Making the New Athletic Arena a Reality

State Board of Higher Education
September 7, 2007

Dave Frohnmayer, President
Pat Kilkenny, Director of Intercollegiate Athletics
Frances Dyke, Vice President for Finance and Administration
Dave Sparks, Financial Advisor
Presentation

• Overview and history
• Project details
• Due diligence and financial planning
• Next steps
My Goals

• Secure self-sustaining athletic department budget

• Replace Mac Court
McArthur Court
Actions Taken To Date

2005  – Legislative approval to proceed with planning

2005  – Emergency Board F-Bond approval to purchase bakery and adjoining sites

2006  – Acquisition of bakery site completed
Why the Williams’ Site?

- Proximity to campus
- Located on major thoroughfare
- Adjacent to new bus rapid transit line
- Cornerstone of new eastern gateway to UO campus
Oregon Athletics Legacy Fund

- Phil and Penny Knight contribute $100 million to establish fund
- Largest gift in the UO’s history
- Goal to grow fund to $150 million
Oregon Athletics Legacy Fund

• Fund will provide Athletics with flexibility to provide financial stability in the future

• Allows arena revenues to be invested in paying for the arena and building the program

• Secures self-sustaining athletic budget which benefits academic mission
Capital Construction Priorities

- Campaign Oregon: $630 million and counting
- $480 million in construction projects in last decade
Plans For a New Arena

Pat Kilkenny
Director of Intercollegiate Athletics
My Goals

• Secure self-sustaining athletic department budget

• Replace Mac Court
What It Takes to Generate Revenue

• Loyal fans
• Media
• Players and coaches

• V E N U E
Preliminary Arena Plan

• 380,000 square-feet
• Venue for basketball and volleyball
• UO’s price tag: not to exceed $200 million
• Seating for at least 12,500 spectators
• Community access

UNIVERSITY OF OREGON
Plans For a New Arena
Due Diligence

Frances Dyke, Vice President for Finance and Administration

Dave Sparks, Financial Advisor
Preferred Financial Plan

• Arena constructed by National Championship Properties, LLC (NCP)
  – Limited Liability Corporation created by University of Oregon Foundation for sole purpose of constructing arena

• After construction, UO purchases the arena from NCP
Projected Timeline

• Construction could begin August 2008
• Arena could open for fall 2010 volleyball and basketball seasons
Due Diligence

- Commercial, Sports & Leisure Intl (CSL)
- UO Foundation Lawyers (Orrick; Gleaves, Swearingen)
- State Lawyers (DOJ, K&L Gates)
- Facilities People (JMI)
- Ferguson Wellman
Direct Economic Impact

• Up to $200 million in construction spending
• Outside revenue from use of arena
Next Steps

• Sept. 7, 2007 – Request Board authority to acquire remaining parcels

• October 5, 2007 – Request Board approval to seek Legislative authority to issue XI-F(1) bonds to purchase arena

• November 2007 – Deadline to submit draft legislation for February 2008 special session

• February 2008 – Seek Legislative authority to issue XI-F(1) bonds pending Board approval
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