

**COMMUNITY LEADERSHIP COMMITTEE**  
**REPORT TO DR. TONY FRANK, PRESIDENT, COLORADO STATE UNIVERSITY**  
**COLORADO STATE UNIVERSITY'S FOOTBALL STADIUM**  
**November 14, 2014**

**EXECUTIVE SUMMARY**

The Community Leadership Committee was charged, by Dr. Tony Frank, to review four (4) options related to the University's Football Stadium and provide our perspective about the options and future direction.

The Committee carefully reviewed all four options. Our approach and process is summarized and detailed in the following report.

**CONCLUSION**

Based upon a review of the information provided, the Committee has concluded two of the options as the most viable:

- ***Build a new on-campus stadium in phases (Option #3).***
- ***Build a new on campus stadium via a Public-Private Partnership (Option #4)***

After a tour of Hughes, consideration of the information gathered and serious discussion, we have concluded that maintenance alone (***Option #1 Maintain Hughes***) will not suffice for either the football program or the fan experience.

While it has some merits, we do not believe that a major renovation of Hughes Stadium (***Option #2 Renovate/Hughes 2050***) would achieve the goal of using a successful athletics program as a vehicle for branding the University to attract students and financial support. If that goal has changed, Option #2 could be considered but should be accompanied with an explanation and discussion about how that positions CSU in the changing football landscape and how that impacts the University's long-term funding strategy. Staying at Hughes Stadium—even Hughes 2050—would likely foreclose options of ever competing in one of the major high visibility conferences.

If the University is going to achieve its goals as a financially stable institution of higher education with first rate academic programs, athletics—successful, competitive, high visibility athletics—will be a critical factor. Faced with limited revenue options, we concur with the

supposition that without a strong and competitive athletic program and accompanying revenues from increased enrollments and donor support, the future of CSU as a premier academic and research institution is in some jeopardy. Further, for football, which is the major athletic activity at the university, an on-campus stadium will be a key catalyst for building a top program that attracts both quality players and coaches, sustains fan support, and provides a solid revenue stream.

***Option #4 (On-campus Stadium/Public-Private Partnership)*** is a financing approach to build the stadium in one phase. The approach has a number of advantages and the committee found this to be an intriguing idea. However, most public-private arrangements are complex, very detailed and tailored to the unique circumstance of the project. If the option to build an on campus stadium is selected, there are numerous questions and a great deal of uncharted territory to address if this financing strategy is to be employed. If used, we advise a strong communications program to ensure clarity and transparency about the partnership. As a Committee we don't feel we have the depth of information or expertise to confidently recommend this financial approach.

#### **RATIONALE IN BRIEF**

In Colorado, state government support for higher education is in relative decline. A combination of state constitutional constraints and other state priorities have made this so. In fact, among all of the states, funding for public higher education in Colorado is one of the lowest.

To the Committee, it appears that as the leader of Colorado State University, Dr. Frank has limited options for increasing the financial support for the University's core operations—teaching students, administering its operations, and maintaining campus facilities. Tuition has limited room for further increases. Federal support for grants and research is becoming increasingly uncertain. A state ballot measure for a dedicated funding source for higher education seems unlikely. The State of Colorado's budget has too many pressing demands to expect major new support for higher education. While donor support has increased significantly in recent years and is likely to continue, there is no reason to believe that major new sources will materialize. On the expense side, there's almost always room for greater efficiencies, but austerity by itself is not a path to greatness. In short, there are few opportunities to develop the necessary resources to advance the University. One approach with potential is to brand the University nationally to attract in-state and out-of-state students and the attention of donors. The traditional means of doing so via direct marketing advertising and direct mail are extremely expensive. Seen in that light, the idea of using a successful athletics program to attract attention to the University via earned media has great merit.

In brief, the rationale for our Committee's conclusion is as follows.

#### ***Option #3 (On-campus Stadium/Phased)***

- Hughes Stadium was built in 1968 (46 years ago) to a different standard; expectations of the fans as well as the needs of the players, coaches and support personnel have changed.
- It is estimated that the Hughes Stadium renovation option could potentially have the greatest impact to the University's General Fund—a fund that is already severely constrained.

- Alums, fans, and community members' game day experience remains disconnected from the main campus and from fostering a stronger Town-Gown relationship.
  - An on-campus stadium and its proposed location raises a myriad of neighborhood and community issues—traffic, parking, trash, lighting, sound, scale and neighborhood-university relations.
  - Tailgating will be different (than the experience at Hughes); will the new experience be enjoyable and accessible to all who want to participate?
  - If it is built in phases, how will the university ensure that subsequent phases are completed; will the initial product mix generate adequate revenue to cover the debt and operations?
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- In spite of a number of challenges, a new on-campus stadium is the strongest option to position the University in achieving a broad spectrum of goals—academically, athletically, and financially.
  - A new stadium would provide a state-of-the-art sport and academic facility in the heart of the CSU campus.
  - Of all the options, this one has the greatest probability of significant donor funding and the least impact to the University's General Fund.
  - It advances the goal of using sports (and primarily football) to bolster the University's brand in a resource-constrained environment.
  - It offers significantly more revenue options than are or would be available at Hughes—and again, the goal is to find ways to support general university programs and facilities.
  - An on-campus stadium creates greater opportunities to bring community members, alums and supporters on campus—not only for the athletic events but for other activities and programs offered by the University.
  - It has the potential of economically benefitting the community—instead of bypassing the community (for meals, shopping, and various community activities) as many do now, it is likely to draw fans and supporters to engage and visit other amenities.
  - An on-campus stadium would be accessible from all directions. While some cite Hughes Stadium's remote location as a benefit, access is topographically constrained. With a hard border against the foothills and Horsetooth Reservoir, access to Hughes is dependent on one road—Overland Trail—with no transit access and limited bike and pedestrian access.

As a committee, we have tried to carefully assess the pros and cons of each option along with a long-view for sustaining and strengthening Colorado State University as a premier academic and research institution. This was the predominant and driving force that led to our conclusion.

**COMMUNITY LEADERSHIP COMMITTEE REPORT  
COLORADO STATE UNIVERSITY'S FOOTBALL STADIUM  
NOVEMBER 14, 2014**

**CHARGE TO THE COMMITTEE**

The Community Leadership Committee was asked by Dr. Tony Frank to review the four (4) options related to the University's football stadium—(a) maintain Hughes; (b) renovate Hughes; (c) phase in a new on-campus stadium; and (d) use a public-private partnership to build an on-campus stadium.

The Committee was asked to consider the pros and cons, risks and benefits, and any other pertinent information and share our assessments. The Committee's work was to be completed on or before November 14, 2014.

**COMMITTEE'S APPROACH AND PROCESS**

At the outset, the Committee thought it was important to thoroughly review each of the four options. We had access to all of the previous reports and materials related to the stadium issue. We gathered additional information about the collegiate conference structure (the "Power Conferences" which include the Big 12, Pac-12, Big Ten, Atlantic Coast Conference, and Southeastern Conference) related to the future for CSU athletics. The Committee also collected information about how a public private financing structure might work in conjunction with the construction of a new stadium.

Including our initial meeting with Dr. Frank, the Committee met five times and toured Hughes Stadium.

Our observations and conclusions are based on what we think is in the best long-term interest of both Colorado State University and the community of Fort Collins.

What follows is a description of our conclusion, the background and rationale as the basis of our conclusion, and some additional comments that would be important for the University and community to consider. The pros and cons that we identified and discussed related to each option are attached.

**CONCLUSION**

Based upon a review of the information provided, we honed in on two options as the most viable:

- ***Build a new on-campus stadium in phases (Option #3)***
- ***Build a new on-campus stadium via a Public-Private Partnership (Option #4)***

The conclusion of the Committee is based on information gathered and reviewed about the options, a tour of Hughes Stadium, and several discussions.

Hughes Stadium is 46 years old and has continual maintenance and safety issues. To merely maintain the existing facility would be a disservice to the players, coaches and fans. From our perspective, this is not a preferred option.

To support a quality football program at CSU, we concluded that, at a minimum, renovation of Hughes Stadium would be a must. However, if the university is going to achieve its goals as a premiere university, we think that athletics—successful, competitive athletics—will be a critical factor. And for football, which is the major athletic component at the University, an on-campus stadium will be a key catalyst for attracting both quality players and retaining coaches.

## **BACKGROUND AND RATIONALE**

In Colorado, a strong public higher education system has long been the foundation for a well-educated work force and for creating new jobs and innovations through the advancement of research and technology. But our higher education system faces many challenges--affordability, access, work-force relevance, and erosion of a competitive-edge research and commercial advancements to name a few. It is also becoming appreciably under-funded. Much of the increase in tuition and fees, for example, is the result of reduced state tax support for public universities, including Colorado State University.

We note the challenges because the question of a football stadium at CSU is broader than just the football program and facility. It is integrally tied to addressing these challenges and ensuring a strong university (its excellence and viability) in the decades ahead.

In our consideration of CSU's football stadium, we reviewed the options with several key criteria in mind:

- a) Supports the goals of the University—academically; athletically; financially
- b) Affordable to the University—will not jeopardize the financial well-being of the university
- c) Provides opportunities for alumni and community members to meaningfully connect with the University
- d) Supports the vision, mission and aspirations for the future of the university

Hughes Stadium was built in 1968. It was a great facility in a picturesque location that was designed for the football program and fan experience 46 years ago.

***Option #1 (Maintain Hughes)*** includes a list of 40 maintenance projects needed by 2022. The price tag is between \$26 and \$37 million all of which would have to come from the University's General Fund. The needed improvements are wide-ranging and needed repairs are becoming constant with every event. We consider these projects a “band-aid”—needed and necessary but they will not provide the improvements that are critical to the needs of the players, coaches, media and most of all the fans. It is really not an option.

**Option #2 (Renovate Hughes/2050)** is an option with some merits. Hughes is in a beautiful setting that is treasured by many. Parking and room for tailgating appears plentiful. It would be a significant upgrade over the current facility, providing improved seating, restrooms, concessions, locker rooms, media, and many other enhancements. The price tag is comparable to phasing in a new on-campus stadium (Option #3) but it could be the costliest option to the University's General Fund.

Taking the positives into consideration, the Committee also visited Hughes to get a clearer picture of the infrastructure of the facility as well as the elements most see when attending a game. What we saw both surprised and gave us pause. For example, it will take a tremendous amount of work (and money) to improve the concessions and restrooms to accommodate today's needs and fan expectations—if it can be done at all given the configuration of concrete walls and required space for expansion. To upgrade boiler room facilities, the water pipes, the electrical system to adequately support Hughes (as it is now, let alone a renovated facility) is going to be monumental. The way in which the stadium's seating is configured makes it difficult (and in some areas impossible) to add the needed safety features (i.e., safety railings) as well as upgrading access and seating for the disabled. The concrete is crumbling. While the facility is still structurally sound, some type of repair, such as trip hazards or crumbling seating supports, is happening with increasing frequency and must done

after every event.

Aside from the setting and the parking that make Hughes so attractive, we are dubious that the option to renovate, while well intentioned, will actually meet the expectations of the fans, the needs of the football players and personnel and position the University for the success needed and desired for the University. We also think the estimates for the cost of renovation are conservative and likely to escalate.

**Option #3 (On-campus Stadium, Phased)** would provide a state-of-the-art, sport and academic facility in the heart of the CSU campus. It would advance the goal of using athletics to help brand the university in a resource-constrained environment. Financing would be predominantly from donors and revenue bonds, with relatively low impact anticipated to the General Fund. It would be a strong statement (and draw) in support of coaches and athletes. Opportunities to get alums, donors and community members on campus and much more involved in university activities and offerings are tremendously enhanced. As travel patterns are trending to a variety of modes, having a facility that is served by transit, bicycles, and the ability to walk to the stadium will benefit those who attend events at the facility. The major downside relates to all of the associated neighborhood and community impacts—traffic, parking, game-day intrusion, lighting, sound, and neighborhood relations. Yet, the Community Design Development Advisory Committee outlined several noteworthy recommendations that, if followed, would significantly mitigate negative impacts.

**Option #4 (On-campus Stadium, Public-Private Partnership)** is an alternate financing strategy to build an on-campus stadium. It accelerates and enables the whole project to be built without phasing which would be advantageous for added academic space as well as positioning CSU athletics. However, it is the most expensive of the four options and would carry a significant price tag for the General Fund. Depending on the structure of a partnership and financing approach, the university and partner(s) would share the risks and may achieve better pricing of

borrowed money through competition. However, the university would likely have to trade off control of some aspects (e.g., operations, asset management).

In our review of this financial strategy, partnerships can come in a variety of forms and each is customized to fit the situation and needs of the partners. No two public-private partnerships are exactly alike. If the University selects this option, it will be imperative to be as clear and as transparent as possible about the central components of the partnership. In particular, students, faculty, alums and the community will want some type of assurance that CSU is still the “go to” institution for questions and concerns about the function and operation of the facility, its events, and impacts on the community.

## **FINAL THOUGHTS**

The conversation and consideration about the direction of CSU’s football stadium has been lengthy and, at times, strained. A great deal of information and viewpoints has been collected to factor into a direction for the University. Along with our perspectives and conclusions in this report, we also want to leave these thoughts to mull for future actions.

- ❖ Colorado State University is integral to the Fort Collins community. Its future strength and success as a university of higher learning is important to the well-being of the community. There are many lessons that can be learned and systems improved based on the experience of vetting the stadium issue. We encourage the University to look for ways to turn these lessons into new ways of working with its stakeholders and the community.
- ❖ Whatever direction that CSU and the Board of Governors take regarding the stadium, it is imperative that the financial package be structured to minimize the effect to the General Fund and the risk of exceeding the budget. We suggest that specific milestones and benchmarks be set, both for the actual fund raising and construction (whether for renovation or a new facility). This will enable the community and stakeholders to track the progress and be assured that the actions are in line with commitments.
- ❖ The tension that is present in the community over this issue needs to be addressed. The University, the neighborhoods that are adjacent to the University and the City need to find new and effective ways to live and work together.

We know that Dr. Frank and the Board of Governors are deeply committed to Colorado State University. Their actions and decisions are made with the eye to continue to strengthen the quality and excellence of this incredible land-grant university. Data and information will not be the sole basis of the direction regarding the stadium. At some point, as with most long-view decisions, one has to apply and make a judgment call. This is an important call and one that will affect the future of Colorado State University and community in the years ahead.

Submitted by the Community Leadership Committee:

- Kevin Unger, Chair
- Diane Jones
- David May
- Bob McCluskey
- Brownie McGraw (due to illness, was unable to participate in all deliberations)
- Jeff Wood