lowest cost option that will allow CSU football to continue to compete at a Division 1 level.

Total Cost	\$36M-\$42M
Revenue Bonds	\$0
Philanthropic Funding	\$5M-10M
Net Impact to General Fund	\$26M-37M



Option 2

Hughes 2050

Colorado State University will invest in improvements to Hughes Stadium that will allow it to function as a high-quality, off-campus home for Rams football for an additional 3-plus decades.

A variety of combinations are possible under this option: Less investment in improvements or expansion has lower cost but also creates less new product to drive new revenue streams. The option outlined here is based on the assumption of a single, major revitalization of Hughes that provides CSU similar opportunities within the evolving FBS football landscape that a new stadium would provide.

In this analysis of Hughes Stadium, we looked at the proposed program for the on-campus stadium and, within the constraints of an aging existing structure, attempted to match the identified needs in a revitalized facility that could support athletics at Colorado State University for the next 30-plus years. This includes the addition of 4,000 seats, new end zone club, interior and exterior club seating, and new suites and loge boxes. The rest of the new space is closely aligned with that proposed for the on-campus stadium including football operations, locker rooms, training facilities, media rooms, team store, concessions, and restrooms. This estimate also includes technology upgrades and landscaping comparable to that proposed for a new stadium.

Existing enclosed space at the south end of Hughes will be renovated and repurposed for field equipment and provide adequate mechanical space to accommodate the south addition. The estimate includes a new concourse with new area around the perimeter to be amended and prepared over existing sub-grades. With proposed concourse additions, aging retaining walls must be replaced and a new east entry to the stadium developed with appropriate landscaping and design goals. The west side of the stadium would be improved with articulated entries and valet drop zones to facilitate ADA access, higher-end materials, new dedicated enclosed stairs, and elevator towers. Paving of 1,200-1,500 parking spaces is included as well as an adequate allowance to complete necessary landscape and non-potable irrigation improvements.

The following premium seating can be accommodated as additions to the existing structure on the west side that was built in 2006:

- 12 total new suites @ 900 NSF each = 10,800 NSF + 5,200 NSF Prefunction = 16,000 NSF
- New interior club seating additions on level below proposed suites = 7,000 NSF+ 5,200 NSF Prefunction = 12,200 NSF
- 40 new exterior loge boxes, 34 over existing seating and 6 with new construction at north and south.
- 13,000 NSF total new exterior club seating – should accommodate between 800-900.

Advantages

- Minimizes impact on the main campus and surrounding community.
- Improves football facilities beyond their current level.
- Expanded capacity and functional space.
- Significant additional revenue-generating seating product.
- Improvement from current game-day experience off campus.

Total Cost	\$149M-\$209M
Revenue Bonds	\$103M-\$116M
Philanthropic Funding	\$20M-40M
Net Impact to General Fund	\$0-\$86M



Option 3

On-Campus Stadium, Phased

Colorado State University will explore a phased build-out of an on-campus stadium within existing resources that will allow the University to add on to the facility as the institution grows.

Option 3 would involve a two-phased build-out of the current on-campus stadium design, providing an improved fan experience and expanded opportunities within the FBS football landscape by removing items from the existing design that could be added on at a later point. Under this option, the university would construct an on-campus stadium within existing resources that has the flexibility and quality to meet the long-term needs of the campus and community. This design includes an overall capacity of 36,000 patrons in Phase 1. This phased approach involves simplifying some aspects of the on-campus stadium design, removing the upper east deck, and reducing some costs for lighting, technology, seating, and a variety of “soft costs.” It could be modified as needed, within this cost framework, to accommodate recommendations of the Community Design Development Advisory Committee.

The final product offers significant improvements in seating, accessibility, technology, parking, landscaping, and revenue-generating space over the current Hughes stadium, in a location in the heart of the Colorado State campus. The phasing of the design allows for the possibility that it could be built out as needed to meet the long-term event and athletics needs of the university community for the foreseeable future.

Advantages

- Locates a new facility on campus within a budget the University can afford today, while minimizing impact on the General Fund.
- Significant additional revenue-generating seating product.
- Provides a venue for many other sports/graduations/Ram Welcome/events.
- Improved campus visibility.
- Positive economic impact on community.
- Positive impact on athlete and student recruitment.
- Expanded capacity and functional space.
- Enhanced game-day experience for fans.
- Improved opportunity for alumni engagement with broader campus on game days.
- Achieves benefits of on-campus stadium with likely lower financing cost than P3 option.

Total Cost	\$180M-198M
Revenue Bonds	\$125M-140M
Philanthropic Funding	\$35M-60M
Net Impact to General Fund	\$0-\$38M



Option 4

On-Campus Stadium, Public-Private Partnership (P3)

Colorado State University will pursue a public-private partnership to support construction of an on-campus stadium. A public-private partnership (PPP or P3) is a contractual arrangement between a public agency, such as the University, and a private entity. These types of arrangements/partnerships vary in complexity and structure. In the Higher Education arena, the P3 structure that has been most commonly used is an agreement that affords a developer access to a University-owned parcel of land in exchange for their commitment to finance, construct and operate the resulting facility for a defined period of time. In such arrangements, both parties may agree to participate, at equal or differing levels, in each of these aspects of the project development and management. (Although we may share in the operation of the stadium through the resulting agreement, the University is not contemplating giving up management control of the facility.)

Under this option, the University would enter into an agreement with a private entity that would participate in the development of the stadium to the specifications outlined in the existing on-campus stadium plan. The specific structure of the agreement would will be subject to negotiation between the two parties.

Advantages

- Locates a new facility on campus, while minimizing impact on the General Fund.
- Full, non-phased implementation of approved new stadium design.
- Significant additional revenue-generating seating product.
- Provides a venue for many other sports/graduations/Ram Welcome/ events.
- Heightened campus visibility.
- Enhanced game-day experience for fans.
- Improved opportunity for alumni engagement with broader campus on game days.
- Positive economic impact on community.
- Positive impact on athlete and student recruitment.
- Expanded capacity and functional space.
- Ability to attract other FBS opportunities that none of the prior options provide for.

Total Cost	\$225M
Stadium-Supported Lease Payments	\$125-140M*
Philanthropic Funding	\$45-60M
Partner Investment	\$0-\$55M
Net Impact to General Fund	\$0 to \$55M

* *The Stadium Supported lease payments line assumes a 5% rate of return for the investor(s), effectively the cost to CSU of utilizing their capital. Higher rates of return (higher cost to CSU) would increase the impact on the General Fund while lower rates of return (lower cost to CSU) would decrease General Fund impacts. A further point of negotiation is the length of the lease. A longer lease term would lower annual payments (decreasing the risk of impact to the General Fund in any single year) but would increase the total amount paid by CSU for the stadium over time.*

For more information, visit:
<http://www.colostate.edu/stadium/>



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