

Intercollegiate Athletic Committee Meeting  
December 12, 2007

Attendees: Anita Weiss, Gary Gray, Whitney Wagoner, Renee Baumgartner, Danny Shearer, Melinda Grier, Pat Kilkenny, Julie Larsson, Laura Hazlett, Neal Zoumboukos, Deb Morrison, Kari Herinckx, Michael Moffitt, Sandy Weintraub, Richard Sundt, Jim O'Fallon, Paul van Donkelaar, Dev Sinha, Jim Isenberg, Matt Merriman, Curtis Haley

Guest: John Chalmers

David Peterson sends regrets that he could not attend this meeting.

Pat Kilkenny arrived late due to the announcement that the 2012 U.S. Olympic Trials and the 2009 and 2011 U.S. Track and Field Championships will be held in Eugene at Hayward Field.

Next IAC meeting will be held Wednesday, January 16, 2008, 4:00-5:30 pm at Lewis Lounge, Knight Law School. The main topic will be Baseball Planning.

IAC members are urged to attend the Senate meeting on the arena, Wednesday, January 9, 2008 located at 150 Columbia at 3:00 pm

Chairperson Anita Weiss called the meeting to order  
Athletic Department organizational chart was presented to the IAC members.

Dev Sinha gave an update of the sub-group for baseball planning to the IAC.  
Attendees included: Dev Sinha, Renee Baumgartner, Danny Shearer, Matt Merriman and Joe Giansante  
Dev Sinha felt sites around Autzen made more sense than Civic Stadium (no lockers at Civic).  
Learning opportunity for sports business people-internships.  
Sub-group will meet again prior to the January 16, 2008 IAC meeting.

Sub-group on the Academic Learning Center for Student Athletes (ALC) will present at the February 6, 2008 IAC meeting.

Basketball Arena Financing – Pat Kilkenny

- In 2003 plans for Mac Court replacement were discussed.
- \$4M invested from private donors and 1000 hours of analysis completed
- \$27.4M had already been invested in land, etc.
- Knight's gift is the Legacy Fund (\$100M), a quasi endowment
  - This gift will enable the Athletic Department to be self-sustaining and will give the department the ability to invest in coaches and facilities and compete at a higher level.
- Cash flows from the arena will pay the debt service without touching the Legacy Fund
- Without the arena there will be no Legacy Fund.

## Municipal Finance Presentation – John Chalmers

- John Chalmers, Associate Professor of Finance, Business, Gordon Sayre, Professor of English and Senate President and Dennis Howard, Professor of Sports Marketing have studied the arena project which is still a work in progress. They are evaluating what the revenues will look like based on estimates from insiders at the Athletic Department and are also waiting for the CSL report (consultant report). One concern is whether the revenues will support the arena.
- CSL sent survey to focus group which consisted of Duck ticket holders and DAF members on ticket prices. Also a public survey was done for anyone who wanted to respond. Prices have not been set as of this meeting.
- CSL analyzing data and will compile a report shortly which will include revenue estimates and Dennis Howard will analyze the CSL report.
- Revenue for Mac Court is estimated at \$3M (low estimate) and the new arena revenue \$12M (low estimate). Not all revenue increases comes from ticket prices. There are also other outside events being factored into CSL report as well as signage revenues.
- Concerns include: if revenue projections don't pan out is the University liable. Legacy Fund of \$100M plus \$50M of private donations with interest income should cover any revenue shortfalls.
- The process of issuing \$200M in bonds to cover the construction of the arena is still a work in progress. That debt will be paid back over 40 years at \$11.25M annually.
- Draft study will be coming from Chalmers, etal on December 27, 2007. The study will address the risk for the University versus the benefits for the Athletic Department.
- Anita Weiss thanked John Chalmers for his presentation.

## General Comments:

Michael Moffitt stated when he was on the committee to find a new Athletic Director all candidates spoke of replacing Mac Court. Moffitt also felt that the worst case scenarios are better than he thought in building the new arena.

Anita Weiss was concerned that if debt service was not met that tuition money could be used to cover the debt. Melinda Grier and John Chalmers assured her that several avenues would have to be exhausted before tapping into tuition would be required. Also if the interest on the \$100M Legacy Fund was just 5% the debt service would be covered. The Legacy Fund money will be invested in the Willamette Pool which has a return of 10% as of this date. The Willamette Pool has a diverse base.

Jim O'Fallon agrees that the risk is not building a new arena but the risk is Mac Court falling down.