



MONTANA UNIVERSITY SYSTEM
Office of the Commissioner of Higher Education

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AGENDA

Montana Board of Regents

Administrative, Budget, and Audit Oversight Committee Meeting
January 12, 2007

CONFERENCE CALL MEETING

10:00 A.M. COMMITTEE CONVENES

ACTION

- Expansion to Washington-Grizzly Stadium; The University of Montana – [ITEM 134-1007-R0107](#)

INFORMATION and DISCUSSION

- Possible Proposed Legislation

11:30 A.M. COMMITTEE ADJOURNS on completion of business

ITEM 134-1007-R0107

Expansion to Washington-Grizzly Stadium; The University of Montana

THAT:

Consistent with the provision of MCA 20-25-441 and 20-25-442, the Board of Regents of Higher Education authorizes The University of Montana–Missoula to implement steps necessary to expand Washington–Grizzly Stadium. In addition, in support of a resolution passed by the Associated Students of The University of Montana, the board authorizes a five year only increase of \$10 per semester in the Student Athletic Fee, in return for which the students will be allocated 750 additional seats in Washington–Grizzly Stadium.

Project scope is to:

- Increase seating on the east side of the stadium by approximately 2000 seats
- Construct additional concessions, restroom facilities and ADA accessible seating
- Miscellaneous minor stadium improvements

This project, at an estimated not-to-exceed cost of \$5,500,000, will be financed with revenues from the sale of tickets, concession revenue and contributions. The project financial plan is attached.

EXPLANATION:

UM has seen an increase in enrollment each fall since 1991. Because of recruiting and marketing efforts by UM at the state and national levels, we expect this trend to continue, with the demand for stadium seats increasing along with growth in student enrollment.

Pursuant to MCA 18-2-102(2)(b) and MCA 20-25-302, the board is authorized to approve this construction. As allowed by MCA 20-25-441 and 20-25-442, it is the intent of the University to transfer ownership of the stadium to the UM Foundation for the duration of the design and construction period of this stadium expansion project.

This authority request is for an amount greater than \$150,000, which requires the following additional information pursuant to Policy 1003.7, Authorization for Building Projects:

(a) Project Description:

The work performed under this authority encompasses the construction of additional seats, concessions, restrooms and circulation systems on the east side of Washington Grizzly Stadium. This expansion will add approximately 2000 seats.

(b) Cost estimate and Funding Sources:

Construction	\$4,000,000.00
Architectural Fees and Administrative Costs	500,000.00
Printing and Bidding Costs	500.00
Non-Contracted Labor	5,000.00
Utilities	44,500.00
Contingency	900,000.00
Equipment	50,000.00

PROJECT TOTAL	\$5,500,000.00
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(c) Programs Served, Enrollment Data, Projected Enrollments:

Due to the success of the UM football program, we expect that there will be a modest increase in enrollment as a result of the stadium expansion.

(d) Space Utilization Data:

The work completed under this authority will provide space that is not currently available on campus.

(e) Projected Use for Available Residual Space:

Not applicable to this request

(f) Projected O&M Costs and Proposed Funding Sources:

O&M costs for the new facilities are projected to be \$5,000 annually and are fully borne by Intercollegiate Athletics.

Financial Plan Summary January 2007

Executive Summary

The University of Montana plans to expand Washington – Grizzly stadium by approximately 2000 seats with the project being completed in time for the 2008 football season. The project cost has been estimated not to exceed \$5.5 million. The project will be financed as indicated below:

- An internal loan of \$2.5 million from UM's Revenue Bond Pool. This loan will be repaid at an interest rate of 5%
- An internal interest free loan of \$1,324,444 from UM's Plant Fund Interest Earnings
- Cash from North End Zone ticket sales, the Eastside expansion ticket sales and contributions from the Bookstore and Dining Services in the amount of \$1,175,556
- The project will be paid off within five years

To insure that the Athletic Department continues to operate within its financial boundaries during the repayment period of the stadium expansion, additional revenue from the temporarily increased student Athletic Fee and from new ticket revenue will be allocated to them for operations. Additionally, a contingency fund will be established to handle any unanticipated fluctuations in ticket sales.

The University of Montana-Missoula
Financial Plan
2008 East Side Stadium Expansion

Project Cost	5,000,000							Student Fee @ \$10 per semester
2,000 new seats/750 additional seats for students Financed through cash up front and internal loans								
		FY08	FY09	FY10	FY11	FY12	FY13	Total
Sources of Funds:								
Student Fee @ \$10/Semester		160,000	220,000	220,000	220,000	220,000		1,040,000
New Seat Revenue			138,750	138,750	138,750	138,750	138,750	693,750
GSA Membership (Gold)			40,700	40,700	40,700	40,700		162,800
GSA Membership (Silver)			50,000	50,000	50,000	50,000		200,000
GSA Membership (Copper)			22,500	22,500	22,500	22,500		90,000
Club Seating			500,000	500,000	500,000	500,000	500,000	2,500,000
Dining/Bookstore	80,000	50,000	50,000	50,000	50,000	50,000		280,000
North End Zone Revenues	420,479	745,000	745,000	745,000	745,000	745,000	745,000	4,145,479
TOTAL		660,479	1,766,950	1,766,950	1,766,950	1,766,950	1,383,750	9,112,029
Uses of Funds:								
Institutional Debt Service		(450,000)	(1,275,000)	(1,250,700)	(1,178,744)			(4,154,444)
Purchase Sound System		(200,000)						(200,000)
Cash to Project Account	(560,479)	(615,077)						(1,175,556)
Project Funds & Loan Repayment	(560,479)	(1,265,077)	(1,275,000)	(1,250,700)	(1,178,744)	0		(5,530,000)
Contingency		(190,000)	(190,000)	(190,000)	(190,000)	(190,000)		(950,000)
Athletics Operations	(100,000)	(311,873)	(301,950)	(326,250)	(398,206)	(1,193,750)		(2,632,029)
NET SOURCES	0	0	0	0	0	0	0	0

ITEM: 134-1007-R0107 Attachment