

Report to UO Faculty Senate  
Senate Budget Committee,  
Sub-committee on Arena Financing

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November 28, 2007

# Members of the Sub-Committee

## Subcommittee Members

John Chalmers, Associate Professor of Finance

Dennis Howard, Philip H. Knight Professor of Sports Business

Gordon Sayre, Professor of English, President of University Senate

## Working with us on the subcommittee are:

Frances Dyke, Vice President for Finance and Administration

Melinda Grier, UO General Counsel

Laura Frieder Hazlett, Special Assistant to the Athletic Director

Dave Sparks, UO Foundation Trustee Emeritus

Paul van Donkelaar, Associate Professor, Human Physiology, Senate Vice President 2007-2008

# Progress Report

- Arena revenue projections –
  - We are well engaged in an effort to evaluate the projected revenues from the arena.
  - A series of focus groups led by the Ulum Group have been conducted with major donors and long-time season ticket holders to assess sensitivity to proposed prices for various seating options within the arena. Six focus groups (16 to 20 people per group) have been completed to date (4 in Eugene-Springfield, 2 in Portland) with at least two more scheduled)
  - CSL has developed, using feedback from focus group participants, a survey that will be sent to a random sample of current Football and/or Men's Basketball season ticket holders to assess willingness to pay among the general fan base
  - CSL should within the next week or two have new projected revenue estimates from the arena for us to evaluate
- Arena costs
- Financing Alternatives
- Capital Budgeting Philosophy

# Progress Report

- Arena revenue projections –
- Arena costs –
  - We have gathered cost estimates from similar arenas
  - In our report, we will be able to compare the costs anticipated to build the UO arena with the costs of other arenas
  - The capacity of the arena has not yet been finalized
- Financing Alternatives
- Capital Budgeting Philosophy

# Progress Report

- Arena revenue projections –
- Arena costs –
- Financing Alternatives
  - We have explored legal and tax concerns with bond and tax lawyers
  - We have an additional discussion planned to address remaining tax questions
  - While we have begun our financial analysis, we await the revenue estimates to complete our analysis
- Capital Budgeting Philosophy

# Progress Report

- Arena revenue projections –
- Arena costs –
- Financing Alternatives--
  
- Capital Budgeting Philosophy—
  - We are evaluating the reasons to build the arena
  - We are exploring campus building safety issues
  - We are exploring other capital requirements anticipated in the near future
  - We are studying the projected debt service to overall budget ratios that are impacted by the arena financing plan
  - All of these issues, will be dealt with in our final report

# Tentative Timeline

December 10, 2007	CSL to deliver estimates of revenues from Arena incorporating focus group data and survey data from the CSL survey.
December 16, 2007	Distribute Preliminary Draft of Subcommittee report to President Frohnmayer, Athletic Director Kilkenny, Frances Dyke, Melinda Grier, Laura Frieder Hazlett, Dave Sparks for comment and opportunity to make corrections to facts in the report.
December 17, 2007	Update Senate Budget Committee on the findings to date of the Subcommittee and outline of final report – seek provisional adoption of report.
December 27, 2007	Deliver Draft Final Report to Senate Budget Committee, President Frohnmayer's Office for opportunity to comment and correct statements of fact
January 7, 2008	Confer with Faculty Advisory Committee
January 8, 2008	Issue final report with Senate Budget Committee adoption
January 9, 2008	Present the final Senate Budget Committee report to Faculty Senate
January 18-19, 2008	Ways and Means Committee Meetings at the Oregon Legislature
January 19, 2008	At a special session of the Faculty Senate debate and move to adopt of the Senate Budget Committee Recommendations