

**University of Minnesota  
Athletic Facilities Feasibility Planning Analysis**

**Part One  
Feasibility Analysis**

Presented by:  
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MEN  
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**1. Executive Summary**

## Executive Summary

In 1986, the Board of Regents endorsed the conceptual master plan for the proposed University Memorial Sports Complex. Phase I called for the University Swim Center and expanded Recreational Sports Center for the Minneapolis Campus. Ellerbe Becket, Inc., Architects and Engineers with Coopers & Lybrand, Certified Public Accountants, were commissioned in June, 1989, to undertake the feasibility analysis for the athletic facilities contained in Phase II of this conceptual master plan. *The planning efforts of this study focus on the programmatic needs, facility size, project cost, revenues and financing of Men's and Women's Intercollegiate Athletics, Student Recreation and Physical Education facilities, while providing modern spectator venues and locker and support spaces.*

*The consultant team examined on-campus as well as off-campus options for providing these facilities. Each of the options was evaluated on the basis of satisfying programmatic needs, construction costs, operating costs, net cash flow from operations to the University, and site fit (for the on-campus alternatives only).*

The viability of the off-campus venues was determined through *preliminary proposals received from three metro-area venues: The Met Center Arena, The Metrodome, and The Timberwolves/NBA Arena.* The St. Paul Civic Center indicated that the University's schedule would conflict with their current events schedule and that there would be considerable cost associated with the University's use of this facility.

**The evaluation of these off-campus venues indicates that remaining on campus is the most viable option.**

*There are three reasons for this conclusion:*

1. **Economic** - Based on the information provided by the venues and the assumptions utilized in this analysis, the University would net greater revenue by remaining on campus and owning and operating a facility over the next 30 years.

3. **Logistical** - Practice requirements of the NCAA and WCHA create scheduling conflicts at each of the off-campus venues. The University would also be the second or third priority tenant in each facility giving lesser scheduling priority. Lastly, the movement of players and coaches from campus to an off-campus site creates additional concerns. These matters would not be significant concerns with an on-campus facility.

3. **Public Opinion** - A survey of local businesses and individuals showed a clear preference for these events to remain on-campus.

Various on-campus options were studied and five scenarios were chosen as acceptable alternatives. *For economic reasons, it is recommended that the University build a 14,000 seat single multi-purpose arena and convocation center where nearly 95 percent of the project cost can be covered through net incremental operating revenue.* This single facility meets the minimum requirements of the programs and can accommodate Men's Intercollegiate Basketball and Hockey, Women's Intercollegiate Basketball and Volleyball as well as the unique on-campus demand for special events facilities -- *including those events which cannot currently be accommodated within Northrup Auditorium.*

The multi-purpose aspect of the proposed arena and convocation center is intended to take advantage of the synergy that can be created through the mutual accommodation of diverse programmatic needs, allowing efficiencies in the provision of support spaces and in the overall construction and operating cost of the facility. In addition, to accommodate the growth in programs and in the number of event days required, *Williams and Mariucci Arenas are to be retained* as they currently exist to serve reserve, club and intramural hockey, Men's Intercollegiate Hockey practice, Men's Wrestling and Men's and Women's Gymnastics events.

With a projected bidding date of November, 1990, and an anticipated occupancy date of November, 1992, the total Arena project cost is estimated at \$48 million. **Total construction cost is estimated at \$36 million.** Depending upon the type of financing utilized, there may be some additional costs incurred by the project.

The consultant team assisted the University in compiling forecasted results of operations for the recommended on-campus Arena facility. The forecasts reflect only revenues and expenses incremental to current operations. The incremental revenue sources included private suites, preferred seating programs, new sponsorship and advertising, increased attendance at men's hockey games, 14 additional events, increased concession spending, a private club, off-season ice sheet rentals and new parking.

The forecasted results of incremental revenues and expenses indicate an annual cash shortfall averaging \$500,000 can be anticipated during the first seven years of operations. After that, the forecast reflects a positive cash flow averaging \$750,000 over the next ten years. Subsequent years are also expected to generate cash distributions of this magnitude. The consultant team also reviewed several alternative financing sources to eliminate the early year shortfall. Based on this analysis,

it was concluded that the following additional sources of revenue dedicated to the facility could result in no after debt service shortfall in any years:

- *An up front equity contribution of \$3,000,000 from within the University or from the State of Minnesota, or*
- *Retaining all proceeds from concession operations within the arena, or*
- *Retaining all estimated on-campus parking revenues resulting from events held at the arena, or*
- *Adding a \$1.00 ticket surcharge on men's basketball tickets and an additional \$0.50 surcharge on hockey tickets.*

The financial forecast should be read in its entirety for an understanding of the data and assumptions underlying the forecasts. See "FORECASTED OPERATING RESULTS OF THE PROPOSED ON-CAMPUS ARENA".

To satisfy the need for additional student recreation space on the Minneapolis Campus, Phase IB including the completion of the Recreational Sports Center is planned to precede this Phase II. Subsequent components of Phase II (in 1991 project costs) include the 3,500 seat Sports Pavilion (\$11.0 million), Practice Ice Arena (\$6.5 million) and Indoor Tennis Courts (\$9.0 million). The Practice Ice Arena and Indoor Tennis Courts may be located on the current Williams/Mariucci Arena site. *Taken in total, these elements satisfy the Phase II needs for Men's and Women's physical education, recreation and intercollegiate athletics while conforming with the principles of the 1986 University Memorial Sports Complex master plan.*

## **2. Introduction**

## ***Introduction***

Ellerbe Becket, Inc., Architects and Engineers with Coopers & Lybrand, Certified Public Accountants, were commissioned in June, 1989, to undertake the feasibility analysis for the athletic facilities contained in Phase II of the 1986 University Memorial Sports Complex conceptual master plan. The planning efforts of this study focused on the programmatic needs, facility size, project cost, revenues and financing of men's and women's intercollegiate athletic facilities while focusing on the Memorial Stadium site.

Part One (Feasibility Analysis) of this report is organized into three (3) distinct sections: Statement of Needs, Recommended Facilities, and Project Financing. Part Two (Appendix) documents our teams methodology, the alternative programmatic, site and building solutions examined, their costs and financing implications. Within Part Two is also an examination of off-campus alternatives, including the St. Paul Civic Center, Metrodome, Timberwolves Arena and Met Sports Center.

Ellerbe Becket, Inc., with Coopers & Lybrand, wishes to thank the University of Minnesota's Sports and Recreational Facilities Planning Committee and its Chairman, Mr. Gordon M. Donhowe, for their contributions toward this effort.

### ***Project Team:***

**Ellerbe Becket, Inc.**, Architects and Engineers,  
Minneapolis, Minnesota

**Coopers & Lybrand**, Certified Public Accountants,  
Minneapolis, Minnesota

**William Manning Associates**, Facility Programmers,  
Alameda, California

**CPMI, Inc.**, Cost Estimators,  
Des Moines, Iowa

**BRW, Inc.**, Transportation Planners,  
Minneapolis, Minnesota

**3. Statement of Needs**



## *Statement of Needs*

The University of Minnesota currently possesses a number of facilities dedicated to the support of student recreation, physical education and men's and women's intercollegiate athletics. The addition of the planned University Recreation Center (supporting student recreation on the Minneapolis campus) and planned gymnastic center, in conjunction with The Bierman Complex, Cooke Hall, University Aquatic Center, University Fieldhouse and Williams/Mariucci serve a number of the facilities needs on the Minneapolis campus. This study seeks to build upon previous planning efforts in examining the long term facility needs of Intercollegiate Athletics, including both men's and women's athletics. It specifically focuses on those activities currently housed in Williams and Mariucci Arenas, and examines not only spectator seating requirements and support facilities, but also events scheduling and their impact upon existing or proposed facilities.

Men's and Women's Intercollegiate on campus athletics events are, for the most part, held in Williams and Mariucci Arenas. Williams/Mariucci was originally constructed in 1927 and has undergone several remodellings and alterations, including extensive efforts in 1949 to expand seating and modify the building. In 1985, additional exit stairs were added to satisfy exiting concerns for the upper seating areas.

The building is well maintained. However, the passing years and the growth in the number of athletic programs requiring events venues have outstripped the capacity of the existing facilities. Current deficiencies include inadequate lobby, concourse, concession and toilet facilities, outmoded spectator seating areas (many with obstructed views), lack of fire-suppression (automatic sprinkler) systems and inadequate locker, training and support facilities.

Additionally, with the growth of programs and their numbers of event days, the needs of women's and men's athletics programs such as gymnastics and wrestling have come to conflict with the schedules of Williams/Mariucci's prime tenants - the basketball and hockey programs. This scheduling conflict invariably leads to the rescheduling of events to work around the men's basketball and hockey programs and leading in turn to a "first-class/second-class" attitude towards usage.

The programmatic needs identified and addressed within this study are based upon the following considerations and assumptions:

- *Sports and recreational athletics are an integral part of the University of Minnesota's mission and role as the flagship educational institution of the State of Minnesota.*
- *The University of Minnesota Intercollegiate Athletics will continue to be a member of the Big 10 Conference and the Western Collegiate Hockey Association (WCHA).*
- *The University of Minnesota seeks to maintain and enhance its standing within the Big 10 and the WCHA and to excel on a national level of prominence.*
- *The quality of athletic events venues is important to the recruitment of student athletes, coaches and staff to support and achieve a reputable standing.*
- *The planning of athletic facilities should be predicated on meeting both present and foreseeable needs.*
- *Dedicated practice spaces for both men's basketball and ice hockey are required under any multi-use or shared events facilities scenarios to accommodate concurrent practice schedules.*
- *A separate facility is essential for competition events for:*
  - *women's basketball, volleyball and gymnastics*
  - *men's gymnastics, wrestling and fencing*
  - *other special events and court activities*
- *To the greatest extent possible, these new facilities should be located in close proximity to existing facilities to facilitate communication and minimize the need to duplicate support spaces (e.g. training, lockers, storage, facilities administration, ticketing).*

The focus of this Athletic Facilities Feasibility effort has been directed at:

- *Providing venues necessary to support men's and women's intercollegiate athletic events.*
- *Providing the requisite locker, training and support space to satisfy the space program needs of both men's and women's intercollegiate sports and recreational activity programs.*

After analyzing various program alternatives, the following minimum facilities requirements were identified:

- o *15,000 - 20,000 seat events venue for Men's Intercollegiate Basketball with associated lockers and support spaces.*
- o *8,000 - 10,000 seat events venue for Men's Intercollegiate Hockey with associated lockers and support spaces.*
- o *2,000 - 5,000 seat (Sports Pavilion) events venue for Women's Intercollegiate Athletics (basketball, volleyball, gymnastics) and Men's Intercollegiate gymnastics, wrestling and fencing with associated lockers and support spaces for each program.*

Subsequently, separate, dedicated-use hockey and basketball arena options were evaluated against the provision of a single, multipurpose arena. Although a separate sports pavilion would best meet the women's intercollegiate program needs, such a facility in the long run is financially feasible only if funded separately from the multipurpose arena facility. The multipurpose arena concept allows each program to continue uninterrupted by construction, offers efficiencies in design layout and use of needed space over a retrofit alternative, provides enhanced revenue potential and provides a totally new replacement facility at a significantly lesser cost. While there is some oversizing of the house for hockey and women's event venues and in potential scheduling conflicts, the consultant team and the members of the committee felt this solution option to be the most cost effective in solving both the programmatic needs of men's and women's athletics.

While the Sports Pavilion is a desirable complement to the University's athletic facilities, it is recognized that it can be freestanding and can be added in the future. In light of the project's overall financing capacity and the inability to provide the financial resources to do both projects simultaneously, the Sports Pavilion has been slated for a future, undefined date. The multipurpose arena program has been revised accordingly to support women's athletics. In the interim Williams Arena and the Bierman Building may support those women's programs not contained within the replacement arena.

The facilities program which evolved, is based upon the provision of this single multi-purpose arena to accommodate men's intercollegiate basketball and hockey and women's intercollegiate basketball and volleyball as well as the unique on-campus demand for special events facilities - including those events which cannot currently be accommodated within the approximately 5,000 seat Northrop Auditorium. It is

recognized that these (special) events must be in contrast to what is available to and can be accommodated at the St. Paul Civic Center, Metrodome, Timberwolves Arena and Met Sports Center so as not to be in competition with them.

Facilities scheduling and events setup times were reviewed with the University Athletics Departments, and following some discussion, it was agreed that Hockey's and Basketball's needs could be accommodated through the provision of a single multipurpose facility with the additional capability of housing some women's events, convocations and special events. Rather than providing the 15,000 to 20,000 seat facility originally discussed, the arena has been sized to accommodate 14,000 seats in an effort to decrease overall building size and resultant construction cost. Areas such as building lobby and scout facilities have been deleted in their entirety, while some other functions are included as shell space only and may be finished at some future date.

To accommodate the needs of other athletic programs such as men's reserve and intramural hockey, MIA hockey practice, men's wrestling and men's and women's gymnastics, Williams and Mariucci Arenas would need to be retained for the present as they currently exist. While no major renovation efforts are contemplated, it is anticipated that some future modifications to the locker and support spaces of Williams/Mariucci may be required to provide for these programs.

# MULTIPURPOSE ARENA PROGRAM

## ARENA FLOOR

The arena floor area will accommodate one Olympic size ice hockey floor. It will also be able to accommodate an ice show, basketball, wrestling tourneys, indoor tournament tennis, center stage, end stage events, center boxing/wrestling ring, etc., based on the following minimum dimensional requirements:

Basketball Court	60' x 120'
Tennis Court	60' x 125'
Ice Show	64' x 160'
Ice Hockey	100' x 200'
Wrestling Tourneys	100' x 200'

Provision should be made to accommodate a portable stage, approximately 32' x 32', at the center of the arena floor. Provision should also be made to accommodate a portable stage, approximately 60' x 48' with 20' x 16' sound wings, at one end of the arena floor. Electric power and sound reinforcing system are to be incorporated and provisions made to accommodate stage lighting, overhead rigging and other minimal equipment necessary for special events, lectures and conferences.

### Seating Assumptions:

Telescoping Seating:	1,000 chairs with backs
Lower Fixed Seating:	4,400 chairs with backs
Upper Preferred Seating:	2,520 chairs with backs
Upper Seating:	6,200 benches with backs

## MULTIPURPOSE ARENA PROGRAM, cont.

### PUBLIC SPACES 186,254 S.F.

Lobbies (future)	0
Concourse	30,000
Other Miscellaneous Circulation	19,000
Public Toilets/Janitors Closets	10,500
Arena Floor 102' x 202' (includes telescopic platforms)	20,604
Fixed Seating Areas (13,000 seats)	92,950
Private Viewing Suites* (30 - 12 seats)	10,500
Handicap Seating	2,700

\*The private viewing suites are to be located at the Concourse Level facing the Arena from both sides and both ends.

### TICKET FACILITIES 480 FINISHED/900 SHELL 1,380 S.F.

Ticket Sales	480
Vault	[200]
Cash Check-In	[ 0]
Sales Supervisor's Office	[180]
Business Office	[360]
Toilet	[ 60]
Staff Office	[ 0]
Internal Circulation	[100]

### FACILITY ADMINISTRATION 1,095 S.F.

Reception	150
General Office	450
Operations Supervisor's Office	150
Work/Storage/Conference Room	200
Toilets	0
Coats	0
Internal Circulation	145

### MEETING FACILITIES 3,750 S.F.

Hospitality Room	2,400
Toilets	450
Coat Room	150
Holding Kitchen	300
Prefunction/Internal Circulation	450

[ ] shelled space, to be finished at a future date

## MULTIPURPOSE ARENA PROGRAM

### MEDIA FACILITIES      800 FINISHED/1,500 SHELL      2,300 S.F.

Press Box (40 @ 20 S.F.)	800
Press Work Area	[800]
Hospitality Lounge	[400]
Press Toilets	[ 0 ]
Internal Circulation	[300]

### SCOUT FACILITIES      0 S.F.

Scout Box	0
Scout Work Area	0
Hospitality	
Internal Circulation	

### FOOD SERVICE      14,515 FINISHED/300 SHELL      14,815 S.F.

Pantry	1,400
Office	120
Vault	120
Toilet	0
Storage	400
Janitor's Closet	50
Concessions and Prep Rooms	7,000
Walk-in Cooler and Freezer	1,000
Staff Toilets and Lockers	600
Loading Dock/Receiving Area (Exterior Space)	1,000
Internal Circulation	925
Vendor Depo (4 @ 400)	1,600
Pantry Kitchen	300
Pantry Kitchen	[300]

### SECURITY/MEDICAL HOLDING/RECEIVING      4,610 S.F.

Security/Receiving Office	240
Security/Holding Office	120
Receiving/Staging Area	3,000
Receiving Area Toilet	60
Medical Holding	250
Medical Holding Toilet	40
Event Security Office	300
Internal Circulation	600

## MULTIPURPOSE ARENA PROGRAM, cont.

### LOCKER ROOMS/ATHLETIC TRAINING 22,250 S.F. 15,650 FINISHED/6,600 SHELL

MIA Varsity Basketball (BB)	1,200
MIA Varsity Hockey	2,100
MIA Hockey Reserve	0
WIA Varsity BB	1,200
WIA Varsity Volleyball (VB)	[800]
Auxiliary/Visiting (4 @ 750)	3,000
MIA Coaches Suite	600
WIA Coaches Suite	600
Officials Suite	300
Weight Training/Conditioning (2 @ 2,500)	[5,000]
Adjacent Storage (2 @ 400)	[800]
Athletic Training Room (1 @ 1,500)(1 @ 1,000)	2,500
Equipment Issue	1,250
Laundry	0
Internal Circulation	2,900

### BUILDING OPERATIONS 19,730 FINISHED/500 SHELL 20,230S.F.

Maintenance Manager's Office	120
Building Engineer/Central Control	200
Maintenance Shop	500
Ice Making Equipment Room	1,200
Ice Resurfacing Equipment Room	400
Misc. Pump and Meter Room	300
General Building Storage	10,000
Trash Room (Concourse Level)	360
Trash Room (Exterior Space)	360
Staff Toilets/Lockers	[500]
Miscellaneous Storage (Upper Seating Level)	3,000
Internal Circulation	3,290

## MULTIPURPOSE ARENA PROGRAM, cont.

### MISCELLANEOUS BACK-OF-HOUSE 7,475 S.F. 920 FINISHED / 6,555 SHELL

Light and Sound Control Booth (Concourse Level)	250
TV Platform (2 @ 125)	250
Radio Platform	150
Scoreboard Control Room (Concourse Level)	120
Usher Orientation (Concourse Level)	[400]
Show Office	[240]
Dressing Rooms (4 @ 250)	[1,000]
Dressing Room Storage (4 @ 150)	[600]
Dressing Room Toilets/Showers (2 @ 250)	[500]
Green Room	[600]
Program Sales Area	[500]
Interview Rooms (2 @ 120)	[240]
Sports Info./Press Room and Toilets	[1,500]
Communications Equipment Area	150
Internal Circulation	[975]

### UTILITY AREAS 19,555 S.F.

Elevator Machine Room	100
Freight Elevator	500
Sound Equipment Room	600
Fire and Water Pump Rooms	300
Electrical Switchgear Room	850
Heating/Cooling Plant	2,000
Telephone Equipment Room	280
Mechanical Equipment Rooms	12,000
Miscellaneous Electrical Rooms	750
Miscellaneous Telephone Rooms	80
Janitor's Closets	300
Internal Circulation	1,795

### SUMMARY BY AREA 283,714 S.F. 267,359 FINISHED / 16,355 SHELL

Public Spaces	186,254
Ticket Facilities	1,380
Facility Administration	1,095
Meeting Facilities	3,750
Media Facilities	2,300
Scout Facilities	0
Food Service	14,815
Security/Medical Holding/Receiving	4,610
Locker Rooms/Athletic Training	22,250
Building Operations	20,230
Miscellaneous Back-Of-House Areas	7,475
Utility Areas	19,555

**GROSS BUILDING SQUARE FOOTAGE 283,714**

#### **4. Recommended Facilities**



## ***Recommended Facilities***

In 1986, the Board of Regents endorsed the conceptual master plan for the proposed University Memorial Sports Complex. The 1986 master plan, calling for the utilization of the Memorial Stadium site for numerous University athletic facilities, provides the basis for this effort. Using the 1986 Master Plan as a basis, this study focuses on Phase II programmatic needs, facility size, cost, financing and the phasing of future, additional facilities.

The long-range plan outlined the following programmatic elements and phasing:

### Phase I 1986 - 1990

- o Expanded Recreational Sports Center for both Minneapolis and St. Paul campuses, including the upgrading of certain outdoor field areas.
- o University Swim Center.
- o Renovation of Cooke Hall.
- o Air supported bubble over 12 of 19 existing tennis courts.

### Phase II 1989 - 1994

- o New 17,000 - 20,000 seat basketball arena.
- o Renovated Williams Arena for 10,000 seat hockey arena.
- o Renovated Mariucci Arena for 5,000 seat exhibition gymnasium for women's basketball, volleyball and gymnastics and men's gymnastics, wrestling and fencing.
- o New varsity soccer field with 2,500 spectator seats.

### Phase III 1994 -

- o Replace existing Fieldhouse; return existing Fieldhouse site to general campus land inventory.
- o Build new crew boat house.

For the most part, those areas identified as Phase I needs have been satisfied or are planned to be met within the immediate future. This study focuses on those needs identified as a part of Phase II, specifically:

- o Men's Intercollegiate Basketball, Hockey, Gymnastics, Wrestling and Fencing.
- o Women's Intercollegiate Basketball, Volleyball and Gymnastics.

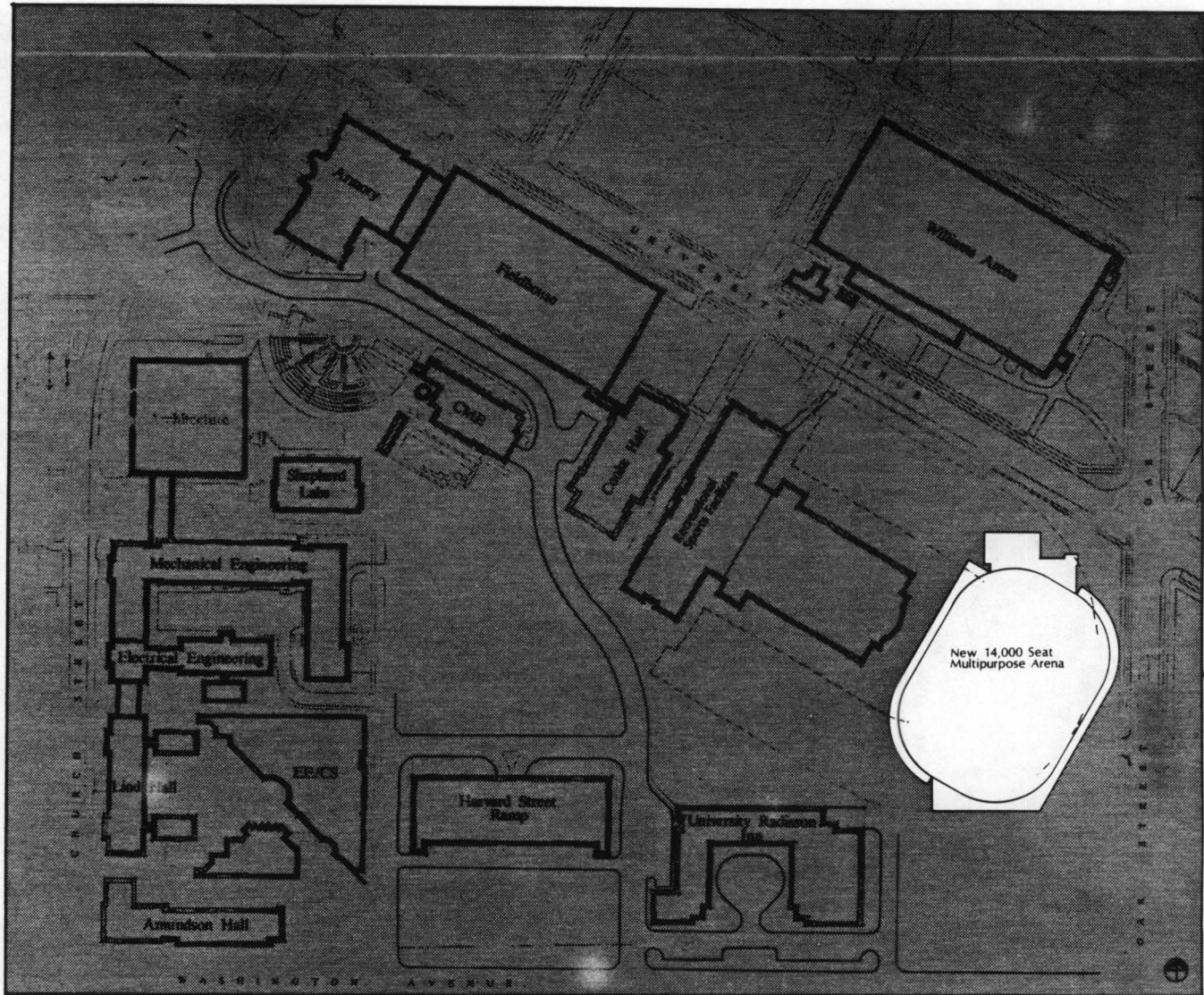
Additional areas not included in this or the previous phase (e.g. soccer field, tennis courts) will be deferred and incorporated as a part of the (future) Phase III planning effort.

After examining a number of alternative facilities scenarios and their attendant costs, the provision of a single Multipurpose Arena and Convocation Center is recommended.

The proposed Multipurpose Arena is to be located adjacent to the Recreational Sports Center on the east end of the existing Memorial Stadium site. Memorial Stadium is to be demolished, and the Epidemiology laboratories which are currently housed in its southwest quadrant are to be relocated to another on-campus location. It is anticipated that portions of the existing stadium - its arched entrances, its towers or wall - can ultimately be woven into the design of the Arena to maintain some reference to the tradition of the site and its place in the history of the University. The building is oriented with its length along the north/south axis. Entrances are located along University Avenue and towards Washington Avenue, with additional exits in the building's northeast and southwest quadrants. This orientation recalls the geometry of Memorial Stadium while accommodating convenient patron access from adjacent parking areas and student on-campus points of origin. The southernmost portion of the site, at Oak and Washington, is held open to satisfy service access needs while providing for future University land usage.

The concourse level is to be at approximately the same elevation as Oak Street, with the arena floor level approximately 23' below grade. Truck access, servicing and support facilities are to be located at this lower level and may be interconnected with adjacent buildings by tunnel(s). Patron access is to be at the concourse, providing immediate accessibility to ambulatory and handicapped spectators alike. All public circulation, toilets, suites and concessions work from this concourse, with the upper seating levels entered via the numerous stairs provided along its inside ring.

The roof structure is to be clear-span, providing completely unobstructed view seats for its multiplicity of seating arrangements and uses. And, with the configuration shown, those events requiring less than 5,000 seats may be accommodated without opening the upper seating areas, thereby providing a more intimate seating arrangement while reducing operating costs.



SITE PLAN  
0 30 60 120

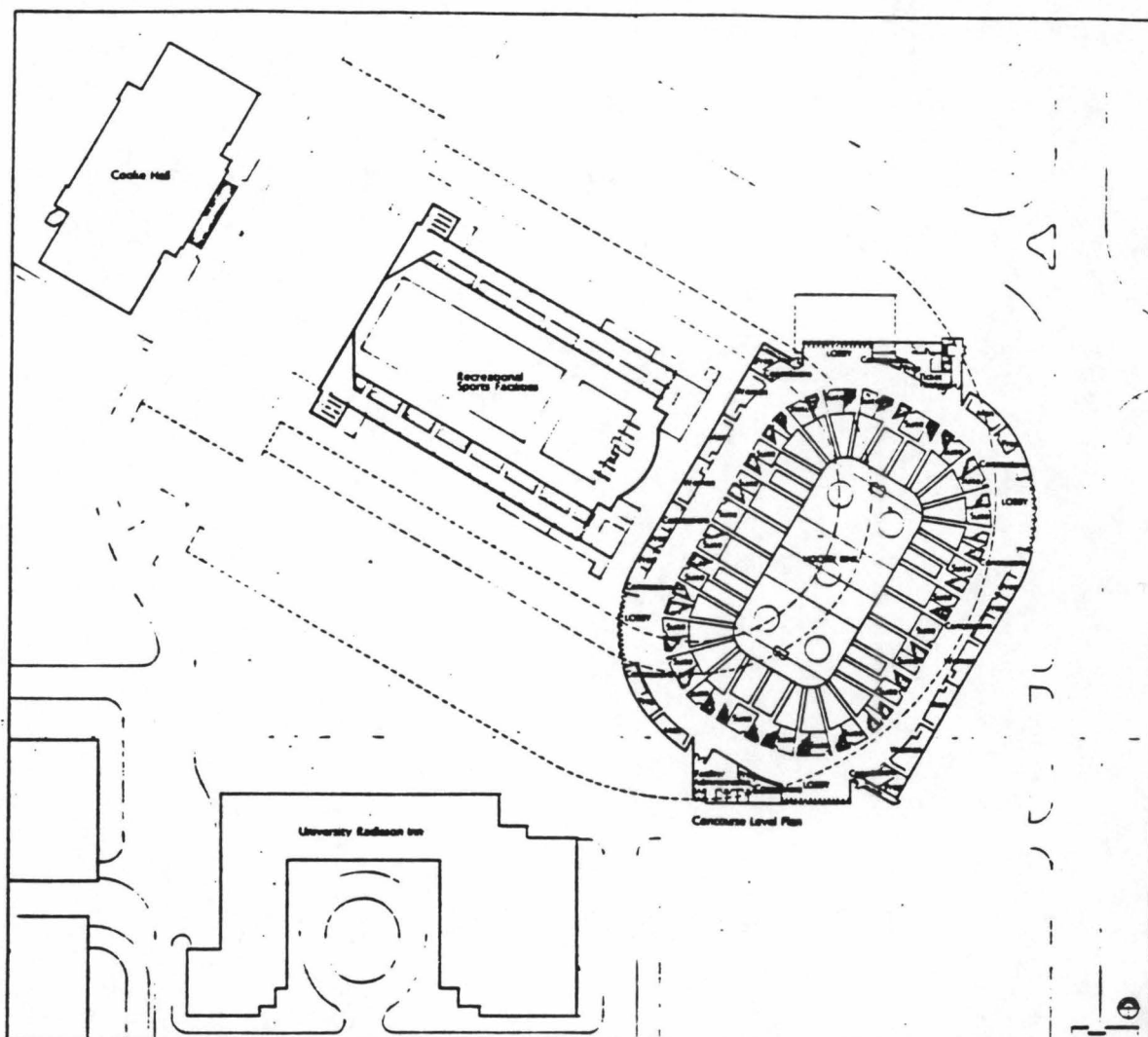
Ellerbe Becket

The scheme calls for approximately 14,000 seats in its basketball configuration, with a resultant 13,000 seats for hockey. It is intended to be a modern facility incorporating those spectator amenities and support spaces necessary to satisfy today's user demands. And, while it is intended to provide a venue for those unique on-campus special events, it is recognized that these special events must be in contradistinction to what is available in existing local facilities.

Spectator seating is to be a combination of chairs and benches with backs. Telescoping seating platforms at the lower concourse level may be retracted to accommodate the 100' x 200' hockey ice sheet, or extended to accommodate the 50' x 94' basketball floor. Special sections such as Preferred Seating areas and Private Suites are intended to provide added spectator amenities as well as additional sources of revenue to the University.

Concession stands are to be designed consistent with user needs and current industry standards, and are well beyond those facilities contained in the existing Williams and Mariucci Arenas. Anticipated improvements include the number and quality of concessions and the variety of menu offerings. Concourse areas are planned to comfortably and efficiently accommodate the proposed facilities patrons. Exiting and toilet facilities are to be planned to meet or exceed existing building code-required standards. Handicap access, egress, seating and facilities are to be an integral part of the building design.

The multipurpose aspect of the proposed arena and convocation center is intended to take advantage of the synergy that can be created through the mutual accommodation of diverse programmatic needs. The combining of men's basketball, hockey and some



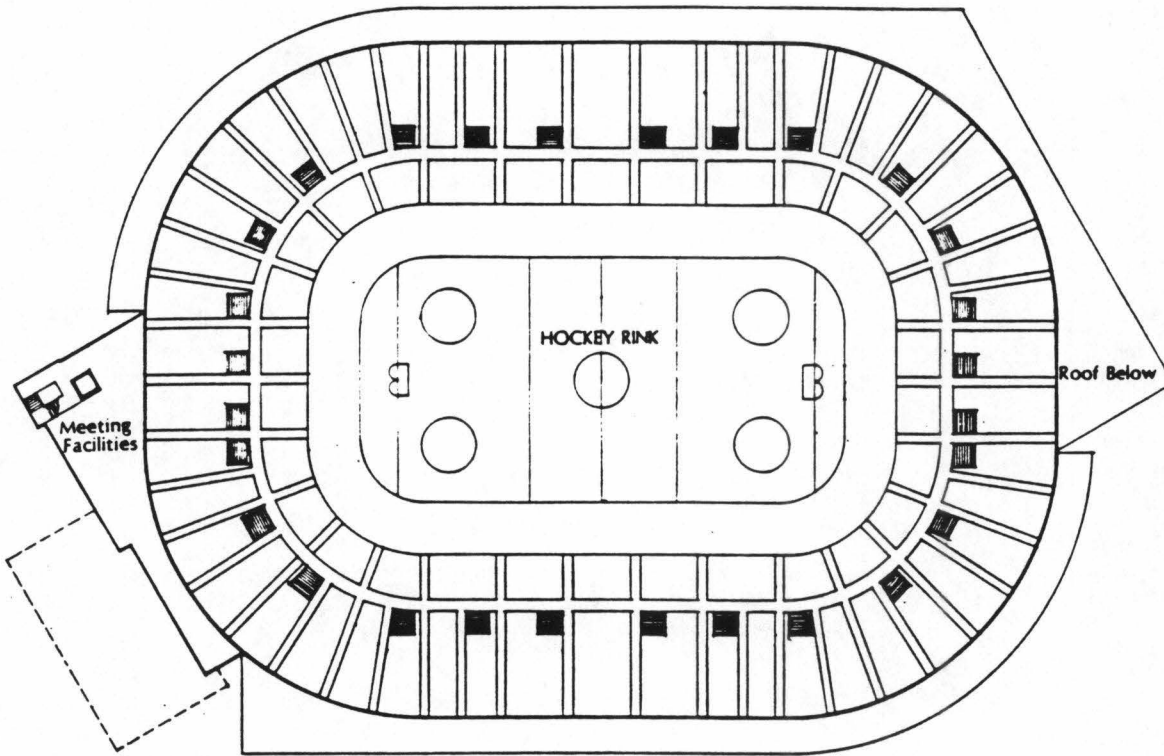
women's events within this singular facility results in the provision of a single events venue as well as associated ticketing, administrative support, training facilities and equipment spaces. Each program will receive their own dedicated locker and team spaces. These areas, as well as the requisite visitors' locker rooms, miscellaneous locker and dressing rooms, back-of-house, food service and receiving areas will all be contained within the lower or arena floor level, contiguous with the playing floor. This configuration takes advantage of the sloped seating layout by infilling the area beneath the concourse and lower seating level with habitable spaces in a cost-effective manner, while taking advantage of the existing excavation for the seating bowl of Memorial Stadium.

This new facility is to be ventilated and air conditioned throughout, to provide for added spectator comfort as well as those off-season uses which may enhance overall

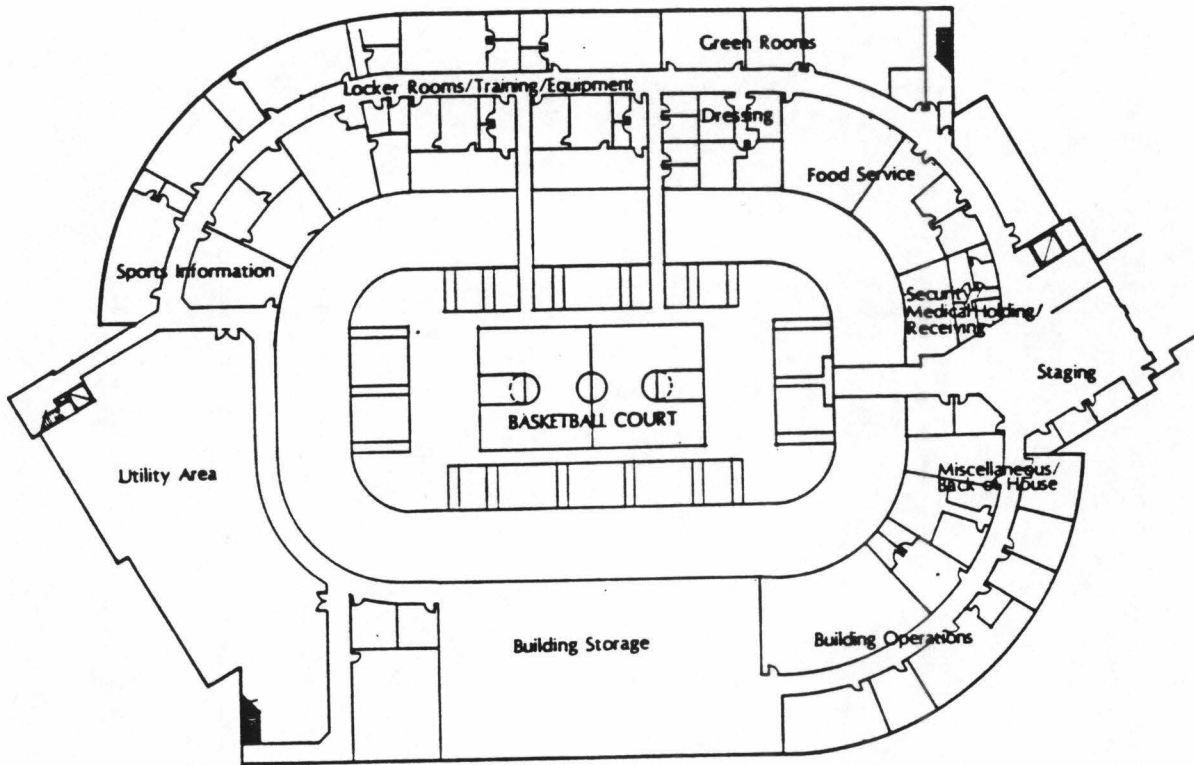
public and student usage and additional incremental revenue potential, including hockey and basketball camps and convocations.

In general, the advantages to this multipurpose arena and convocation center concept include the following:

- o Provides new events venues for men's basketball and hockey and women's basketball and volleyball within a single facility.
- o Avoids duplicating event seating and combines event sales and management operations, concessions, toilets, and other ancillary functions.
- o Offers improved spectator sightlines, comfort and convenience over existing facilities.



Upper Seating Level Plan



Basement Plan



- o Releases existing Mariucci/Williams Arenas for other events and student uses.
- o Allows both hockey and basketball programs to continue on-campus without interruption.
- o Offers enhanced revenue potential over existing facilities.

As an adjunct to this facility, separate basketball and hockey practice sites must be provided or maintained to satisfy practice scheduling demands. It is anticipated that Bierman Hall will house basketball's practice courts, while the existing Mariucci Arena will provide the practice site for men's hockey.

## ***Project Cost***

This Conceptual Cost Management Report is based on feasibility concept drawings and program information provided by Ellerbe Becket dated August 22, 1989, revised detailed program information dated October 13, 1989, and additionally revised in telephone conversations with the architect on November 1 and 6, 1989. Revised November 8, 1989.

The following is included in the construction costs:

1. 14,000 Seats - 1,000 Telescoping Platform, 9,000 Plastic Stadium Seats, and 4,000 Bleachers with Backs (Equipment)
2. Ice Rink and Basketball Floor - Complete (Equipment)
3. 30 Suites - Finished (All Parameters)
4. Public Address System (Special Electric)
5. 16,400 GSF Unfinished Shell Space (Included in Total GSF)

The following is included in the NON-BUILDING costs, not in the construction costs:

1. Scoreboards
2. Kitchen Equipment & Food Prep Finishes
3. Concession Equipment & Finishes
4. Entertainment Sound System
5. Stage & Stage Equipment
6. Demolition of Existing Stadium
7. Site Utilities & Landscaping

**CONSTRUCTION COST SUMMARY**  
**MULTIPURPOSE ARENA (283,700 GSF) - 14,000 SEATS**

DESCRIPTION	\$/GSF	TOTAL \$	% TOTAL
Sitework	2.73	775,000	2.85%
General Construction	65.47	18,575,000	68.24%
Mechanical Construction	18.35	5,206,000	19.12%
Electrical Construction	9.40	2,666,000	9.79%
Total Direct Costs	95.95	27,222,000	100.00%
General Conditions, Overhead and Profit	10.75	3,049,000	
Subtotal	106.70	30,271,000	
Design Contingency- 10%	10.67	3,027,000	
BID COST NOVEMBER 1989	117.37	33,298,000	
Labor & Material Escalation	9.39	2,664,000	
BID COST JANUARY 1991	126.76	35,962,000	

**PROJECT COST SUMMARY**

Construction Cost	35,962,000
Non-Building Costs	12,038,000
<b>TOTAL PROJECT COST (Excludes Financing)</b>	<b>48,000,000</b>

**DIRECT COSTS PARAMETER SUMMARY**  
**MULTIPURPOSE ARENA (283,700 GSF) - 14,000 SEATS**

<b>DIVISION</b>	<b>SYSTEMS MEASURE</b>	<b>SYS. UNIT</b>	<b>\$/SYS. UNIT</b>	<b>\$/GSF</b>	<b>TOTAL\$</b>
01 Sitework	500,000	SITSF	1.55	2.73	775,000
02 Foundations	283,700	BLDSF	6.95	6.95	1,972,000
03 Floors	283,700	BLDSF	13.70	13.70	3,887,000
04 Columns	9,400	COLLF	110.00	3.64	1,034,000
05 Roof	112,500	RFSF	27.20	10.79	3,060,000
06 Exterior Wall	96,000	WLSF	21.80	7.38	2,093,000
07 Exterior Glazing	8,100	OPGSF	30.00	0.86	243,000
08 Interior Wall	214,000	WLSF	9.80	7.39	2,097,000
09 Doors & Hardware	13,600	DRSF	37.50	1.80	510,000
10 Specialties	283,700	BLDSF	3.40	3.40	965,000
11 Equipment	283,700	BLDSF	7.93	7.93	2,250,000
12 Conveying Systems	283,700	BLDSF	1.64	1.64	464,000
13 Plumbing	580	FIX	2,170.00	4.44	1,259,000
14 Fire Protection	283,700	BLDSF	1.45	1.45	411,000
14 HVAC	1,360	TON	2,600.00	12.46	3,536,000
16 Electric	283,700	BLDSF	7.40	7.40	2,099,000
17 Special Electric	283,700	BLDSF	2.00	2.00	567,000
<b>TOTAL DIRECT COSTS</b>				<b>95.95</b>	<b>27,222,000</b>



## Comparative Cost Analysis

Within the recent past a number of Cities and Institutions have undertaken comparable facilities programs. The chart below presents a cross section of these facilities, their size and costs as compared to the facility proposed for the University of Minnesota.

	Lawrence Joel Veterans Memorial Coliseum Winston-Salem, NC	Smith Center U of NC Chapel Hill, NC	Arco Arena Sacramento, CA	Thompson- Boiling U of TN Knoxville, TN	Jack Breslin Stud. Events Ctr. MI State Univ. East Lansing, MI
Construction Start	February 1987	April 1982	Sept. 1986	May 1985	Oct. 1986
Opening Date	August 1989	Jan. 1986	Sept. 1986	Dec. 1987	Oct. 1989
Construction Cost	\$21.2 M	\$33.8 M	\$40.0 M	\$43.0 M	\$43.0 M
Square Footage	247,000	300,000	550,000	374,000	253,000
Seating/Basketball	14,400	21,444	16,400	24,451	15,500
Cost/SF	\$ 86	\$113	\$ 73	\$115	\$170
Cost/Seat	1,472	1,576	2,439	1,759	2,774
Adjust Cost To Jan. 1990 (Per ENR Index)	23,671,500	41,099,500	42,683,800	47,213,300	45,753,600
SF/Seat	17.15	13.99	33.54	15.29	16.32
Site Area	9 Acres	7.5 Acres	105 Acres	3.3 Acres	6 Acres
Parking		1,460	12,200	2,000 On-Site 5,000 1/2 Mile Radius	500 On-Site
Private Suites	19;18 Person Suites		30;26 Person Suites		8;16 Person Suites
Reception Room	VIP Room Seats 200	Donors Room Seats 125	4 "VIP" Rooms Seats 6,000	"VIP" Room Seats 600	4 "VIP" Rooms Seats 325

Source: Ellerbe Becket, Inc.

	Miami Arena Miama, FL	Charlotte Coliseum Charlotte, NC	Bradley Center Milwaukee, WI	The Palace Auburn Hills, MI
Construction Start	October 1986	November 1985	October 1986	June 1986
Opening Date	July 1988	August 1988	October 1988	August 1988
Construction Cost	\$52.0 M	\$47.4 M	\$71.0 M	\$70.0 M
Square Footage	300,000	465,000	598,700	470,000
Seating/Basketball	15,506	23,300	18,400	21,455
Cost/SF	\$173	\$102	\$119	\$149
Cost/Seat	3,353	2,035	3,859	3,628
Adjust Cost To Jan. 1990 (Per ENR Index)	53,461,500	51,666,000	73,840,000	74,721,350
SF/Seat	19.35	19.96	32.54	21.90
Site Area	8.7 Acres	110 Acres	5 Acres	92.3 Acres
Parking	Downtown/ Private	8,000	Downtown/ Private	8,000
Private Suites	18;18-20 Persons Each	12;10-18 Persons Each	68; 9-12 Persons Each	180; 2,160 Persons Total
Reception Room		Hospitality Room Seats 400	Bradley Room Seats 120	Banquet Room Seats 200

Source: Ellerbe Becket, Inc.

**5. Financing**

Forecasted Operating Results of  
Proposed On-Campus Arena

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This chapter summarizes the forecasted results of operations of the recommended on-campus, 14,000-seat, multi-purpose arena. Management's objectives in this analysis included maximizing the amount of debt that net revenues from the operations of the new facility could service. This objective would decrease, as much as possible, the need for additional capital from other sources to develop the project.

This introduction summarizes the forecasted results of operations and looks at several alternative financing scenarios. The reader should refer to the forecasted financial statements, including the Summary of Significant Notes and Assumptions, found later in this section of the report, to obtain the detailed assumptions underlying this analysis.

The forecasted financial statements reflect only revenues and expenses incremental to current operations which are forecasted to result from the operation of the proposed arena. The incremental revenues consist of:

- . licensing of private suites;
- . establishment of a preferred seating program;
- . new sponsorships in connection with naming rights and other exclusive rights contracts;
- . selling of advertising within the arena;
- . new ticket revenues resulting from the assumed increase in average attendance at men's hockey events, along with revenues from new special events to be held in the arena;

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- . increased per capita concessions spending;
- . incremental parking revenue;
- . membership fees to a private club; and
- . rental of the ice sheet for community activities.

The forecasted results of incremental revenues and expenses indicate an anticipated operating cash shortfall, after debt service, averaging approximately \$500,000 during the first nine years of operations. After that, it is anticipated that the incremental revenues and expenses will generate cash distributions averaging approximately \$1,200,000 annually to the University over the next ten years. Subsequent years are also expected to generate additional cash distributions.

The following table reflects the project cash balances, operating cash flow after debt service, and cash distribution from the project resulting from the forecasted incremental revenues and expenses of the arena:

<u>Year Ending Oct. 31,</u>	<u>Forecasted Cash Balance Beginning of Year</u>	<u>After Debt Service Operating Cash Flow Deficits (1)</u>	<u>Forecasted Cash Distributions From Project</u>	<u>Forecasted Cash Balance End of Year</u>
1993	\$134,144	\$1,009,234	\$ 0	\$250,000
1994	250,000	607,091	0	250,000
1995	250,000	941,503	0	250,000
1996	250,000	769,054	0	250,000
1997	250,000	680,718	0	250,000
1998	250,000	134,552	0	250,000
1999	250,000	122,824	0	250,000
2000	250,000	82,312	0	250,000
2001	250,000	13,789	0	250,000
2002	250,000	0	57,475	250,000
2003	250,000	0	713,889	250,000
2004	250,000	0	759,468	250,000
2005	250,000	0	839,630	250,000

(1) No provisions have been made to fund the operating cash flow deficits in this base scenario. It is assumed, for purposes of this illustration, that shortfalls will be funded through equity contributions by the University of Minnesota.

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Coopers & Lybrand reviewed several alternatives to alleviate the shortfall during the early years. These options included:

- . Equity funding from within the University, or from the State legislature;
- . Retaining all proceeds from concession operations within the arena;
- . Retaining all estimated parking revenues resulting from events held at the arena; and
- . Adding a \$1 ticket surcharge on men's basketball and a \$0.50 surcharge on men's hockey.

Each of these alternatives is analyzed individually in the following pages.

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Alternatives to Cover Operating Shortfalls

1. Equity Contribution

The most conservative approach would be to fund the shortfall through an equity contribution, in essence, either cash from within the University, or an appropriation directly from the State legislature. The amount needed is estimated to be \$3.0 million on January 1, 1990. This represents the net present value of the early year cash shortfalls. The primary advantage of this approach is that it reduces the need for additional borrowing (debt) on the project. The disadvantage of this option is that there are competing demands for these funds for other University and State of Minnesota projects.

The following table reflects the forecasted project cash balances, operating cash flow, and forecasted cash distributions from the project if an equity investment of \$3.0 million was a part of the project financing:

<u>Year Ending Oct. 31.</u>	<u>Forecasted Cash Balance Beginning of Year</u>	<u>After Debt Service Operating Cash Flow Deficits</u>	<u>Forecasted Cash Distributions From Project</u>	<u>Forecasted Cash Balance End of Year</u>
1993	\$3,913,280	\$652,517	\$ 0	\$3,260,763
1994	3,260,763	398,076	0	2,862,686
1995	2,862,686	796,183	0	2,066,504
1996	2,066,504	707,319	0	1,359,184
1997	1,359,184	643,460	0	715,724
1998	715,724	105,754	0	609,970
1999	609,970	102,202	0	507,767
2000	507,767	67,055	0	440,713
2001	440,713	190,713	0	250,000
2002	250,000	0	234,399	250,000
2003	250,000	0	713,889	250,000
2004	250,000	0	759,468	250,000
2005	250,000	0	839,630	250,000

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## 2. Concession Revenues

The next option Coopers & Lybrand analyzed was retaining all proceeds from concession operations within the arena. The forecasted results of incremental revenues and expenses depicted herein reflect only the concession revenues from an additional 2,375 persons per game at men's hockey events, plus an estimated 50 cents per capita for all other attendees at events held in the proposed arena. By retaining all concession profits within the project, increasing the tax-exempt bond financing by \$2.1 million to \$54.6 million, and keeping all other assumptions constant, the forecasted results indicate the project could potentially be financed entirely from arena operations, and the project would not require any additional outside funding. This option shifts revenue currently flowing to the University Special Events Services Department to the Arena.

The following table reflects the forecasted project cash balances, operating cash flow, and forecasted cash distributions from the project if all proceeds from concessions were included in arena operations:

<u>Year Ending Oct. 31.</u>	<u>Forecasted Cash Balance Beginning of Year</u>	<u>After Debt Service Operating Cash Flow Deficits</u>	<u>Forecasted Cash Distributions From Project</u>	<u>Forecasted Cash Balance End of Year</u>
1993	\$2,246,049	\$461,623	\$ 0	\$1,784,426
1994	1,784,426	174,555	0	1,609,871
1995	1,609,871	559,148	0	1,050,723
1996	1,050,723	430,296	0	620,427
1997	620,427	370,427	0	250,000
1998	250,000	0	286,140	250,000
1999	250,000	0	275,216	250,000
2000	250,000	0	338,589	250,000
2001	250,000	0	430,886	250,000
2002	250,000	0	526,875	250,000
2003	250,000	0	1,209,004	250,000
2004	250,000	0	1,281,326	250,000
2005	250,000	0	1,389,300	250,000

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3. Parking Revenues

Another option Coopers & Lybrand analyzed was retaining all estimated net parking revenues from events held at the arena. The forecasted results depicted herein reflect only the net parking revenues from incremental attendance equivalent to approximately 140,000 persons for all events on an annual basis. Of this amount, 70 percent are assumed to reside off-campus, or utilize other modes of transportation, and it is assumed that there are three persons in each vehicle. By retaining all net parking revenues for arena events, increasing the tax-exempt bond financing by \$3.5 million to \$56.0 million, and keeping all other assumptions constant, the forecasted results indicate the project could potentially be financed entirely from arena operations, and the project would not require any additional outside funding. This option shifts some existing revenues from University Parking Services to the Arena.

The following table reflects the forecasted project cash balances, operating cash flow, and forecasted cash distributions from the project if all net parking revenues were included in arena operations:

Year Ending Oct. 31,	Forecasted Cash Balance Beginning of Year	After Debt Service Operating Cash Flow Deficits	Forecasted Cash Distributions From Project	Forecasted Cash Balance End of Year
1993	\$3,653,986	\$655,934	\$ 0	\$2,998,053
1994	2,998,053	389,994	0	2,608,059
1995	2,608,059	813,630	0	1,794,429
1996	1,794,429	713,526	0	1,080,903
1997	1,080,903	636,939	0	443,964
1998	443,964	84,867	0	359,096
1999	359,096	65,149	0	293,948
2000	293,948	43,948	0	250,000
2001	250,000	0	97,907	250,000
2002	250,000	0	154,495	250,000
2003	250,000	0	826,355	250,000
2004	250,000	0	887,996	250,000
2005	250,000	0	984,863	250,000

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4. Ticket Surcharge

The last option Coopers & Lybrand analyzed was the addition of a \$1 ticket surcharge on men's basketball tickets and a \$0.50 ticket surcharge on men's hockey tickets. The forecasted results of incremental revenues and expenses depicted herein reflect only an inflational increase in ticket prices of four percent over the current levels and for each year thereafter. By adding a surcharge on ticket prices as described above, increasing the tax-exempt bond financing by \$2.7 million to \$55.2 million, and keeping all other assumptions constant, the forecasted results indicate the project could potentially be financed entirely from arena operations, and the project would not require any additional outside funding.

The following table reflects the forecasted cash balances, operating cash flow after debt service and cash distributions from the project resulting from addition of a \$1 ticket surcharge on men's basketball and a \$0.50 ticket surcharge on men's hockey, and a \$2.7 million increase in the tax-exempt bond financing:

Year Ending Oct. 31,	Forecasted Cash Balance Beginning of Year	After Debt Service Operating Cash Flow Deficits	Forecasted Cash Distributions From Project	Forecasted Cash Balance End of Year
1993	\$2,849,451	\$562,564	\$ 0	\$2,286,887
1994	2,286,887	284,493	0	2,002,394
1995	2,002,394	685,982	0	1,316,412
1996	1,316,412	570,439	0	745,973
1997	745,973	495,973	0	250,000
1998	250,000	0	102,306	250,000
1999	250,000	0	114,178	250,000
2000	250,000	0	173,091	250,000
2001	250,000	0	260,751	250,000
2002	250,000	0	351,917	250,000
2003	250,000	0	1,029,030	250,000
2004	250,000	0	1,096,135	250,000
2005	250,000	0	1,198,684	250,000

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UNIVERSITY OF MINNESOTA  
PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA  
FORECASTED FINANCIAL STATEMENTS  
FOR THE YEARS ENDING OCTOBER 31, 1993 THROUGH 2005

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C O N T E N T S

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ACCOUNTANTS' COMPILATION REPORT

Mr. Gordon M. Donhowe  
Vice President for Finance  
Chairman of the Sports and Recreational  
Facilities Planning Committee  
Minneapolis, Minnesota

We have prepared the accompanying forecasted balance sheet and statements of operations and cash flow for the construction and operation of a proposed multi-purpose arena on the campus of the University of Minnesota for the years ending October 31, 1993, through October 31, 2005, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of a forecast, information that is the representation of management of the University of Minnesota, and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast, and, accordingly, do not express an opinion, or any other form of assurance on the accompanying statements or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Minneapolis, Minnesota  
November 28, 1989

UNIVERSITY OF MINNESOTA  
PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA  
FORECASTED BALANCE SHEETS  
as of October 31, 1993 through 2005

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>ASSETS</b>													
Current assets:													
Cash and cash equivalents	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Total current assets	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Property, Plant and Equipment:													
Building	48,860,856	48,860,856	48,860,856	48,860,856	48,860,856	48,860,856	48,860,856	48,860,856	48,860,856	48,860,856	48,860,856	48,860,856	48,860,856
Equipment	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000
Replacement reserve	92,386	188,468	288,393	392,315	500,394	612,795	29,694	151,267	277,704	409,199	545,953	688,177	836,091
Less accumulated depreciation	51,553,242 (1,995,618)	51,649,324 (3,991,235)	51,749,249 (5,986,853)	51,853,171 (7,982,471)	51,961,250 (9,978,089)	52,073,651 (11,973,706)	52,190,549 (14,069,324)	52,312,123 (15,816,846)	52,438,560 (17,564,369)	52,570,055 (19,311,891)	52,706,809 (21,059,414)	52,849,033 (22,806,936)	52,996,947 (24,554,459)
Net Property, Plant and Equipment	49,557,624	47,658,088	45,762,396	43,870,700	41,983,161	40,099,945	38,121,226	36,495,277	34,874,192	33,258,163	31,647,395	30,042,097	28,442,488
Other assets:													
Financing costs, net	604,167	583,333	562,500	541,667	520,833	500,000	479,167	458,333	437,500	416,667	395,833	375,000	354,167
Administrative and preopening costs, net	280,000	210,000	140,000	70,000	0	0	0	0	0	0	0	0	0
Marketing costs, net	14,000	10,500	7,000	3,500	0	0	0	0	0	0	0	0	0
Total other assets	898,167	803,833	709,500	615,167	520,833	500,000	479,167	458,333	437,500	416,667	395,833	375,000	354,167
<b>Total assets</b>	<b>\$50,705,791</b>	<b>\$48,711,922</b>	<b>\$46,721,896</b>	<b>\$44,735,867</b>	<b>\$42,753,994</b>	<b>\$40,849,945</b>	<b>\$38,850,392</b>	<b>\$37,203,610</b>	<b>\$35,561,692</b>	<b>\$33,924,830</b>	<b>\$32,293,228</b>	<b>\$30,667,097</b>	<b>\$29,046,654</b>
<b>LIABILITIES AND OWNERS' EQUITY (DEFICIENCY)</b>													
Current liabilities:													
Current portion of long-term debt	\$0	\$531,280	\$569,798	\$611,108	\$655,413	\$702,931	\$753,893	\$808,551	\$867,171	\$930,041	\$997,468	\$1,069,785	\$1,147,344
Total current liabilities	0	531,280	569,798	611,108	655,413	702,931	753,893	808,551	867,171	930,041	997,468	1,069,785	1,147,344
Long-term debt	52,500,000	51,968,720	51,398,922	50,787,814	50,132,401	49,429,470	48,675,576	47,867,025	46,999,855	46,069,814	45,072,346	44,002,561	42,855,217
Prepaid deposits	87,500	113,750	122,500	131,250	131,250	157,500	157,500	157,500	157,500	157,500	189,000	189,000	189,000
Owners' equity (deficiency):													
Contributed capital	1,009,234	1,616,326	2,557,829	3,353,883	4,034,601	4,169,153	4,291,977	4,374,288	4,388,077	4,388,077	4,388,077	4,388,077	4,388,077
Retained earnings (deficit)	(2,890,943)	(5,518,154)	(7,927,153)	(10,148,188)	(12,199,671)	(13,609,108)	(15,028,554)	(16,003,754)	(16,850,911)	(17,620,602)	(18,353,663)	(18,982,326)	(19,532,983)
<b>Total liabilities and owners' equity (deficiency)</b>	<b>\$50,705,791</b>	<b>\$48,711,922</b>	<b>\$46,721,896</b>	<b>\$44,735,867</b>	<b>\$42,753,994</b>	<b>\$40,849,945</b>	<b>\$38,850,392</b>	<b>\$37,203,610</b>	<b>\$35,561,692</b>	<b>\$33,924,830</b>	<b>\$32,293,228</b>	<b>\$30,667,097</b>	<b>\$29,046,654</b>

The Summary of Significant Notes and Assumptions is an integral part of the forecasted financial statements.

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UNIVERSITY OF MINNESOTA  
PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA  
FORECASTED STATEMENTS OF OPERATIONS  
for the years ended October 31, 1993 through 2005

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>Event revenues:</b>													
Admissions	\$764,591	\$795,175	\$826,982	\$860,061	\$894,464	\$930,242	\$967,452	\$1,006,150	\$1,046,396	\$1,088,252	\$1,131,782	\$1,177,053	\$1,224,135
Concessions	266,846	281,535	296,305	310,155	324,279	337,250	350,740	364,769	379,360	394,535	410,316	426,729	443,798
Novelties	23,497	25,310	27,085	28,603	30,120	31,325	32,578	33,881	35,236	36,646	38,112	39,636	41,221
<b>Non-event revenues:</b>													
Private suites and preferred seating	838,643	1,019,879	1,152,915	1,215,636	1,254,030	1,611,937	1,584,801	1,556,579	1,527,228	1,496,703	1,925,757	1,892,741	1,858,405
Parking	94,095	97,906	101,863	105,961	110,219	114,628	119,213	123,982	128,941	134,098	139,462	145,041	150,842
Signage and sponsorship	701,915	729,992	759,191	789,559	821,141	853,987	888,147	923,672	960,619	999,044	1,039,006	1,080,566	1,123,789
Ice rentals	100,000	104,000	108,160	112,486	116,986	121,665	126,532	131,593	136,857	142,331	148,024	153,945	160,103
Private club memberships	375,000	375,000	375,000	375,000	375,000	450,000	450,000	450,000	450,000	450,000	540,000	540,000	540,000
<b>Total revenues</b>	<b>3,164,588</b>	<b>3,428,796</b>	<b>3,647,502</b>	<b>3,797,462</b>	<b>3,926,239</b>	<b>4,451,034</b>	<b>4,519,462</b>	<b>4,590,626</b>	<b>4,664,637</b>	<b>4,741,609</b>	<b>5,372,459</b>	<b>5,455,711</b>	<b>5,542,294</b>
<b>Operating expenses:</b>													
Event-related operating expenses	90,079	93,682	97,430	101,327	105,380	109,595	113,979	118,538	123,279	128,211	133,339	138,673	144,220
Non-event related operating expenses	92,600	96,304	100,156	104,163	108,329	112,662	117,169	121,855	126,730	131,799	137,071	142,554	148,256
<b>Total operating expenses</b>	<b>182,679</b>	<b>189,986</b>	<b>197,586</b>	<b>205,489</b>	<b>213,709</b>	<b>222,257</b>	<b>231,148</b>	<b>240,393</b>	<b>250,009</b>	<b>260,010</b>	<b>270,410</b>	<b>281,226</b>	<b>292,475</b>
<b>Income from operations</b>	<b>2,981,909</b>	<b>3,238,810</b>	<b>3,449,916</b>	<b>3,591,972</b>	<b>3,712,530</b>	<b>4,228,777</b>	<b>4,288,314</b>	<b>4,350,233</b>	<b>4,414,628</b>	<b>4,481,599</b>	<b>5,102,049</b>	<b>5,174,485</b>	<b>5,249,818</b>
<b>Other income (expense):</b>													
Interest income:													
Cash balances	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Replacement reserve balances	3,349	10,181	17,286	24,676	32,361	40,353	23,290	6,560	15,550	24,900	34,624	44,737	55,255
Depreciation and amortization	(2,089,951)	(2,089,951)	(2,089,951)	(2,089,951)	(2,089,951)	(2,016,451)	(2,116,451)	(1,768,356)	(1,768,356)	(1,768,356)	(1,768,356)	(1,768,356)	(1,768,356)
Interest expense	(3,806,250)	(3,806,250)	(3,806,250)	(3,767,732)	(3,726,422)	(3,682,117)	(3,634,599)	(3,583,637)	(3,528,979)	(3,470,359)	(3,407,489)	(3,340,062)	(3,267,745)
<b>Total other income (expense)</b>	<b>(5,872,852)</b>	<b>(5,866,020)</b>	<b>(5,858,915)</b>	<b>(5,813,008)</b>	<b>(5,764,012)</b>	<b>(5,638,214)</b>	<b>(5,707,760)</b>	<b>(5,325,433)</b>	<b>(5,261,785)</b>	<b>(5,193,815)</b>	<b>(5,121,221)</b>	<b>(5,043,680)</b>	<b>(4,960,846)</b>
<b>Net income (loss)</b>	<b>(\$2,890,943)</b>	<b>(\$2,627,210)</b>	<b>(\$2,408,999)</b>	<b>(\$2,221,035)</b>	<b>(\$2,051,482)</b>	<b>(\$1,409,437)</b>	<b>(\$1,419,446)</b>	<b>(\$975,200)</b>	<b>(\$847,157)</b>	<b>(\$712,216)</b>	<b>(\$19,172)</b>	<b>\$130,805</b>	<b>\$288,972</b>

The Summary of Significant Notes and Assumptions is an integral part of the forecasted financial statements.

**DRAFT**  
FOR DISCUSSION PURPOSES ONLY  
SUBJECT TO REVISION

UNIVERSITY OF MINNESOTA  
 PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA  
 FORECASTED STATEMENTS OF CASH FLOWS  
 for the years ended October 31, 1993 through 2005

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>Cash Flows From Operating Activities:</b>													
Net income (loss)	(\$2,890,943)	(\$2,627,210)	(\$2,408,999)	(\$2,221,035)	(\$2,051,482)	(\$1,409,437)	(\$1,419,446)	(\$975,200)	(\$847,157)	(\$712,216)	(\$19,172)	\$130,805	\$288,972
Adjustments to reconcile net income to net cash provided by operating activities:													
Depreciation and amortization	2,089,951	2,089,951	2,089,951	2,089,951	2,089,951	2,016,451	2,116,451	1,768,356	1,768,356	1,768,356	1,768,356	1,768,356	1,768,356
Net cash provided by operating activities	(800,992)	(537,259)	(319,048)	(131,084)	38,469	607,014	697,005	793,156	921,199	1,056,140	1,749,184	1,899,161	2,057,328
<b>Net Cash From Investing Activities:</b>													
Purchase of property, plant and equipment	0	0	0	0	0	0	(700,000)	0	0	0	0	0	0
(Increases) decreases in replacement reserve	(92,386)	(96,082)	(99,925)	(103,922)	(108,079)	(112,402)	583,102	(121,574)	(126,437)	(131,494)	(136,754)	(142,224)	(147,913)
Net cash used in investing activities	(92,386)	(96,082)	(99,925)	(103,922)	(108,079)	(112,402)	(116,898)	(121,574)	(126,437)	(131,494)	(136,754)	(142,224)	(147,913)
<b>Net Cash From Financing Activities:</b>													
Repayment of special-purpose bonds	0	0	(531,280)	(569,798)	(611,108)	(655,413)	(702,931)	(753,893)	(808,551)	(867,171)	(930,041)	(997,468)	(1,069,785)
Increase (decrease) in prepaid deposits	0	26,250	8,750	8,750	0	26,250	0	0	0	0	31,500	0	0
Equity contributions to fund cash shortfalls	1,009,234	607,091	941,503	796,054	680,718	134,552	122,824	82,312	13,789	0	0	0	0
Distributions to University of Minnesota	0	0	0	0	0	0	0	0	0	(57,475)	(713,889)	(759,468)	(839,630)
Net cash provided (used) by financing activities	1,009,234	633,341	418,973	235,006	69,610	(494,612)	(580,107)	(671,582)	(794,762)	(924,646)	(1,612,430)	(1,756,936)	(1,909,415)
Increase (decrease) in cash and cash equivalents	115,856	(0)	0	0	0	(0)	0	0	(0)	0	(0)	0	0
Cash and cash equivalents, beginning of year	134,144	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Cash and cash equivalents, end of year	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000

The Summary of Significant Notes and Assumptions is an integral part of the forecasted financial statements.

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UNIVERSITY OF MINNESOTA  
PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND NOTES  
TO THE FORECASTED FINANCIAL STATEMENTS

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The forecasted financial statements of the University of Minnesota's proposed on-campus Multi-Purpose Arena for the years ending October 31, 1993 through 2005 reflects judgment as of November 28, 1989, the date of this forecast. This is a forecast of expected conditions and expected courses of action if the new Multi-Purpose Arena is constructed on the University of Minnesota, Minneapolis campus.

The forecasted financial statements presented and assumptions and notes to these financial statements include only those revenues and expenses to be generated from the Arena that are incremental to current operations. This presentation is designed to assist representatives of the University of Minnesota Athletic Department in determining the incremental financial effects of the proposed Arena.

The accompanying forecast and this report were prepared for the University of Minnesota for the purpose of analyzing the potential cash flow resulting from a new on-campus arena, and cannot be considered to be a presentation of expected future results. Accordingly, these forecasted financial statements may not be useful for other purposes. The assumptions disclosed herein are those deemed to be significant to the forecast; however, a decision has not yet been made to construct the Arena. Even if the Arena is constructed, there will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

PROPOSED UNIVERSITY OF MINNESOTA  
PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND NOTES  
TO THE FORECASTED FINANCIAL STATEMENTS, Continued

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1. Background:

The University of Minnesota is considering the development of a new multi-purpose arena (the "Arena") to be located on the Minneapolis campus of the University of Minnesota. The proposed Arena reflected in this forecast will seat approximately 14,000 persons for basketball and hockey, and will include up to 35 private suites with an average of 12 seats each. It is assumed that the Arena will be used primarily by the University of Minnesota men's basketball and hockey programs. In addition, the Arena may be used for other collegiate events or shows. The Arena will also include an Arena Club with a restaurant and lounge. The Arena is assumed to be financed primarily out of the proceeds of a \$52.5 million tax-exempt bond offering. Construction of the Arena is assumed to commence in November 1990, with operations commencing in November 1992.

2. Summary of Significant Accounting Policies:

These forecasted financial statements were prepared on the cash basis of accounting, and are not intended to be a presentation in conformity with generally accepted accounting principles.

INVENTORIES:

No inventories have been presented in the forecasted financial statements. Any inventories would include primarily supplies and concession items. These balances would not be material in amount.

PROPOSED UNIVERSITY OF MINNESOTA  
PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND NOTES  
TO THE FORECASTED FINANCIAL STATEMENTS, Continued

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PROPERTY, PLANT, AND EQUIPMENT:

Property, plant, and equipment is stated at cost, including capitalized construction period interest. Expenditures for maintenance, repairs, and minor renewals and betterments that do not improve or extend the life of the respective assets are expensed as incurred. Upon sale or retirement of property, plant, and equipment, the cost and related accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss is included in the statement of operations. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets.

YEAR-END:

The fiscal year-end is assumed to be October 31.

INCOME TAXES AND REAL ESTATE TAXES:

The forecasted financial statements assume the Arena will be owned by the University of Minnesota, which is a tax-exempt entity. Consequently, no provisions for federal or state income taxes or real estate taxes have been reflected.

CASH EQUIVALENTS:

For purposes of the statements of cash flows, all highly liquid debt instruments purchased with a maturity of three months or less are assumed to be cash equivalents.

PROPOSED UNIVERSITY OF MINNESOTA  
 PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND NOTES  
 TO THE FORECASTED FINANCIAL STATEMENTS, Continued

3. Opening Balance Sheet:

The assumed balance sheet of the proposed on-campus Multi-Purpose Arena as of November 1, 1992, is, as follows:

Cash and cash equivalents		\$ 134,144
Property, plant, and equipment:		
Building	\$48,860,856	
Equipment	<u>2,600,000</u>	51,460,856
Other assets:		
Financing costs, net	625,000	
Administrative and pre-opening costs, net	350,000	
Marketing costs, net	<u>17,500</u>	<u>992,500</u>
Total assets		<u>\$52,587,500</u>
Long-term debt		52,500,000
Prepaid deposit		<u>87,500</u>
		<u>\$52,587,500</u>

4. Sources and Uses of Funds During Construction:

The sources from which funding is assumed to be obtained and used in the Arena's construction and permanent financing are summarized below. The interest rates on the various loans are at assumed rates as of the date of the forecast, which represents management's most likely estimates. The actual rates may vary based upon the rates available at the time the loans are negotiated.

SOURCES OF FUNDS:

Tax-exempt bond issue	\$52,500,000	(A)
Interim internal financing	1,870,000	(B)
Prepaid deposits on private suites	87,500	(C)
Interest income, construction fund balances	<u>4,417,726</u>	(D)
Total sources		
		<u>\$58,875,226</u>

PROPOSED UNIVERSITY OF MINNESOTA  
 PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND NOTES  
 TO THE FORECASTED FINANCIAL STATEMENTS, Continued

USES OF FUNDS:

Construction hard costs	39,546,000	(E)
Equipment	2,600,000	(F)
Hard cost contingency	2,904,000	(G)
Architectural, engineering, and construction management fees	2,950,000	(H)
Administrative and pre-opening costs	350,000	(I)
Marketing costs	17,500	(J)
Repayment of interim internal financing	2,005,182	(K)
Financing costs	625,000	(L)
Capitalized construction period in- terest	7,743,400	(M)
Working capital	<u>134,144</u>	
Total uses	<u>\$58,875,226</u>	

- A. The forecast assumes that construction costs of the proposed Arena will be financed primarily out of the proceeds of a \$52.5 million tax-exempt revenue bond offering. Assumed terms include interest only payments of approximately \$3.8 million in the fiscal years ending October 31, 1993 and 1994. Annual payments of principal and interest totaling approximately \$4,338,000 are assumed to commence in the fiscal year ending October 31, 1995. Principal payments are assumed to be made annually over the term of the revenue bonds, 30 years. The annual interest rate on the revenue bonds is assumed to be 7.25 percent. The forecast assumes that no additional costs for land for the Arena will be incurred by the Arena project.
- B. The forecast assumes that the University will finance the design phase of the project with a 12-month interim internal loan of \$1,870,000 at an assumed interest rate of 7 percent per annum. This financing will be obtained at the beginning of the project, and will be repaid out of proceeds of the University of Minnesota Arena Revenue Bonds.

PROPOSED UNIVERSITY OF MINNESOTA  
PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND NOTES  
TO THE FORECASTED FINANCIAL STATEMENTS, Continued

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- C. The forecast assumes that the Arena will receive deposits of \$5,000 from the lessees of the private suites upon lease signing. The deposits received in 1992 and 1993 will be applied to construction. Additional deposits received in subsequent years will be available for operations.
- D. The forecast assumes that the bond proceeds will be placed in escrow at the beginning of the construction period, and the unused portion of the proceeds will earn an assumed interest rate of 8.25 percent per annum for the first six months following the bond issuance and 7.25% in all months thereafter.
- E. Construction costs are assumed to include the following:
- |                         |                     |
|-------------------------|---------------------|
| Hard construction costs | \$35,846,000        |
| Site and utilities      | 2,000,000           |
| Stadium demolition      | <u>1,700,000</u>    |
| Total                   | <u>\$39,546,000</u> |
- F. The forecast assumes that approximately \$2.6 million will be expended for furnishings, concession, and other equipment required for operation of the facility.
- G. The forecast assumes a construction contingency of \$2,904,000 will be used in the actual project.
- H. The forecast assumes architectural, engineering, and construction management fees of \$2,950,000.

PROPOSED UNIVERSITY OF MINNESOTA  
PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND NOTES  
TO THE FORECASTED FINANCIAL STATEMENTS, Continued

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- I. The forecast assumes administrative and pre-opening expenses of \$350,000.
- J. The forecast assumes marketing costs of the private suites and preferred seats are 20 percent of aggregate deposits received, or \$17,500.
- K. The 12-month interim internal loan and related interest expense will be paid using part of the proceeds of the tax-exempt revenue bond offering.
- L. The forecast assumes financing costs are approximately 1.2 percent of the bonds issued, or \$625,000.
- M. Capitalized construction period interest reflects the construction-period interest expense accumulated during the 34-month development period. The forecast assumes the \$52.5 million tax-exempt bond proceeds will be available for utilization at the commencement of the construction period, assumed to be January 1, 1991.

Construction period interest expense, exclusive of other financing fees, as noted in (L) above, is assumed to be 7.25 percent annually on the bonds. Surplus funds during the development period are assumed to be placed in escrow to earn 8.25 percent on an annual basis for the first six months after issuance and 7.25 percent for all months thereafter.

PROPOSED UNIVERSITY OF MINNESOTA  
PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND NOTES  
TO THE FORECASTED FINANCIAL STATEMENTS, Continued

5. Summary of Significant Assumptions to the Forecasted Balance Sheets:

CASH AND CASH EQUIVALENTS:

Management assumes it will maintain a minimum cash balance of \$250,000. All available cash and cash equivalent balances are assumed to be invested at an annual interest rate of 8 percent. Cash balances in excess of the minimum cash balance are assumed to be distributed to the University of Minnesota.

PROPERTY, PLANT, AND EQUIPMENT:

It is forecasted that property, plant, and equipment will be acquired by the University of Minnesota for the construction and operation of a proposed multi-purpose arena.

The following capital expenditures are forecasted for the construction period of January 1, 1991, through October 31, 1992:

	Cumulative Capital Expenditure Through <u>October 31, 1992</u>
Building construction	\$48,860,856
Equipment	<u>2,600,000</u>
Total expenditures	<u>\$51,460,856</u>

It is assumed that \$700,000 of additional equipment will be purchased in 1999. This amount will be funded with the balance in the Replacement Reserve.



PROPOSED UNIVERSITY OF MINNESOTA  
PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND NOTES  
TO THE FORECASTED FINANCIAL STATEMENTS, Continued

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REPLACEMENT RESERVE:

A replacement reserve will be established for anticipated future capital improvements. The initial improvements of \$700,000 are forecasted to take place in the period ending October 31, 1999. The replacement reserve will be accrued at the rate of 0.18 percent of total building and equipment costs per annum. Interest income is assumed to be earned on the reserve balance at the rate of 7.25 percent.

OTHER ASSETS:

Financing, administrative, and pre-opening, and marketing expenditures incurred in opening the Arena are recorded at cost, and are amortized on the straight-line method over a five-year period beginning with commencement of operations.

LONG-TERM DEBT:

The forecasted terms of the revenue bonds are summarized herein. It is assumed that the bonds will be offered for sale on or about January 1, 1991.

PROPOSED UNIVERSITY OF MINNESOTA  
PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND NOTES  
TO THE FORECASTED FINANCIAL STATEMENTS, Continued

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University of Minnesota Arena Revenue Bonds

Amount: \$52,500,000

Term: 30 years

Interest Rate: 7.25 percent

Debt Service: Interest payments are due on January 1 and July 1, with the first payment due July 1, 1991. Principal payments will be made annually beginning January 1, 1995.

PRE-PAID DEPOSITS:

It is assumed that deposits will be collected upon the initial licensing of private suites in the amount of \$5,000 per suite. These pre-paid deposits will increase at the rate of 20 percent for each five-year renewal period, reflecting an underlying inflation of 4 percent per annum. Interest on pre-paid deposits are assumed to be used by operations.

INTERIM INTERNAL FINANCING:

It is assumed that interim financing in the amount of \$1,870,000 will be provided by management from available funds on or about January 1, 1990. This interim financing will be used to fund construction draws prior to issuance of the University of Minnesota Arena Revenue Bonds. The term of the financing is assumed to be 12 months. Interest expense

PROPOSED UNIVERSITY OF MINNESOTA  
PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND NOTES  
TO THE FORECASTED FINANCIAL STATEMENTS, Continued

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will be incurred at an annual rate of 7 percent. This borrowing is assumed to be repaid out of the University of Minnesota Arena Revenue Bond proceeds.

CONTRIBUTED CAPITAL:

It is assumed that any operating cash shortfalls from the multi-purpose arena be funded through equity contributions from the University of Minnesota.

6. Summary of Significant Assumptions to the Forecasted Statements of Operations:

REVENUES:

The annual number of events staged and number of tickets sold are assumed to remain constant during the forecast period. Ticket prices and other revenues are assumed to increase at an annual inflation rate of 4 percent per annum. In addition, it is assumed that incremental concessions and novelties are subject to a 3.5 percent City tax. All of the assumptions are based on information provided by the University of Minnesota Athletic Department.

Assumptions related to specific event revenue sources are, as follows:

PROPOSED UNIVERSITY OF MINNESOTA  
PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND NOTES  
TO THE FORECASTED FINANCIAL STATEMENTS, Continued

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BASKETBALL:

The forecast assumes that the University of Minnesota men's basketball team will play 16 regular season games in the proposed facility with an average paid attendance of 13,550 per game, with 5 percent "no-shows." It is assumed that moving the men's basketball games from Williams/Mariucci Arena to the new multi-purpose arena will not result in an incremental increase in attendance, with the exception of 278 additional seats sold in 1993 that are attributed to private suites and preferred seats. Incremental per capita concession spending for all attendees is assumed to be approximately \$0.58 in 1993 dollars, with the Arena netting 50 percent of the gross concession revenues. Per capita novelty spending is assumed to be approximately \$1.17 in 1993 dollars, with the Arena netting 35 percent of the gross novelties revenues. Incremental revenues to the Arena from men's basketball games are summarized, as follows:

	<u>1993</u>
Concession revenues	\$65,270
Novelties revenues	<u>1,667</u>
Total incremental revenues	<u>\$66,937</u>

PROPOSED UNIVERSITY OF MINNESOTA  
PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND NOTES  
TO THE FORECASTED FINANCIAL STATEMENTS, Continued

HOCKEY:

The forecast assumes that moving the hockey games from Williams/Mariucci Arena to the new multi-purpose arena will result in an incremental increase in attendance of 2,500 persons per game at an average net ticket price of \$6.48. Incremental per capita concession spending at hockey games is assumed to be approximately \$0.58 in 1993 dollars for all attendees, assumed to average paid attendance of 8,952 per game. It is assumed the hockey team will play 21 regular season games in the Arena, with 5 percent "no-shows," with the Arena netting 50 percent of the gross concession revenues. Per capita novelty spending is assumed to be approximately \$0.88 in 1993 dollars, with the Arena netting 35 percent of the gross novelties revenues. Incremental revenues to the Arena from hockey games are summarized, as follows:

	<u>1993</u>
Admission revenues	\$398,233
Concession revenues	114,521
Novelties revenues	<u>16,421</u>
Total incremental revenues	<u>\$529,175</u>

HOCKEY PLAY-OFFS:

The forecast assumes that an average of three hockey play-off games will be played in the Arena annually, with an average paid attendance of 10,500 per game, with 5 percent "no-shows." It is assumed that moving the hockey games from Williams/Mariucci Arena to the new multi-purpose arena will result in an incremental increase in attendance of 2,500

PROPOSED UNIVERSITY OF MINNESOTA  
 PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND NOTES  
 TO THE FORECASTED FINANCIAL STATEMENTS, Continued

persons per game. The average net base ticket price reverting to the University of Minnesota is assumed to be approximately \$3.21 in 1993 dollars because of revenue-sharing agreements with the Conference and the opposing team's institution. Incremental per capita concession spending at hockey play-off games is assumed to be approximately \$0.58 in 1993 dollars, with the Arena netting 50 percent of the gross concession revenues. Per capita novelties spending is assumed to be approximately \$0.88 in 1993 dollars, with the Arena netting 35 percent of the gross novelties revenues. Incremental revenues to the Arena from hockey play-off games are summarized, as follows:

	<u>1993</u>
Admission revenues	\$24,038
Concession revenues	19,839
Novelties revenues	<u>2,346</u>
 Total incremental revenues	 <u>\$46,223</u>

OTHER UNIVERSITY TEAMS:

The forecast assumes that the University of Minnesota women's basketball, women's volleyball, women's gymnastics, men's gymnastics, and wrestling teams will hold the following number of events per year in the new multi-purpose arena:

	Number of Annual Events	Average Net Ticket Price (1993 \$)	Incremental Attendance Per Event
Women's basketball	13	\$2.33	1,134
Women's volleyball	13	2.33	1,182
Women's gymnastics	4	1.74	250
Men's gymnastics	4	3.10	250
Wrestling	5	3.54	0

PROPOSED UNIVERSITY OF MINNESOTA  
PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND NOTES  
TO THE FORECASTED FINANCIAL STATEMENTS, Continued

Incremental per capita concession spending at these events is assumed to be approximately \$0.23 for women's basketball events and \$0.12 for the remaining events in 1993 dollars, with the Arena netting 46 percent of the gross concession revenues. Average per capita novelties spending is assumed to be \$0.29 in 1993 dollars, with the Arena netting 35 percent of the gross novelties revenues. Incremental revenues from other University Team's events are summarized, as follows:

	<u>1993</u>
Admission revenues	\$74,962
Concession revenues	16,876
Novelties revenues	<u>3,064</u>
Total revenues	<u>\$94,902</u>

OTHER EVENTS:

The forecast assumes that four other large events will be held in the Arena annually with an average paid attendance of 7,000 per event, with 2 percent "no-shows." Average net ticket price is assumed to be approximately \$5.85 in 1993 dollars. Average base per capita concession spending at these events is assumed to be approximately \$2.34 in 1993 dollars, and the forecast assumes that the Arena will retain 50 percent of the gross concession revenues. Total revenues to the Arena from other events are summarized, as follows:

	<u>1993</u>
Admission revenues	\$164,528
Concession revenue	<u>30,977</u>
Total revenues	<u>\$195,505</u>

PROPOSED UNIVERSITY OF MINNESOTA  
PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND NOTES  
TO THE FORECASTED FINANCIAL STATEMENTS, Continued

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The forecast also assumes that ten other smaller events will be held in the Arena annually with an average paid attendance of 1,750 per event, with 2 percent "no-shows." Average net ticket price is assumed to be approximately \$5.85 in 1993 dollars. Average base per capital concession spending at these events is assumed to be approximately \$2.34 in 1993 dollars, and the forecast assumes that the Arena will retain 50 percent of the gross concession revenues. Total revenues to the Arena from other events are summarized, as follows:

	<u>1993</u>
Admission revenues	\$102,830
Concession revenue	<u>19,361</u>
Total revenues	<u>\$122,191</u>

ARENA CLUB REVENUE:

The forecast assumes that the Arena will include an Arena Club with a dining room and a lounge capable of servicing 750 members. It is assumed that the Club will be used primarily for basketball and hockey games, where it will be filled to capacity. It is assumed 750 annual Arena Club memberships will be sold for \$500 each throughout the forecast period. It is assumed this membership fee will increase by 20 percent every five years, with the first increase in fiscal year 1998. It is assumed that the Arena will not share the restaurant and lounge revenues and expenses.



PROPOSED UNIVERSITY OF MINNESOTA  
PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND NOTES  
TO THE FORECASTED FINANCIAL STATEMENTS, Continued

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BASE ARENA REVENUES:

Private Suites -- The forecast assumes that up to 35 private suites, with an average of 12 seats each, will be available for lease. There is no option to purchase the suites, but the leases are subject to renewal at the end of the lease term, assumed to range from three to seven years in this forecast. In addition, it is assumed that 25% of the seats in the leased suites are new or incremental seats sold. It is assumed that tickets to men's basketball and hockey games are included in the lease payments.

It is also assumed that the lease-up period to a mature occupancy level will require approximately four years after commencement of operations.

Lease rates are assumed to increase by 20 percent every five years, with the first increase in fiscal year 1998. It is assumed that all lease payments will be required at the beginning of each fiscal year.

Preferred Seating -- It is assumed that the proposed Arena will include 2,000 preferred seats, which will be available for lease over a three- to seven-year term with a renewal option. Annual lease payments are assumed to increase by 20 percent every five years, with the first increase in fiscal year 1998. In addition, it is assumed that 25 percent of the preferred seats leased are new or incremental seats sold. Tickets to men's basketball and hockey games are assumed to be included in the lease payments.

PROPOSED UNIVERSITY OF MINNESOTA  
PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND NOTES  
TO THE FORECASTED FINANCIAL STATEMENTS, Continued

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It is also assumed that the lease-up period to a mature occupancy level will require approximately five years after commencement of operations.

It is assumed that all lease payments will be required at the beginning of each fiscal year.

Incremental Parking Revenue -- The forecast assumes that there will be \$94,095 of annual revenue (in 1993 dollars) from incremental parking revenue for Arena events. This amount is assumed to increase by 4 percent annually. The price per vehicle is assumed to be \$2.50, with an average of three passengers per vehicle. It is assumed that 30 percent of incremental attendance resides on campus, or use transportation other than automobiles, and are not included in the incremental parking revenue. Only attendees assumed to be above current average attendance for events are included in this calculation.

Signage and Sponsorship Revenue -- The forecast assumes that there will be approximately \$700,000 of annual revenue (in 1993 dollars) from advertising in the Arena. Advertising includes fixed board advertising, sponsorship of specific events, and the granting of exclusive contract rights. This amount is assumed to increase by 4 percent annually.

Ice Rentals -- It is assumed that the ice sheet in the proposed Arena will be rented to local groups during periods of inactivity, resulting in annual gross revenues totalling \$100,000 in 1993, and will increase 4 percent per year thereafter.

PROPOSED UNIVERSITY OF MINNESOTA  
PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND NOTES  
TO THE FORECASTED FINANCIAL STATEMENTS, Continued

INTEREST INCOME:

It is assumed that the following interest rates will be earned on cash balances throughout the forecast period:

Cash and cash equivalent balances	8.00%
Replacement reserve balances	7.25

INCREMENTAL EVENT-RELATED EXPENSES:

Event-related expenses include all costs incurred solely as a result of holding an event. All event-related expenses are based on information provided by the University of Minnesota, and are assumed to increase 4 percent annually for inflation. All sports events with the exception of hockey are assumed to have no incremental event-related expenses. The Arena will incur a \$2,300 ice conversion cost for each hockey event held. The other large events that will be held in the Arena are assumed to have approximately \$5,850 (in 1993 dollars) in incremental set-up, take-down, usher, box office, and cleaning costs associated with each event. The other smaller events are assumed to have approximately \$1,750 in costs per event for these items. Total incremental event-related expenses from all events are summarized, as follows:

	<u>1993</u>
Hockey	\$49,134
Other large events	23,397
Other small events	<u>17,548</u>
	<u>\$90,079</u>

PROPOSED UNIVERSITY OF MINNESOTA  
PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND NOTES  
TO THE FORECASTED FINANCIAL STATEMENTS, Continued

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INCREMENTAL OPERATING EXPENSES:

Incremental operating expenses include payroll, utilities, insurance, and arena maintenance. All operating expense assumptions are based on information provided by the University of Minnesota, and are assumed to increase 4 percent annually for inflation.

Payroll -- The forecast assumes payroll, which includes wages, salaries, and benefits for full-time employees of the multi-purpose arena will be the same as the costs incurred currently in Williams/Mariucci Arena. Thus, the costs used in this forecast are equal to the incremental increase in expense needed to operate Williams/Mariucci arena as practice facilities. These costs are assumed to be \$30,000.

Utilities -- The forecast assumes that expenses for electricity, gas, and water for the proposed Arena will be the same as the costs incurred currently in Williams/Mariucci Arena. Thus, the costs used in this forecast are equal to the incremental increase in expense needed to operate Williams/Mariucci arena as practice facilities, or approximately \$54,398.

Insurance -- The forecast assumes that liability and property insurance expenses will be the same as costs incurred in Williams/Mariucci Arena. The University of Minnesota is self-insured, and, therefore, incremental insurance expense is assumed to be zero.

PROPOSED UNIVERSITY OF MINNESOTA  
 PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND NOTES  
 TO THE FORECASTED FINANCIAL STATEMENTS, Continued

Arena Maintenance -- The forecast assumes expenses for maintenance costs not related specifically to events will be the same as costs incurred in Williams/Mariucci Arena. Thus, the costs used in this forecast are equal to the incremental increase in expense needed to operate Williams/Mariucci arena as practice facilities. These expenses are assumed to be \$8,202 in 1993 and inflated at 4 percent annually thereafter.

DEBT SERVICE AND FINANCING FEES:

All forecasted long-term debt is assumed to be paid in accordance with scheduled terms. Debt service requirements are forecasted, as follows:

Total Annual Payment for  
 the Years Ending October 31

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1993	\$ 0	\$3,806,250	\$3,806,250
1994	0	3,806,250	3,806,250
1995	531,280	3,806,250	4,337,530
1996	569,798	3,767,732	4,337,530
1997	611,108	3,726,422	4,337,530
1998	655,413	3,682,117	4,337,530
1999	702,931	3,634,599	4,337,530
2000	753,893	3,583,637	4,337,530
2001	808,551	3,528,979	4,337,530
2002	867,171	3,470,359	4,337,530
2003	930,041	3,407,489	4,337,530
2004	997,468	3,340,062	4,337,530
2005	1,069,785	3,267,746	4,337,530

7. Summary of Significant Assumptions to the Forecasted Statements of Cash Flow:

EQUITY CONTRIBUTIONS TO FUND CASH SHORTFALL:

During the early years of operation, 1993 through 1999, it is anticipated that there will be an operating cash shortfall after debt service.

PROPOSED UNIVERSITY OF MINNESOTA  
PROPOSED ON-CAMPUS MULTI-PURPOSE ARENA

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND NOTES  
TO THE FORECASTED FINANCIAL STATEMENTS, Continued

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DISTRIBUTIONS TO UNIVERSITY OF MINNESOTA:

All cash generated by incremental operations after debt service above the minimum cash level of \$250,000 are assumed to be distributed to the University of Minnesota.

8. Rounding:

Because certain calculations within the statement are performed in greater accuracy than whole numbers (as presented), rounding adjustments may occur. These amounts are insignificant to the forecasted results.

**DRAFT**  
FOR DISCUSSION PURPOSES ONLY  
SUBJECT TO REVISION

**DRAFT**

**University of Minnesota  
Athletic Facilities Feasibility Analysis**

Ellerbe Becket, Inc.  
Coopers & Lybrand

Part Two  
Appendix  
December 8, 1989

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**Methodology**  
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## **Introduction**

## *Introduction*

Ellerbe Becket, Inc., Architects and Engineers with Coopers & Lybrand, Certified Public Accountants, were commissioned in June, 1989, to undertake the feasibility analysis for the athletic facilities contained in Phase II of the 1986 University Memorial Sports Complex conceptual master plan. The planning efforts of this study focused on the programmatic needs, facility size, project cost, revenues and financing of men's and women's intercollegiate athletic facilities while focusing on the Memorial Stadium site.

Part One (Feasibility Analysis) of this report is organized into three (3) distinct sections: Statement of Needs, Recommended Facilities Option, and Project Financing. Part Two (Appendix) documents our teams methodology, the alternative programmatic, site and building solutions examined, their costs and financing implications. Within Part Two is also an examination of off-campus alternatives, including the St. Paul Civic Center, Metrodome, Timberwolves Arena and Met Sports Center.

Ellerbe Becket, Inc., with Coopers & Lybrand, wishes to thank the University of Minnesota's Sports and Recreational Facilities Planning Committee and its Chairman, Mr. Gordon M. Donhowe, for their contributions toward this effort.

## **Methodology**

## Methodology

The Athletic Facilities Feasibility Effort began in June, 1989. With the amount of work needed to be accomplished in undertaking this study, and the difficulties involved in scheduling the participant's time during the summer months, a series of planning "charettes" were employed. These charettes or workshops were intensive two-day planning sessions involving the Sports and Recreational Facilities Planning Committee, the Architects, Financial Consultants, Special Consultants and other University representatives.

Each charette was preceded by extensive planning and research efforts, with the intent of each session being the review of these foregoing efforts, the providing of direction for subsequent studies and the elimination of undesirable or less-viable alternatives. The following section outlines the topics of discussion and options reviewed in each of these charettes:

### June 28 and 29, 1989 Charette

This session looked at six (6) facilities options ranging from remodelling to new construction as well as the potential siting of new facilities. General programmatic issues were discussed, as well as areas for incremental revenue growth. It was agreed that three (3) specific facilities scenarios would be explored:

1. "Minimal" solution examining a limited effort by satisfying needs with lesser costs and utilizing existing facilities with improvements in support and concession functions.
2. "Intermediate" solution examining a new multipurpose arena.
3. "Ultimate" solution with individual, dedicated arena facilities for hockey and basketball.

### July 18 and 19, 1989 Charrette

Four (4) facilities options were reviewed, as follows:

- a. **Scheme A - \$48.7 million**
  1. Upgrade existing Williams Arena for basketball utilizing "paint-up, fix-up" approach with expanded concessions and toilets; utilize existing seating configuration. Renovate Mariucci Arena for 4,000 seat Auxiliary Gym. Expand lobby, provide additional locker and support space below grade (\$19.4 M total).

2. Build new 10,000 seat Mariucci Arena (\$29.3 M).

#### b. **Scheme B - \$75.2 million**

1. Build new 15,000 seat Multipurpose Arena with lower level support facilities for basketball and hockey (\$54.4 M).
2. Renovate Williams Arena for 5,000 seat Sports Pavilion. Renovate Mariucci Arena for hockey practice rink with additional locker space (\$20.8 M total).

#### c. **Scheme C - \$72.8 million**

1. Build new Multipurpose Arena (same as Scheme B).
2. Build new 5,000 seat Sports Pavilion with support spaces (\$11.6 M).
3. Build new indoor ice rink with lockers and support spaces for hockey (\$6.8 M).
4. Abandon existing Williams/Mariucci Arena.

#### d. **Scheme D - \$84.4 million**

1. Build new basketball arena with lockers and support facilities (\$15.1 M).
2. Build new Sports Pavilion (same as Scheme C).
3. Renovate Williams/Mariucci for 10,000 seat hockey arena with locker and support spaces (\$22.1 M).

Coopers & Lybrand addressed each of the options from a financing perspective. The general conclusion, was that Scheme C provided the best incremental revenue potential. However, the incremental cost difference between it and less expensive schemes could potentially offset the incremental revenue gains. The full impact of costs would require a more refined analysis.

It was agreed that further development and refinement should occur with regard to each of the facilities scenarios, and that further cost and income information should

be generated. Additionally, the consultants, with the assistance of Men's Athletics, were asked to solicit proposed rental terms and conditions for off-campus venues including the Metrodome, St. Paul Civic Center, Timberwolves Arena and Met Sports Center.

#### August 29 and 30, 1989 Charette

This session looked at nine (9) building options for new and renovated facilities, as well as six (6) on and off-campus site scenarios (copies enclosed). Additional areas of study included facilities programming, cost and the financial analyses of on and off-campus alternatives.

The building options and site scenarios were as outlined below. Costs represented are project costs based upon a January 1992 construction start and January 1994 start of operation.

#### Building Alternatives

1. Building One - \$21.3 million

Renovate Mariucci Arena for:

- a. 3,200 seat auxiliary gym.
- b. Upgrade existing Williams Arena with A/C, new bench seats, fire protection, expanded concessions and toilets.

In general, this scheme was considered to fall short of meeting minimum program requirements, inasmuch as it did not meet the minimum space and quality standards required by the University.

2. Building Two - \$22.1 million

- a. Renovate Williams/Mariucci for 10,000 seat hockey arena with preferred seating and ample support space; no suites.

3. Building Three - \$22.2 million

- a. Renovate Mariucci Arena for practice ice sheet.
- b. Renovate Williams Arena for 5,000 seat Sports Pavilion.

4. Building Four - \$54.4 million

- a. New Multipurpose Arena and Convocation Center with 15,000 seats for basketball, 14,000 for hockey, suites and preferred seating.

5. Building Five - \$17.2 million

- a. New 5,000 seat Sports Pavilion to accommodate one competition court, three practice courts or eight wrestling mats.

6. Building Six - \$33.9 million

- a. New 10,000 seat hockey arena with preferred seating, no suites.

7. Building Seven - \$6.8 million

- a. New practice ice arena with 1,000 bench seats and support space.

8. Building Eight - \$51.5 million

- a. New 15,000 seat basketball arena with preferred seating and suites.

9. Building Nine - \$31.1 million

- a. Renovate Williams and Mariucci Arenas for 14,300 seat basketball arena with 10 suites, preferred seating and adequate concession, toilet and exiting facilities. This scheme locates the back row of seating approximately 170' from the sideline of the court.

#### Site Scenarios

1. Scenario A - \$55.2 million - incorporates the following elements:

- a. Renovate Mariucci Arena for 3,200 seat auxiliary gym (Building One).
- b. Upgrade existing Williams Arena (Building One).
- c. New 10,000 seat hockey arena (Building Six).

2. Scenario B - \$76.6 million - incorporates the following elements:

- a. Renovate Mariucci Arena for practice ice sheet, renovate Williams Arena for 5,000 seat Sports Pavilion (Building Three).
- b. New 15,000 seat Multipurpose Arena (Building Four).

3. **Scenario C** - \$78.4 million - incorporates the following elements:
  - a. New 15,000 seat Multipurpose Arena (Building Four).
  - b. New 5,000 seat Sports Pavilion (Building Five).
  - c. New practice ice arena (Building Seven).

The site plan for this scheme represents two options. The first option calls for the Sports Pavilion north of the Student Recreation Center, with the practice ice arena located to its south. The second, and preferred option calls for the Sports Pavilion to be located north of the Student Recreation Center with the Multipurpose Arena to its east. With the demolition of the existing Williams and Mariucci Arenas, the practice ice arena and future indoor tennis courts may be located on the existing Williams parcel, thereby making the current tennis courts site available for surface or structured parking.

4. **Scenario D** - \$90.4 million - incorporates the following elements:
  - a. Renovate Williams/Mariucci Arena for 10,000 seat hockey arena (Building Two).
  - b. New 5,000 seat Sports Pavilion (Building Five).
  - c. New 15,000 seat Basketball Arena (Building Eight).
5. **Scenario E** - \$82.2 million - incorporates the following elements:
  - a. New 5,000 seat Sports Pavilion (Building Five).
  - b. New 10,000 seat Hockey Arena (Building Six).
  - c. Renovate Williams/Mariucci for 14,300 seat basketball arena (Building Nine).
6. **Off-campus Scenario** - approximately \$23 million - incorporates the following elements:
  - a. Men's hockey and basketball play in off-campus venues.
  - b. On-campus practice facilities required for each team.
  - c. Sports Pavilion, either new or renovated, would be required for women's and non-revenue athletics.

### *Facilities Programming*

Programming information was then reviewed, focusing on four specific facilities and their space needs. While these programs have, in some cases, been further refined, they were in general:

a.	Multipurpose Arena	300,000 sq.ft.
b.	Ice Hockey Arena	177,000 sq.ft.
c.	Sports Pavilion	108,000 sq.ft.
d.	Practice Ice Arena	39,000 sq.ft.

Each of the siting scenarios was examined for its response to program and operational benefits. After considerable discussion with the consultants and representatives of the University and Men's and Women's Athletics, Site Scenario 'C' was selected as the preferred alternative in that it provides the greatest long-term flexibility for facilities development while allowing convenient access and the potential for the sharing of support facilities. This scenario was judged to be the most advantageous to the University and to Men's and Women's Athletics.

### *Financial Feasibility*

Cooper's & Lybrand examined both on and off-campus facilities scenarios, with the results of their findings as outlined below. Additional comments are included regarding facilities scheduling for off-campus venues:

1. **Off-Campus Scenario:** The St. Paul Civic Center, Metrodome, Timberwolves Arena and Met Center were asked to submit proposals. St. Paul indicated that the University's schedule would conflict with trade shows and numerous revenue generating events that they have currently scheduled and that there would be considerable cost associated with the University's use of its facility. An analysis of these off-campus proposals based upon the proposals received was reviewed, comparing the University's current facilities revenue stream with the proposed Multipurpose Arena and the off-campus venue.
2. Coopers & Lybrand indicated that based upon income derived from suites, increased concession sales, increased hockey ticket sales, preferred seating, signage and sponsorship revenues, a private club and market-rate financing, the multipurpose arena left a sizable shortfall.

3. Men's Intercollegiate Athletics stated that with each of the off-campus venues, scheduling of University events would be a concern, given that the University would be a second or third tenant in each. The University's inability to finalize game schedules until late in the year would place the University at a disadvantage in consistently acquiring desirable dates. Further, Big 10 and WCHA rules require that the facility be available at prescribed hours the day before the game for both home and visiting team practice. Additionally, Men's Athletics was concerned with the Timberwolves "guaranteed" agreement in which the Timberwolves market the events, in that this opens up the possibility of the violation of NCAA and Big Ten standards.

At the conclusion of this charette, Coopers & Lybrand was asked to further examine financing sources, including internal funding sources and then report back to the University. This furthered examination provides the basis for the recommendations contained within this study.

**Facility Programming**



## *Facility Programming*

The programming for the University of Minnesota Athletic Facilities Feasibility study was performed by William Manning of William Manning Associates, Alameda, California in concert with the Ellerbe Becket design team. Additional input to the programming was given by APER Consulting Services.

Data was gathered to establish the program during the months of June, July and August, 1989. The consultant team held a series of small group meetings with members of three of the four sports departments at the University; Men's Athletics, Women's Athletics and Recreational Sports.

During the initial meetings, each department outlined its facility needs, with discussion of future as well as present considerations. Each department also reviewed with the consultants the information contained in the 1986 Long-Range Sports Facilities Plan. This plan, completed by the University Planning Committee, was used by the consultant team as preliminary data leading to the final programming documents for this study.

Information collected from these meetings was used by William Manning Associates to establish the initial generic program in draft format (July 21, 1989). Considerable review, by consultants and University staff, additional meetings with the small groups, and numerous telephone conversations with University staff and the consultant team refined this basic information throughout the late summer months.

This basic program information was also presented and discussed at the July 18-19, 1989 "charette". With such considerable input, different iterations of the basic programming information were developed during July and August.

At the earliest of the three "charettes" held in June, July and August, the Campus Steering Committee indicated that three distinct directions, ranging from "minimal" to "maximum" solutions to the University's athletic facilities needs should be developed by the consultant team. To accomplish this, the basic programming information was organized (and continuously reorganized) to fit a number of alternative building schemes. These ranged from renovations to Williams/Mariucci Arenas to a number of new distinct arenas for ice hockey and basketball.

By August 28, 1989, William Manning Associates had developed program documents for three new buildings; a Multipurpose Arena, a Sports Pavilion and a Hockey Arena. In addition, program statements were developed for complete renovation of both the Williams and Mariucci Arenas.

These various program documents were organized by Ellerbe Becket into numerous schemes for review by the University committees. With feedback and input throughout August and September, a final draft program document for the Multipurpose Arena was developed by the consultant team in October, 1989.

## MULTIPURPOSE ARENA PROGRAM

Revised August 30, 1989

### ARENA FLOOR

The arena floor area will accommodate one Olympic ice hockey floor. It will also be able to accommodate an ice show, basketball, wrestling tourneys, indoor tournament tennis, center stage, end stage events, center boxing/wrestling ring, etc., based on the following minimum dimensional requirements:

Basketball Court	60' x 120'
Tennis Court	60' x 125'
Ice Show	64' x 160'
Ice Hockey	100' x 200'
Wrestling Tourneys	100' x 200'

Provision should be made to accommodate a portable stage, approximately 32' x 32', at the center of the arena floor. Provision should also be made to accommodate a portable stage, approximately 60' x 48' with 20' x 16' sound wings, at one end of the arena floor. Electric power and sound reinforcing system are to be incorporated and provisions made to accommodate stage lighting, overhead rigging and other minimal equipment necessary for special events, lectures and conferences.

### Seating Assumptions:

Telescoping Seating	chairs with backs
Lower Fixed Seating	chairs with backs
Upper Preferred Seating	chairs with backs
Upper Seating	benches with backs

## MULTIPURPOSE ARENA PROGRAM

### PUBLIC SPACES 203,225 S.F.

Lobbies	10,000
Concourse	30,000
Other Miscellaneous Circulation	19,000
Public Toilets/Janitors Closets	9,000
Arena Floor 100' x 200' (includes telescopic platforms)	24,000
Fixed Seating Areas (13,500 seats)	96,525
Private Viewing Suites* ( 35 - 8 seats)	12,000
Wheelchair Seating	2,000
Handicap Seating	700

\*The private viewing suites are to be located at the Concourse Level facing the Arena from both sides and the end opposite the stage area. This will provide for private viewing for all events.

### TICKET FACILITIES 1,635 S.F.

Ticket Sales	480
Vault	200
Cash Check-In	40
Sales Supervisor's Office	180
Business Office	360
Toilet	60
Staff Office	100
Internal Circulation	215

### FACILITY ADMINISTRATION 1,390 S.F.

Reception	150
General Office	600
Operations Supervisor's Office	150
Work/Storage/Conference Room	200
Toilets (2 @ 50)	100
Coats	10
Internal Circulation	180

### MEETING FACILITIES 3,450 S.F.

Hospitality Room	2,400
Toilets	450
Coat Room	150
Prefunction/Internal Circulation	450

MULTIPURPOSE ARENA PROGRAM

MEDIA FACILITIES

2,655 S.F.

Press Box (40 @ 20 S.F.)	800
Press Work Area	800
Hospitality Lounge	400
Press Toilets	300
Internal Circulation	355

SCOUT FACILITIES

980 S.F.

Scout Box (20 @ 20 S.F.)	400
Scout Work Area	250
Hospitality	200
Internal Circulation	130

FOOD SERVICE

13,165 S.F.

Pantry	1,400
Office	120
Vault	120
Toilet	60
Storage	400
Janitor's Closet	50
Concessions and Prep Rooms	7,000
Walk-in Cooler and Freezer	700
Staff Toilets and Lockers	600
Loading Dock/Receiving Area (Exterior Space)	1,000
Internal Circulation	1,715

SECURITY/MEDICAL HOLDING/RECEIVING

4,610 S.F.

Security/Receiving Office	240
Security Holding Area	120
Receiving/Staging Area	3,000
Receiving Area Toilet	60
Medical Holding	250
Medical Holding Toilet	40
Event Security Office	300
Internal Circulation	600

MULTIPURPOSE ARENA PROGRAM

LOCKER ROOMS AND ATHLETIC TRAINING

16,240 S.F.

MIA Varsity BB	1,200
MIA Varsity Hockey	1,800
MIA Hockey Reserve	600
Visiting (Unisex) (4 @ 750)	3,000
General (Unisex)	750
MIA Coaches Suite	600
Officials Suite	300
Weight Training/Conditioning	3,000
Adjacent Storage	400
Athletic Training Room	1,500
Equipment Issue/Laundry	1,000
Internal Circulation	2,090

BUILDING OPERATIONS

25,230 S.F.

Maintenance Manager's Office	120
Building Engineer/Central Control	200
Maintenance Shop	500
Ice Making Equipment Room	1,200
Ice Resurfacing Equipment Room	400
Misc. Pump and Meter Room	300
General Building Storage	15,000
Trash Room (Concourse Level)	360
Trash Room (Exterior Space)	360
Staff Toilets/Lockers	500
Miscellaneous Storage (Upper Seating Level)	3,000
Internal Circulation	3,290

MISCELLANEOUS BACK-OF-HOUSE AREAS

7,475 S.F.

Light and Sound Control Booth (Concourse Level)	250
TV Platform (2 @ 125)	250
Radio Platform	150
Scoreboard Control Room (Concourse Level)	120
Usher Orientation (Concourse Level)	400
Show Office	240
Dressing Rooms (4 @ 250)	1,000
Dressing Room Storage (4 @ 150)	600
Dressing Room Toilets/Showers (2 @ 250)	500
Green Room	600
Program Sales Area	500
Interview Rooms (2 @ 120)	240
Sports Info./Press Room and Toilets	1,500
Communications Equipment Area	150
Internal Circulation	975

MULTIPURPOSE ARENA PROGRAM

UTILITY AREAS

19,555 S.F.

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Elevator Machine Room	100
Freight Elevator	500
Sound Equipment Room	600
Fire and Water Pump Rooms	300
Electrical Switchgear Room	850
Heating/Cooling Plant	2,000
Telephone Equipment Room	280
Mechanical Equipment Rooms	12,000
Miscellaneous Electrical Rooms	750
Miscellaneous Telephone Rooms	80
Janitor's Closets	300
Internal Circulation	1,795

SUMMARY BY AREA

299,610 S.F.

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Public Spaces	203,225
Ticket Facilities	1,635
Facility Administration	1,390
Media Facilities	2,655
Scout Facilities	980
Meeting Facilities	3,450
Food Service	13,165
Security/Medical Holding/Receiving	4,610
Locker Rooms/Athletic Training	16,240
Building Operations	25,230
Miscellaneous Back-Of-House Areas	7,475
Utility Areas	19,555
GROSS BUILDING SQUARE FOOTAGE	299,610

NEW SPORTS PAVILION PROGRAM  
5000 SEATS (2400 CHAIRS AND 2600 BENCHES WITH BACKS)

Revised August 30, 1989

PUBLIC SPACES 61,060 S.F.

Lobbies	3,000
Concourse	9,000
Other Miscellaneous Circulation	5,300
Public Toilets/Janitors Closets	3,000
Arena Floor (114' x 190') (includes telescopic platforms and 2400 chair seats)	25,140
Fixed Seating Areas (2,600 bench seats w/back)	14,820
Wheelchair Seating	600
Handicap Seating	200

TICKET FACILITIES 850 S.F.

Ticket Sales	240
Vault	100
Cash Check-In	40
Sales Supervisor's Office	120
Business Office	180
Toilet	60
Internal Circulation	110

FACILITY ADMINISTRATION 740 S.F.

Reception	100
General Office	120
Operations Supervisor's Office	180
Conference Room	180
Toilets	60
Internal Circulation	100

MEDIA FACILITIES 3,275 S.F.

Press Box (40 @ 20 S.F.)	800
Press Work Area	800
Hospitality Lounge	400
Press Toilets	300
Interview Rooms (2 @ 100 S.F.)	200
Internal Circulation	375
T.V. Platforms (2 @ 125 S.F.)	250
Radio Platform	150

NEW SPORTS PAVILION PROGRAM

MEETING FACILITIES 1,725 S.F.

Hospitality Room	1,200
Toilets	225
Coat Room	75
Internal Circulation/Prefunction	225

FOOD SERVICE 4,170 S.F.

Pantry	500
Office	120
Vault	120
Toilet	60
Storage	120
Janitor's Closet	50
Concessions and Prep Rooms	2,000
Staff Toilets and Lockers	250
Loading Dock/Receiving Area (Exterior Space)	950

SECURITY/MEDICAL HOLDING/RECEIVING 1,965 S.F.

Security Holding Area	200
Security/Receiving Office	250
Receiving/Staging Area	600
Receiving Area Toilet	60
Medical Holding	250
Medical Holding Toilet	50
Event Security Office	300
Internal Circulation	255

ATHLETIC TRAINING AND LOCKER ROOMS 14,430 S.F.

WIA Varsity BB	1,200
WIA Varsity VB	800
Auxiliary/Visiting 5 @ 750	3,750
WIA Coaches Suite	600
Officials Suite	300
Weight Training & Conditioning	3,000
Adjacent Storage	400
Athletic Training Area	1,500
Rehabilitation Area	1,000
Internal Circulation	1,880



NEW SPORTS PAVILION PROGRAM

BUILDING OPERATIONS

9,545 S.F.

Manager's Office	150
Building Engineer/Central Control/Maint.	200
General Building Storage	5,000
Trash Room (Concourse Level)	350
Trash Room (Exterior Space)	350
Staff Toilets/Lockers	250
Miscellaneous Storage	1,500
Recreational Sports Office/Storage	500
Internal Circulation	1,245

MISCELLANEOUS BACK-OF-HOUSE AREAS

1,995 S.F.

Light and Sound Control Booth (Concourse Level)	250
Scoreboard Control Room (Concourse Level)	125
Usher Orientation (Concourse Level)	200
Sports Info./Press Room and Toilets	800
Communications Equipment Area	160
Program Sales Office/Work Area (Concourse)	200
Miscellaneous Circulation	260

UTILITY AREAS

8,450 S.F.

Elevator Machine Room	100
Sound Equipment Room	200
Fire and Water Pump Rooms	100
Electrical Switchgear Room	400
Heating/Cooling Plant	1,200
Telephone Equipment Room	100
Mechanical Equipment Rooms	5,000
Miscellaneous Electrical Rooms	350
Miscellaneous Telephone Rooms	80
Janitors' Closets	150
Internal Circulation	770

NEW SPORTS PAVILION PROGRAM

SUMMARY BY AREA

108,205 S.F.

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Public Spaces	61,060
Ticket Facilities	850
Facility Administration	740
Media Facilities	3,275
Meeting Facilities	1,725
Food Service	4,170
Security/Medical Holding	1,965
Locker Rooms/Athletic Training	14,430
Building Operations	9,545
Miscellaneous Back-Of-House Areas	1,995
Utility Areas	8,450
GROSS BUILDING SQUARE FOOTAGE	108,205

## RENOVATED WILLIAMS/MARIUCCI - SPORTS PAVILION & PRACTICE ICE RINK

Revised August 30, 1989

### PUBLIC SPACES 61,060 S.F.

Lobbies	3,000
Concourse	9,000
Other Miscellaneous Circulation	5,300
Public Toilets/Janitors Closets	3,000
Arena Floor (114' x 190')	25,140
(includes telescopic platforms and 2400 chair seats)	
Fixed Seating Areas	14,820
(2,600 bench seats w/back)	
Wheelchair Seating	600
Handicap Seating	200

### TICKET FACILITIES 850 S.F.

Ticket Sales	240
Vault	100
Cash Check-In	40
Sales Supervisor's Office	120
Business Office	180
Toilet	60
Internal Circulation	110

### FACILITY ADMINISTRATION 740 S.F.

Reception	100
General Office	120
Operations Supervisor's Office	180
Conference Room	180
Toilets	60
Internal Circulation	100

### MEDIA FACILITIES 3,275 S.F.

Press Box (40 @ 20 S.F.)	800
Press Work Area	800
Hospitality Lounge	400
Press Toilets	300
Interview Rooms (2 @ 100 S.F.)	200
T.V. Platforms (2 @ 125 S.F.)	250
Radio Platform	150
Internal Circulation	375

RENOVATED WILLIAMS/MARIUCCI - SPORTS PAVILION & PRACTICE ICE RINK

MEETING FACILITIES 1,725 S.F.

Hospitality Room	1,200
Toilets	225
Coat Room	75
Internal Circulation/Prefunction	225

FOOD SERVICE 4,170 S.F.

Pantry	500
Office	120
Vault	120
Toilet	60
Storage	120
Janitor's Closet	50
Concessions and Prep Rooms	2,000
Staff Toilets and Lockers	250
Loading Dock/Receiving Area (Exterior Space)	950

SECURITY/MEDICAL HOLDING/RECEIVING 1,965 S.F.

Security Holding Area	200
Security/Receiving Office	250
Receiving/Staging Area	600
Receiving Area Toilet	60
Medical Holding	250
Medical Holding Toilet	50
Event Security Office	300
Internal Circulation	255

ATHLETIC TRAINING AND LOCKER ROOMS 14,430 S.F.

WIA Varsity BB	1,200
WIA Varsity VB	800
Auxiliary/Visiting 5 @ 750	3,750
WIA Coaches Suite	600
Officials Suite	300
Weight Training & Conditioning	3,000
Adjacent Storage	400
Athletic Training Area	1,500
Rehabilitation Area	1,000
Internal Circulation	1,880

## RENOVATED WILLIAMS/MARIUCCI - SPORTS PAVILION & PRACTICE ICE RINK

### BUILDING OPERATIONS

9,545 S.F.

Manager's Office	150
Building Engineer/Central Control/Maint.	200
General Building Storage	5,000
Trash Room (Concourse Level)	350
Trash Room (Exterior Space)	350
Staff Toilets/Lockers	250
Miscellaneous Storage	1,500
Recreational Sports Office/Storage	500
Internal Circulation	1,245

### MISCELLANEOUS BACK-OF-HOUSE AREAS

1,995 S.F.

Light and Sound Control Booth (Concourse Level)	250
Scoreboard Control Room (Concourse Level)	125
Usher Orientation (Concourse Level)	200
Sports Info./Press Room and Toilets	800
Communications Equipment Area	160
Miscellaneous Circulation	260
Program Sales Office/Work Area	200

### UTILITY AREAS

8,450 S.F.

Elevator Machine Room	100
Sound Equipment Room	200
Fire and Water Pump Rooms	100
Electrical Switchgear Room	400
Heating/Cooling Plant	1,200
Telephone Equipment Room	100
Mechanical Equipment Rooms	5,000
Miscellaneous Electrical Rooms	350
Miscellaneous Telephone Rooms	80
Janitors' Closets	150
Internal Circulation	770

RENOVATED WILLIAMS/MARIUCCI - SPORTS PAVILION & PRACTICE ICE RINK

PRACTICE ARENA 42,840 S.F.

Rec. Sports Office/General Storage	2,500
Olympic Size Practice Ice Sheet	20,510
Spectator Area (1,000 seats)	5,700
Rental, Snacks	500
Mechanical/Electrical Equipment Room	2,100
Ice Making Equipment Room	1,200
Ice Resurfacing Equipment Room	400
Maintenance Shop	300
Janitors' Closets	100
Circulation/Spectator Area/Rental/Snacks	3,000
Rec. Sports Lockers/Toilets	1,200
First Aid	200
Circulation	5,130
<b>GROSS BUILDING SQUARE FOOTAGE</b>	<b>42,840</b>

SUMMARY BY AREA 151,045 S.F.

Public Spaces	61,060
Ticket Facilities	850
Facility Administration	740
Media Facilities	3,275
Meeting Facilities	1,725
Food Service	4,170
Security/Medical Holding	1,965
Locker Rooms/Athletic Training	14,430
Building Operations	9,545
Miscellaneous Back-Of-House Areas	1,995
Utility Areas	8,450
Practice Ice Rink	42,840
<b>GROSS BUILDING SQUARE FOOTAGE</b>	<b>151,045</b>

## NEW BASKETBALL/CONVOCATION ARENA PROGRAM

Revised August 30, 1989

### PUBLIC SPACES

203,225 S.F.

Lobbies	10,000
Concourse	30,000
Other Miscellaneous Circulation	19,000
Public Toilets/Janitors' Closets	9,000
Arena Floor 100' x 200' (includes telescopic platforms)	24,000
Fixed Seating Areas (13,500 seats)	96,525
Private Viewing Suites*	12,000
Wheelchair Seating	2,000
Handicap Seating	700

\*The private viewing suites are to be located at the Concourse Level facing the Arena from both sides and the end opposite the stage area. This will provide for private viewing for all events.

### TICKET FACILITIES

1,635 S.F.

Ticket Sales	480
Vault	200
Cash Check-In	40
Sales Supervisor's Office	180
Business Office	360
Toilet	60
Staff Office	100
Internal Circulation	215

### FACILITY ADMINISTRATION

1,390 S.F.

Reception	150
General Office	600
Operations Supervisor's Office	150
Work/Storage/Conference Room	200
Toilets (2 @ 50)	100
Coats	10
Internal Circulation	180

### MEETING FACILITIES

3,450 S.F.

Hospitality Room	2,400
Toilets	450
Coat Room	150
Prefunction/Internal Circulation	450

NEW BASKETBALL/CONVOCATION ARENA PROGRAM

FOOD SERVICE 13,165 S.F.

Pantry	1,400
Office	120
Vault	120
Toilet	60
Storage	400
Janitor's Closet	50
Concessions and Prep Rooms	7,000
Walk-in Cooler and Freezer	700
Staff Toilets and Lockers	600
Loading Dock/Receiving Area (Exterior Space)	1,000
Internal Circulation	1,715

SECURITY/MEDICAL HOLDING/RECEIVING 4,610 S.F.

Security/Receiving Office	240
Security Holding Area	120
Receiving/Staging Area	3,000
Receiving Area Toilet	60
Medical Holding	250
Medical Holding Toilet	40
Event Security Office	300
Internal Circulation	600

LOCKER ROOMS AND ATHLETIC TRAINING 13,475 S.F.

MIA Varsity BB	1,200
Visiting (Unisex) (4 @ 750)	3,000
General (Unisex)	750
MIA Coaches Suite	600
Officials Suite	300
Weight Training/Conditioning	3,000
Adjacent Storage	400
Athletic Training Room	1,500
Equipment Issue/Laundry	1,000
Internal Circulation	1,725

BUILDING OPERATIONS 22,470 S.F.

Maintenance Manager's Office	120
Building Engineer/Central Control	200
General Building Storage	15,000
Trash Room (Concourse Level)	360
Trash Room (Exterior Space)	360
Staff Toilets/Lockers	500
Miscellaneous Storage (Upper Seating Level)	3,000
Internal Circulation	2,930



BASKETBALL/CONVOCATION ARENA PROGRAM

MISCELLANEOUS BACK-OF-HOUSE AREAS

7,475 S.F.

T.V. Platforms (2 @ 125)	250
Radio Platform	150
Light and Sound Control Booth (Concourse Level)	250
Scoreboard Control Room (Concourse Level)	120
Usher Orientation (Concourse Level)	400
Show Office	240
Dressing Rooms (4 @ 250)	1,000
Dressing Room Storage (4 @ 150)	600
Dressing Room Toilets/Showers	500
Green Room	600
Interview Rooms (2 @ 120)	240
Program Sales Area	500
Sports Info./Press Room and Toilets	1,500
Communications Equipment Area	150
Internal Circulation	975

UTILITY AREAS

19,555 S.F.

Elevator Machine Room	100
Freight Elevator	500
Sound Equipment Room	600
Fire and Water Pump Rooms	300
Electrical Switchgear Room	850
Heating/Cooling Plant	2,000
Telephone Equipment Room	280
Mechanical Equipment Rooms	12,000
Miscellaneous Electrical Rooms	750
Miscellaneous Telephone Rooms	80
Janitor's Closets	300
Internal Circulation	1,795

SUMMARY BY AREA

290,450 S.F.

Public Spaces	203,225
Ticket Facilities	1,635
Facility Administration	1,390
Meeting Facilities	3,450
Food Service	13,165
Security/Medical Holding/Receiving	4,610
Locker Rooms/Athletic Training	13,475
Building Operations	22,470
Miscellaneous Back-Of-House Areas	7,475
Utility Areas	19,555
<b>GROSS BUILDING SQUARE FOOTAGE</b>	<b>290,450</b>

NEW HOCKEY ARENA PROGRAM

Revised August 30, 1989

MAIN ARENA

139,900 S.F.

Olympic Size Ice Sheet	20,510
Spectator Seating (10,000 seats)	67,600
Concourse	20,000
Public Toilets	6,000
Lobby/Ticket Area	6,500
Concessions & Prep Rooms (6 @ 525 S.F.)	3,150
Concession Prep. Rooms (6 @ 190 S.F.)	1,140
Central Concession Commissary	2,400
Miscellaneous Circulation	12,600

TEAM FACILITIES

8,970 S.F.

MIA Varsity	1,800
Reserve	600
Storage/Issue	200
Visiting Team with Toilet & Shower	1,100
Team Rooms (4 @ 875 S.F.)	3,500
Men Officials with Toilet & Shower	300
Women Officials with Toilet & Shower	300
Internal Circulation	1,170

MEETING FACILITIES

2,300 S.F.

VIP Meeting Room	1,000
Pantry for VIP Meeting Room	200
Toilets	225
Prefunction	500
Coat Room	75
Internal Circulation	300

## NEW HOCKEY ARENA PROGRAM

### MEDIA FACILITIES

2,875 S.F.

Press Box (40 @ 20 S.F.)	800
Press Work Area	800
Hospitality Lounge	400
Press Toilets	300
Interview Rooms (2 @ 100 S.F.)	200
Internal Circulation	375

### SCOUT FACILITIES

980 S.F.

Scout Box (20 @ 20 S.F.)	400
Scout Work Area	250
Hospitality Lounge	200
Scout Toilets (share with Media)	0
Internal Circulation	130

### BACK-OF-HOUSE & UTILITIES

21,070 S.F.

Security/Crowd Control	200
Operations Managers Office	120
Building Engineer/Central Control	180
Maintenance Shop	500
Staff Toilets/Lockers	300
Player First Aid Facility	300
Sound Equipment Room	400
Electrical Switchgear Room	750
Telephone Equipment Room	200
Communications Equipment Room	150
TV Camera Platforms (2 @ 125 S.F.)	250
Mechanical Equipment Room	7,800
Ice Making Equipment Room (2 Rinks)	2,000
Heating/Cooling Plant	700
Miscellaneous Electrical Rooms	250
Miscellaneous Telephone Rooms	50
Elevator Machine Room	90
Ice Resurfacing Equipment Room	400
Janitors' Closets	250
Trash Room (Concourse Level)	200
Trash Room (Lower Level)	800
Miscellaneous Building Storage	1,600
Miscellaneous Pump and Meter Rooms	300
Receiving Area	600
Internal Circulation	2,680

NEW HOCKEY ARENA PROGRAM

SUMMARY BY AREA

176,095 S.F.

Main Arena	139,900
Team Facilities	8,970
Meeting Facilities	2,300
Media Facilities	2,875
Scout Facilities	980
Back-Of-House & Utilities	21,070
 GROSS BUILDING SQUARE FOOTAGE	 176,095

NEW PRACTICE ICE RINK PROGRAM

Revised August 30, 1989

PRACTICE ARENA

39,840 S.F.

Rec. Sports Office/General Storage	2,500
Olympic Size Practice Ice Sheet	20,510
Spectator Area (1,000 seats)	5,700
Rental, Snacks	500
Mechanical/Electrical Equipment Room	2,100
Ice Making Equipment Room	1,200
Ice Resurfacing Equipment Room	400
Maintenance Shop	300
Janitors' Closets	100
Rec. Sports Lockers/Toilets (4 @ 300)	1,200
First Aid	200
Circulation	5,130
GROSS BUILDING SQUARE FOOTAGE	39,840

**Facilities Planning Options**

### *Comparative Cost Analysis*

Within the recent past a number of Cities and Institutions have undertaken comparable facilities programs. The chart below presents a cross section of these facilities, their size and costs as compared to the facility proposed for the University of Minnesota.

	Miami Arena Miami, FL	Charlotte Coliseum Charlotte, NC	Bradley Center Milwaukee, WI	The Palace Auburn Hills, MI	
Construction Start	October 1986	November 1985	October 1986	June 1986	
Opening Date	July 1988	August 1988	October 1988	August 1988	
Construction Cost	\$52.0 M	\$47.4 M	\$71.0 M	\$70.0 M	
Square Footage	300,000	465,000	598,700	470,000	
Seating/Basketball	15,506	23,300	18,400	21,455	
Cost/SF	\$173	\$102	\$119	\$149	
Cost/Seat	3,353	2,035	3,859	3,628	
Adjust Cost To Jan. 1990 (Per ENR Index)	53,461,500	51,666,000	73,840,000	74,721,350	
SF/Seat	19.35	19.96	32.54	21.90	
Site Area		8.7 Acres	110 Acres	5 Acres	92.3 Acres
Parking	Downtown/ Private	8,000	Downtown/ Private	8,000	
Private Suites	18;18-20 Persons Each	12;10-18 Persons Each	68; 9-12 Persons Each	180; 2,160 Persons Total	
Reception Room		Hospitality Room Seats 400	Bradley Room Seats 120	Banquet Room Seats 200	

Source: Ellerbe Becket, Inc.

	Lawrence Joel Veterans Memorial Coliseum Winston-Salem, NC	Smith Center U of NC Chapel Hill, NC	Arco Arena Sacramento, CA	Thompson- Boiling U of TN Knoxville, TN	Jack Breslin Stud. Events Ctr. MI State Univ. East Lansing, MI
Construction Start	February 1987	April 1982	Sept. 1986	May 1985	Oct. 1986
Opening Date	August 1989	Jan. 1986	Sept. 1986	Dec. 1987	Oct. 1989
Construction Cost	\$21.2 M	\$33.8 M	\$40.0 M	\$43.0 M	\$43.0 M
Square Footage	247,000	300,000	550,000	374,000	253,000
Seating/Basketball	14,400	21,444	16,400	24,451	15,500
Cost/SF	\$ 86	\$113	\$ 73	\$115	\$170
Cost/Seat	1,472	1,576	2,439	1,759	2,774
Adjust Cost To Jan. 1990 (Per ENR Index)	23,671,500	41,099,500	42,683,800	47,213,300	45,753,600
SF/Seat	17.15	13.99	33.54	15.29	16.32
Site Area	9 Acres	7.5 Acres	105 Acres	3.3 Acres	6 Acres
Parking		1,460	12,200	2,000 On-Site 5,000 1/2 Mile Radius	500 On-Site
Private Suites	19;18 Person Suites		30;26 Person Suites		8;16 Person Suites
Reception Room	VIP Room Seats 200	Donors Room Seats 125	4 "VIP" Rooms Seats 6,000	"VIP" Room Seats 600	4 "VIP" Rooms Seats 325

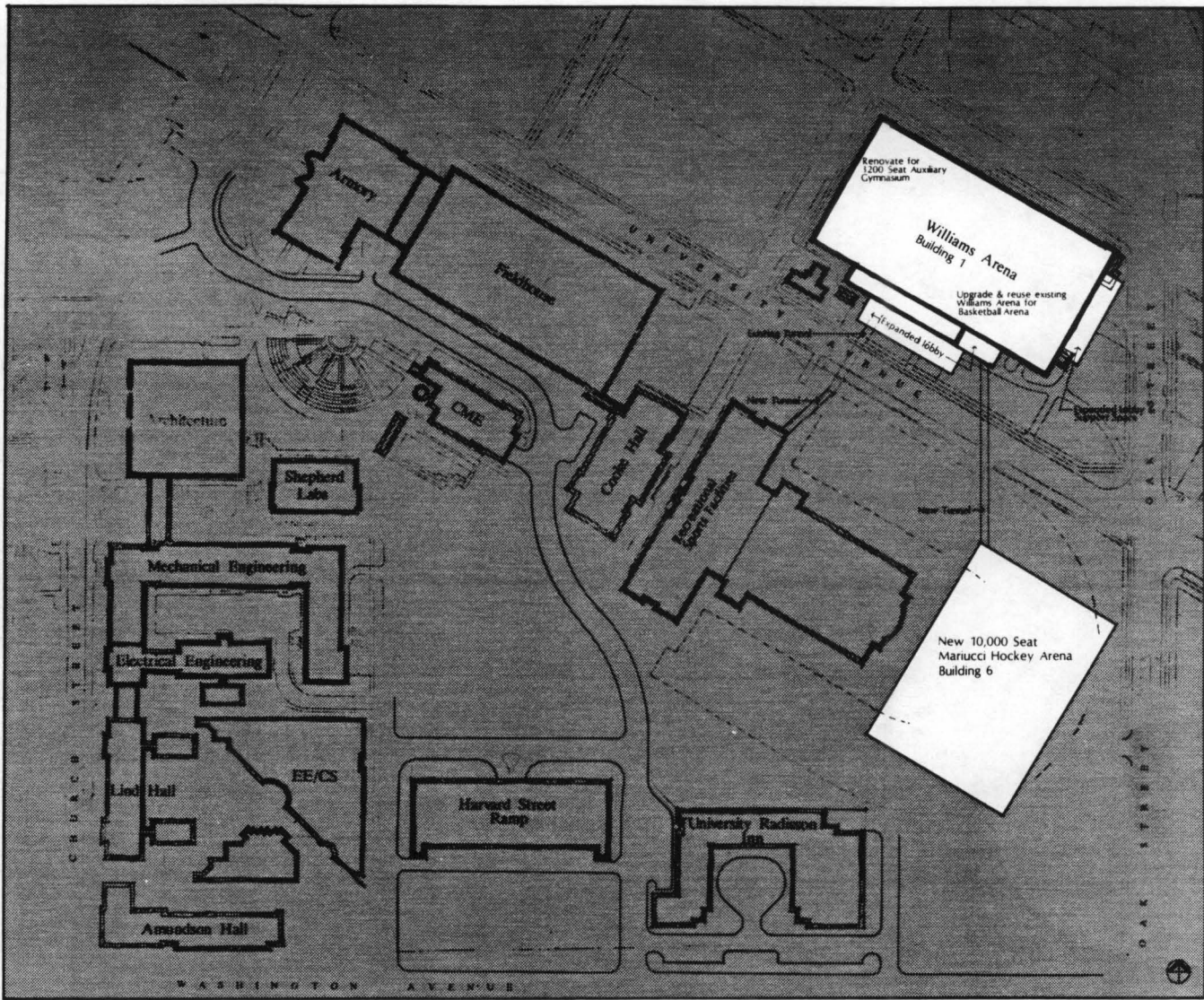
Source: Ellerbe Becket, Inc.



A number of alternative facilities options and site scenarios were examined in some detail. The synopsis of the analysis of the scenarios is included below:

	<u>Initial Cost</u> <u>(in millions)</u>	<u>Program</u> <u>Satisfaction</u>	<u>Operating</u> <u>Cost</u>	<u>Site</u> <u>Fit</u>	<u>Phasing</u> <u>of</u> <u>Construction</u>	<u>Incremental</u> <u>Revenue</u>
Site Scenario A	\$55.2	-	-	+	+	-
Site Scenario B	\$76.6	o	+	+	+	+
Site Scenario C	\$78.4	+	+	o	+	+
Site Scenario D	\$90.4	+	-	o	+	-
Site Scenario E	\$82.2	o	o	o	+	o
Site Scenario F	\$23.0	N/A	N/A	N/A	N/A	N/A

The following pages present the attributes of each building option and site scenario studied, along with a more detailed examination of each of them.



SCENARIO A  
0 30 60 120

Ellerbe Becket

**Site Scenario A - \$55.2 million**

**Building Alternatives:**

**Building One:** Renovate Mariucci Arena for 3,200 seat auxiliary gym. Upgrade existing Williams Arena with air conditioning, new bench seats, fire protection system, expanded concessions and toilets.

**Building Six:** Build new 10,000 seat hockey arena with a combination of chair seating and benches with backs, preferred seating sections, no suites.

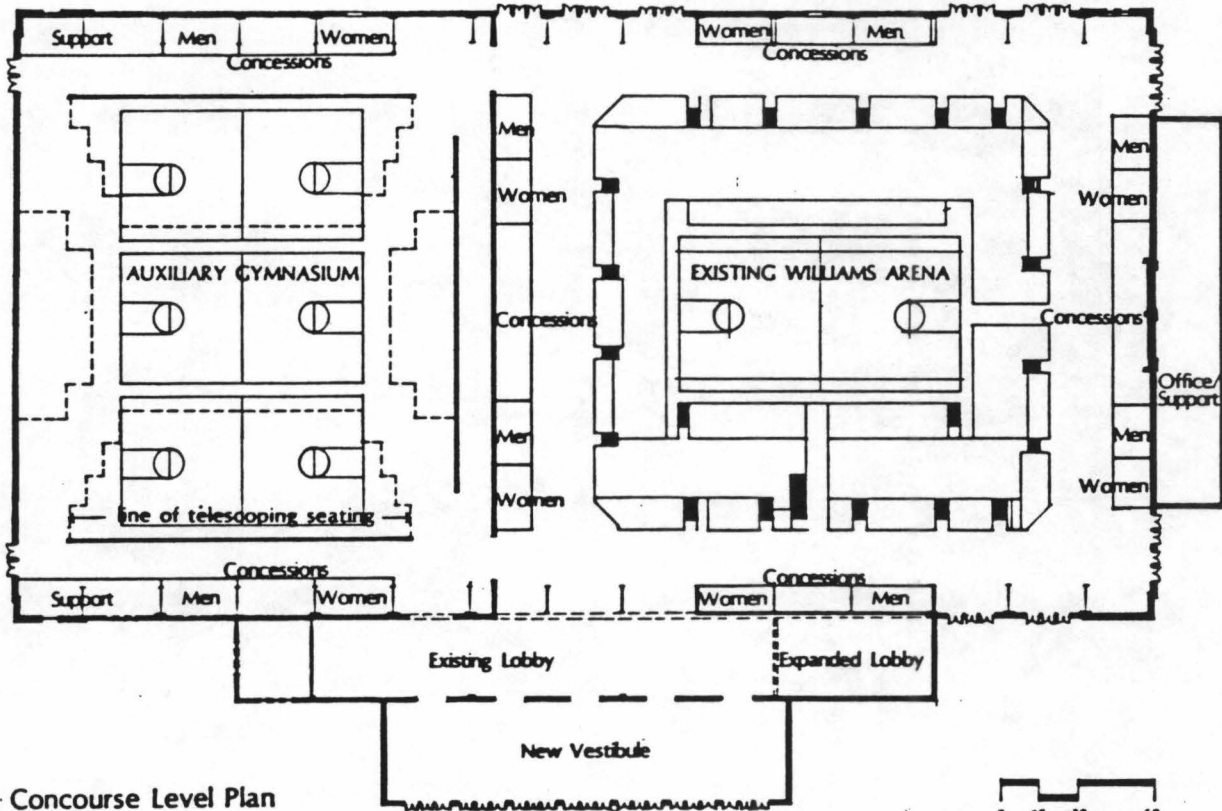
This scenario was regarded as the minimum on-campus solution. It is based on the full utilization of the existing Williams/Mariucci facility in concert with the least amount of new construction. The initial study for this scheme called for the upgrading and the provision of additional seating within the existing Mariucci Arena. However, this proposed upgrading actually resulted in a net loss of seats due to the invocation of current code standards regarding aisle spacing and exiting requirements. Instead, the decision was made to pursue a new,

modern 10,000 seat hockey arena. Within the shell of Mariucci Arena is then inserted a 3,200 seat exhibition gymnasium and the residual space is utilized to increase toilet and concession facilities within Williams Arena.

Minimal improvements are envisioned within the existing shell of Williams Arena, while an addition is proposed to accommodate added locker and lobby facilities.

While this scenario provides the least capital cost, it fails on two levels: satisfaction of program requirements and generation of sufficient incremental revenue growth to offset capital cost.

In general, this scenario fails to meet the requirements for floor size, seating counts, seating type and spectator amenities within the auxiliary gym side. Additionally, Williams Arena retains its all-bench seating configuration and receives less-than-desired improvements in toilet and concession facilities due to the building's site limitations and structural system. Furthermore, some locker and support spaces are further removed from the playing floor due to their location in the new construction.

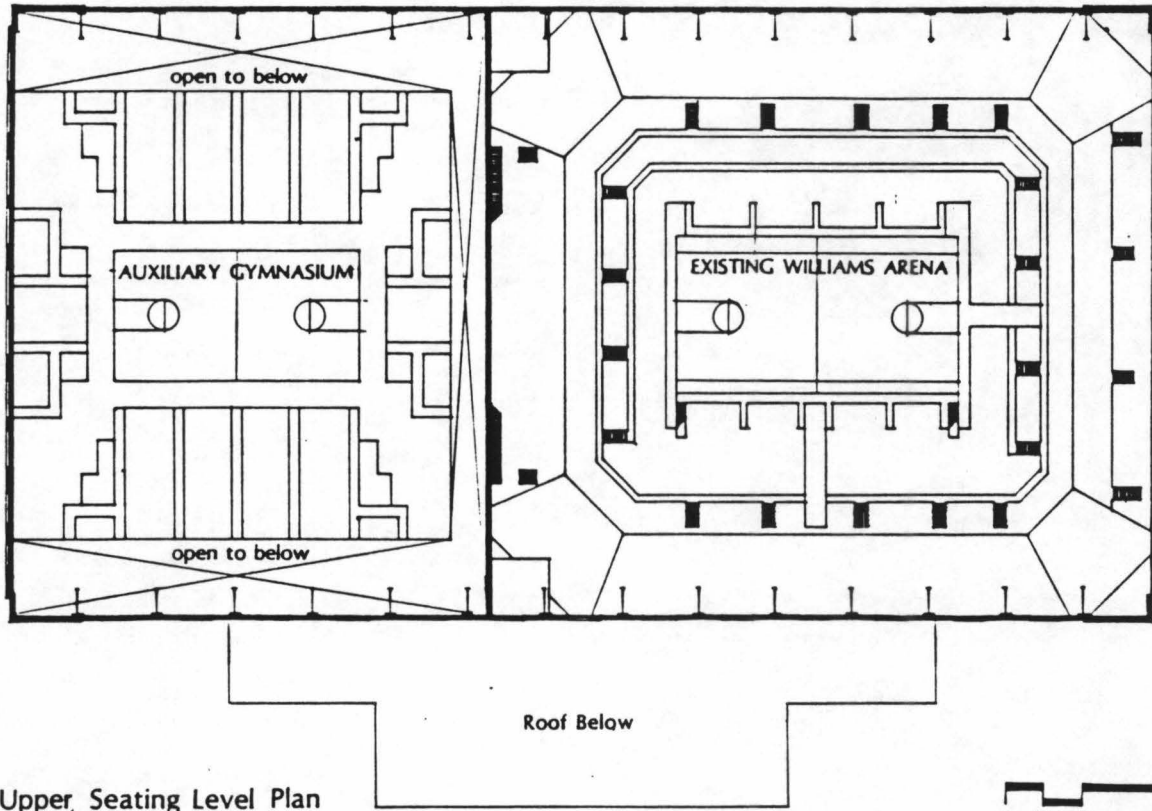


## Building 1

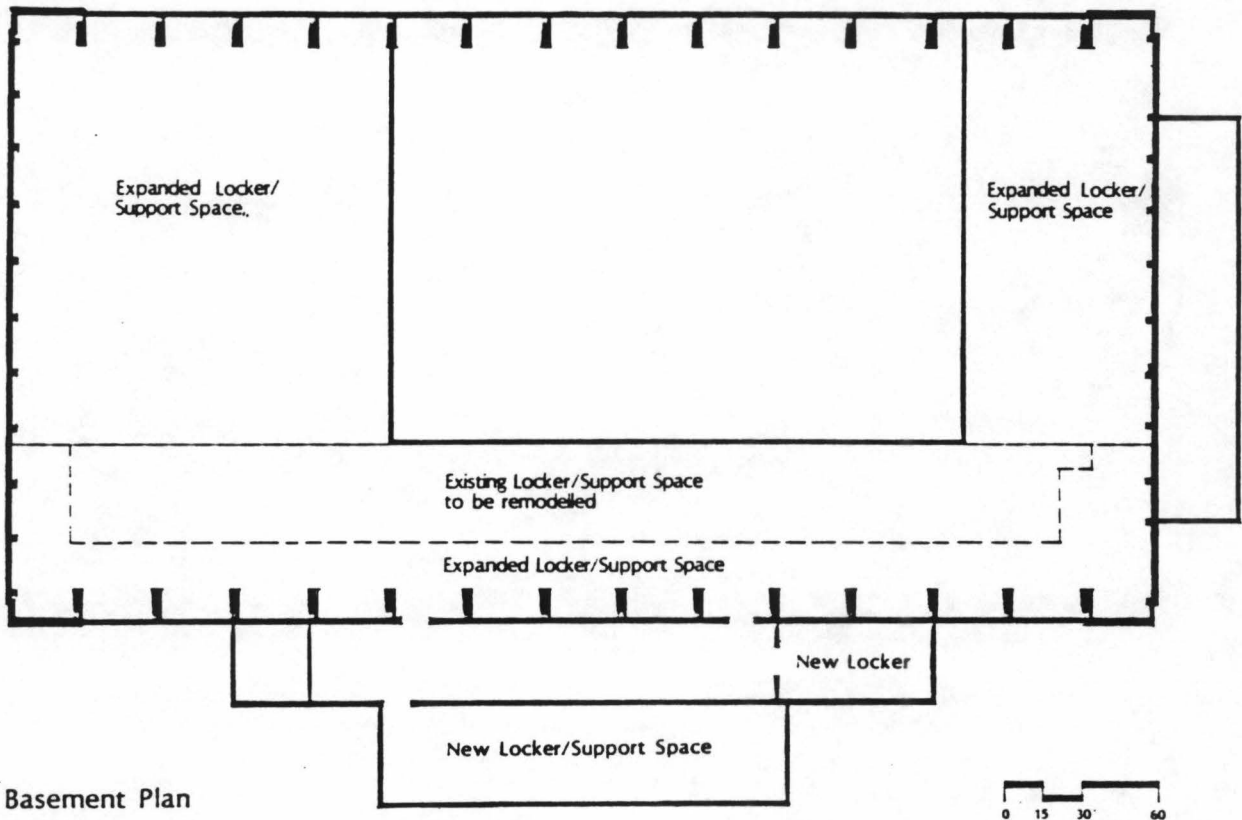
- A. Renovate for 3200 seat Auxiliary Gymnasium
- B Expand locker & Support Space

## Seating Counts

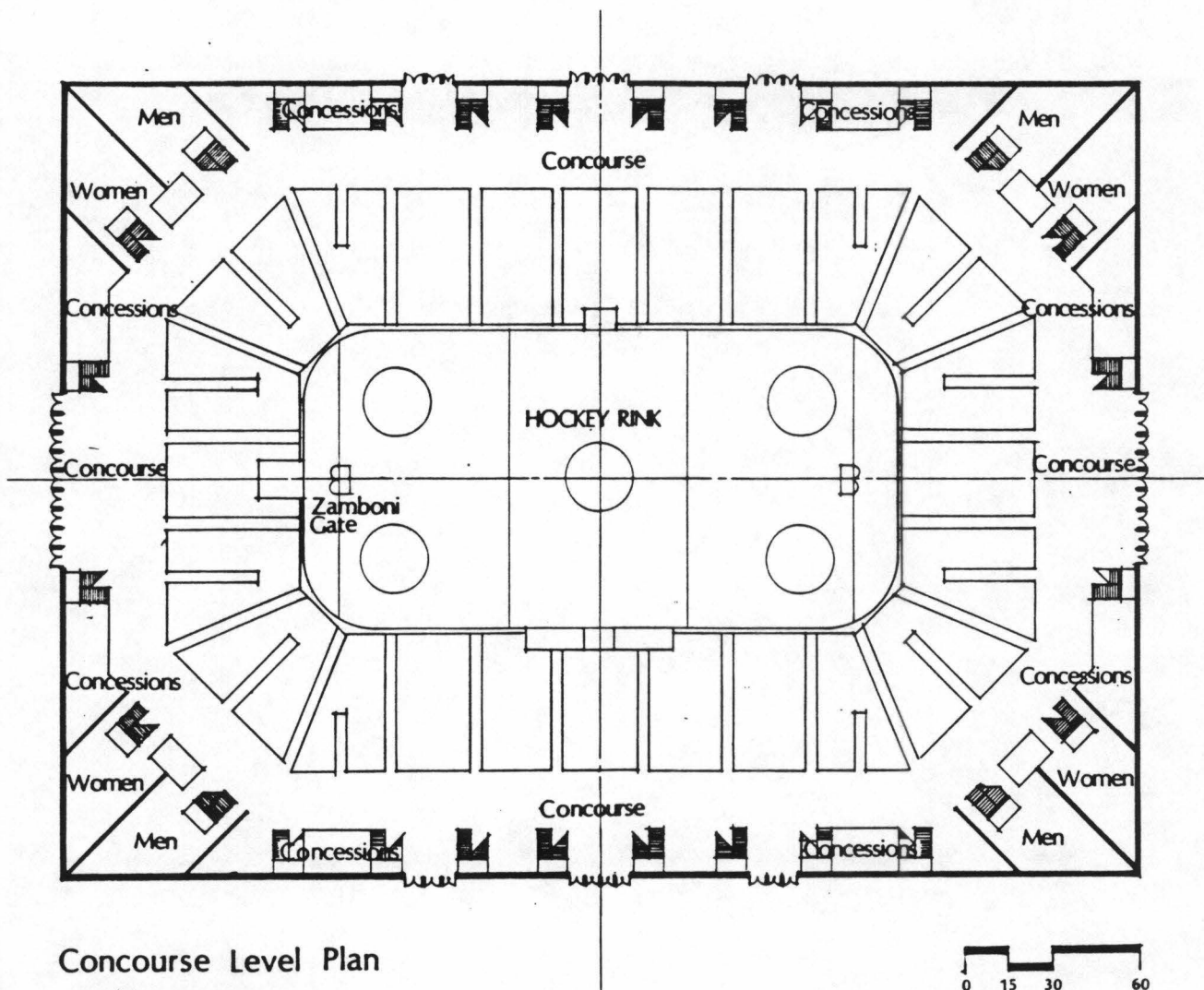
	Upper Level	Subtotal
Benches		
Benches w/ Backs	3140	3140
Chairs		
Suites		
Total		3140



Upper, Seating Level Plan



Basement Plan



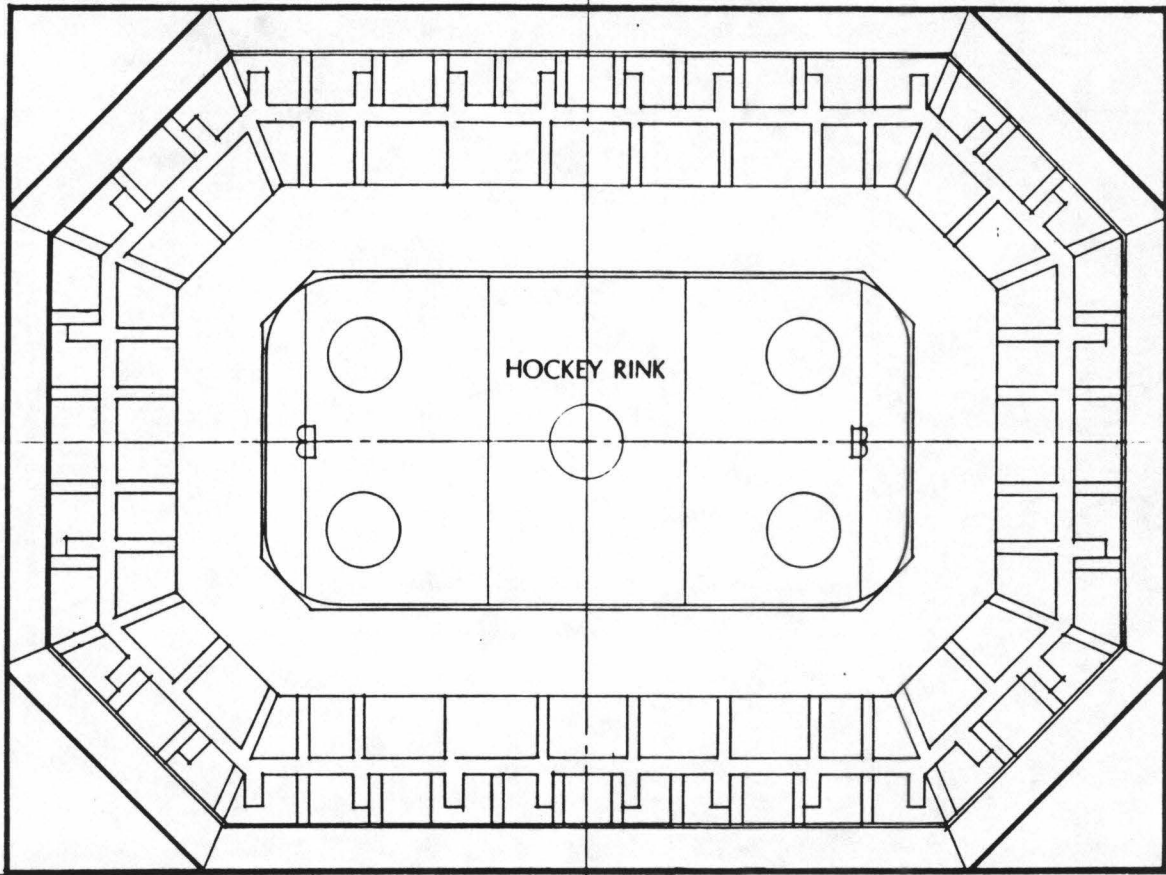
Concourse Level Plan

## Building 6

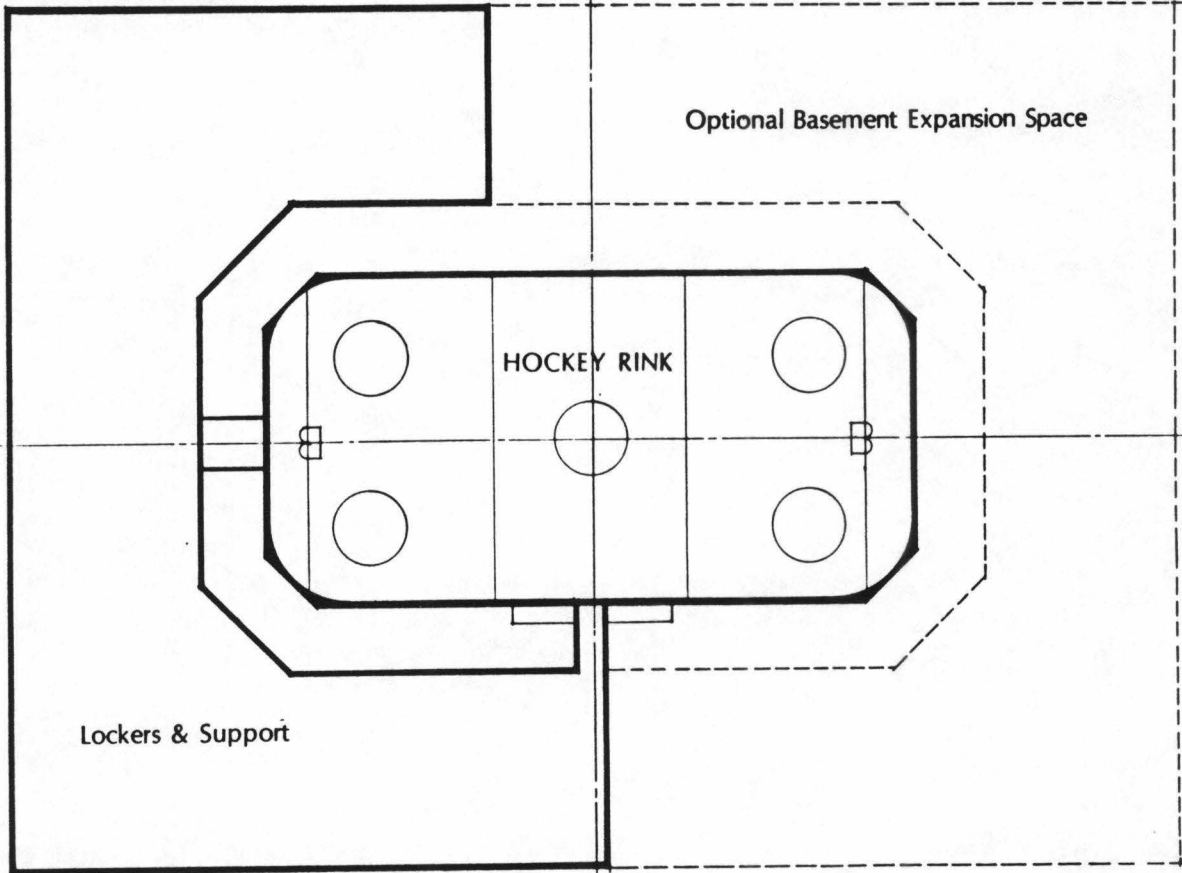
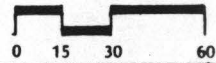
A. Preferred seating only

## Seating Counts

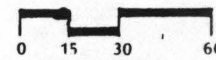
	Upper Level	Lower Level	Subtotal
Benches			
Benches w/ Backs	2580		2580
Chairs	1960	5592	7552
Suites			
Total			<hr/> 10132

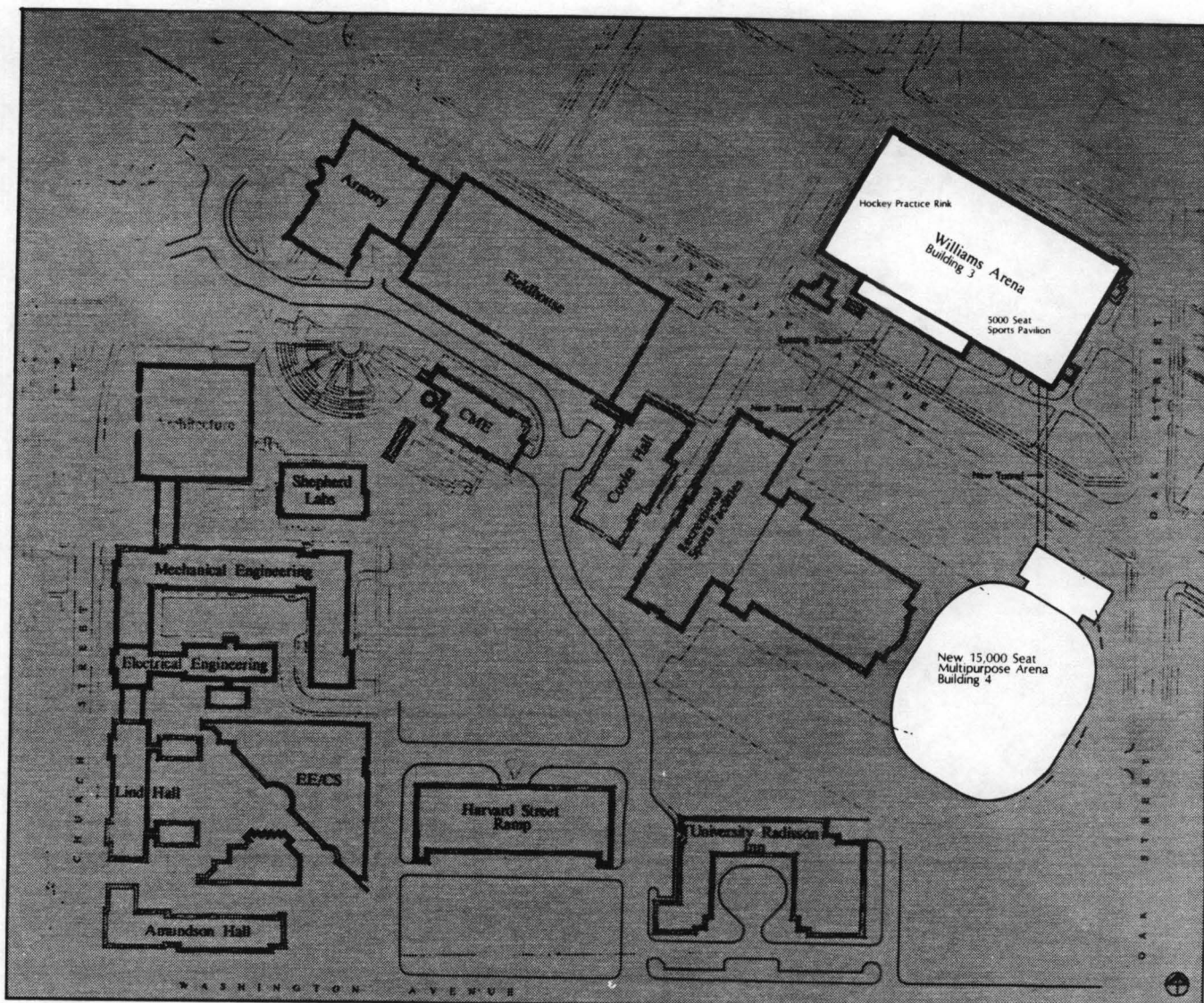


Upper Seating Level Plan



Basement Plan





SCENARIO B

0 30 60 120

Ellerbe Becket

### Site Scenario B - \$76.6 million

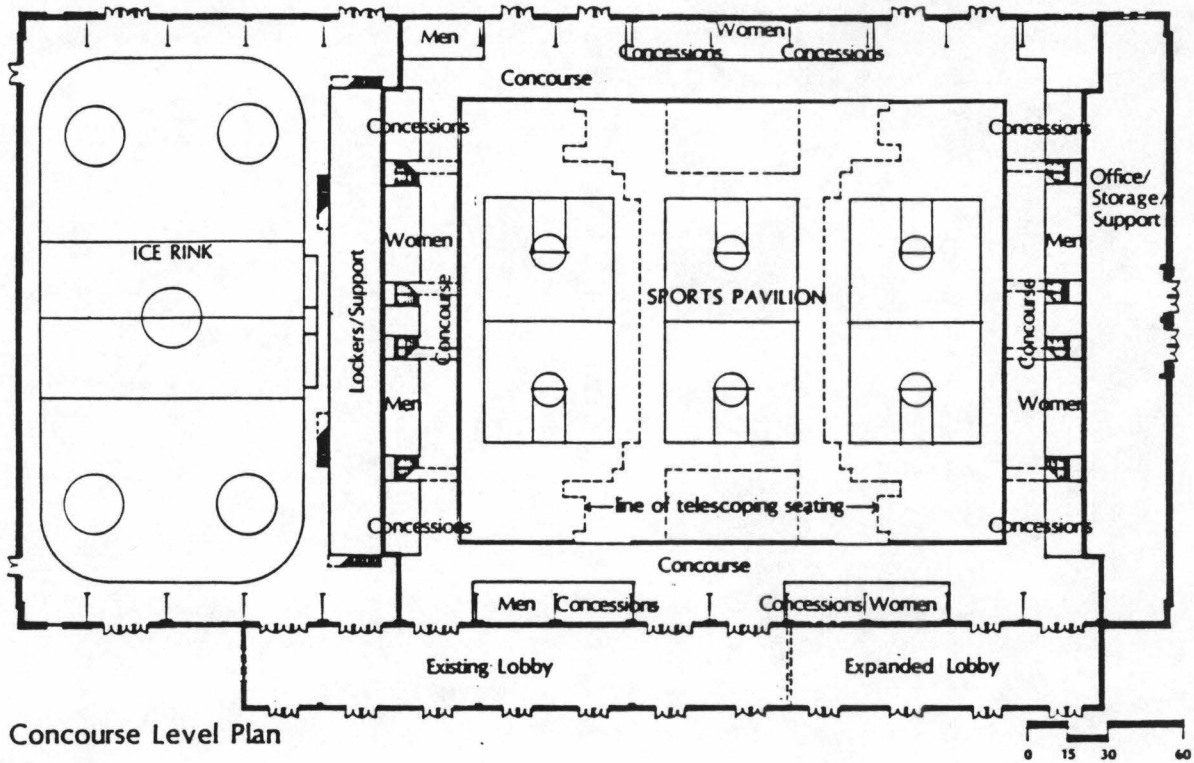
#### Building Alternatives:

**Building Three:** Renovate Mariucci Arena for practice ice sheet. Renovate Williams Arena for 5,000 seat Sports Pavilion. Demolish existing interior spaces throughout. Provide new seating, ice rink, athletic flooring, concessions and toilets. Provide air conditioning and fire protection system. Renovate and expand locker and support spaces.

**Building Four:** Build new 15,000 seat Multipurpose Arena with chair seating, preferred seating sections and suites.

This scenario examined the adaptive reuse of existing Williams/Mariucci Arenas in conjunction with the

provision of a new Multipurpose Arena. In general, it falls into the "intermediate" range with regard to both total capital cost and satisfaction of programmatic needs. While it is considered to be a generally acceptable solution, the Sports Pavilion component is considered to be less than ideal, in that it will be located within Williams Arena. Concerns include quality, configuration and proximity of locker and support space, constraints presented by the existing structural system, operating costs and project scheduling. (The renovation of Williams/Mariucci could not occur until after the Multipurpose Arena is constructed and occupied).



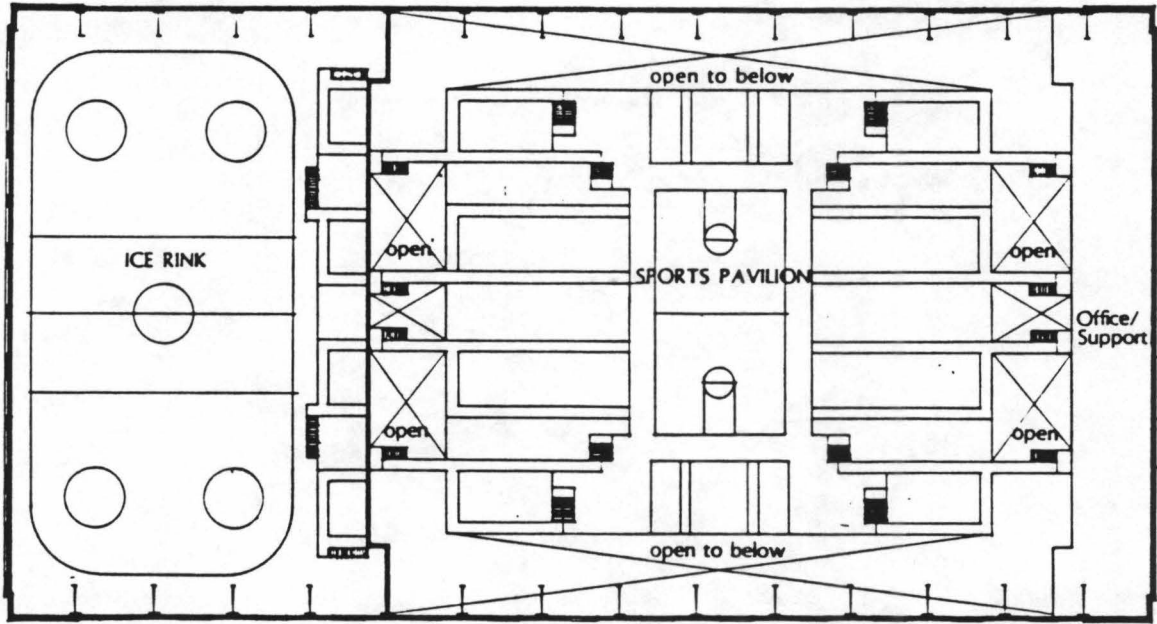
## Building 3

- A. Renovate for practice Ice Rink
- B. Renovate for Sports Pavilion

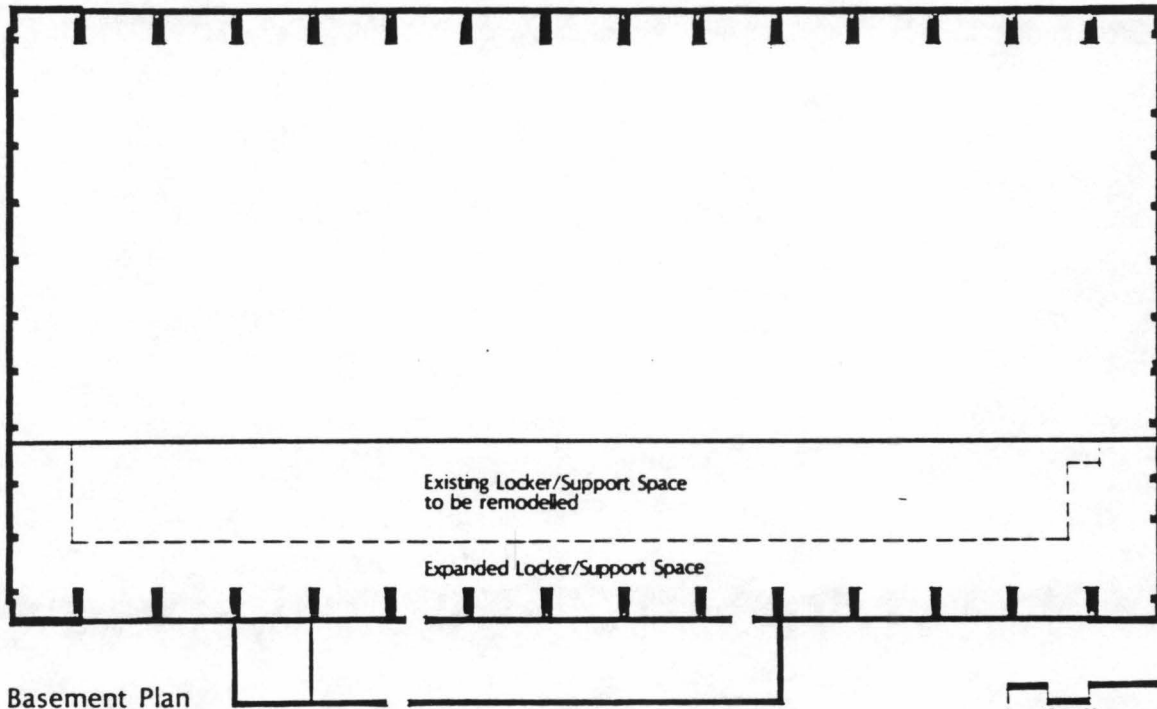
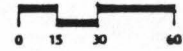
## Seating Counts

	Upper Level	Lower Level	Subtotal
Benches			
Benches w/ Backs	4970		4970
Chairs			
Suites			
Total			4970

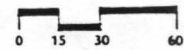




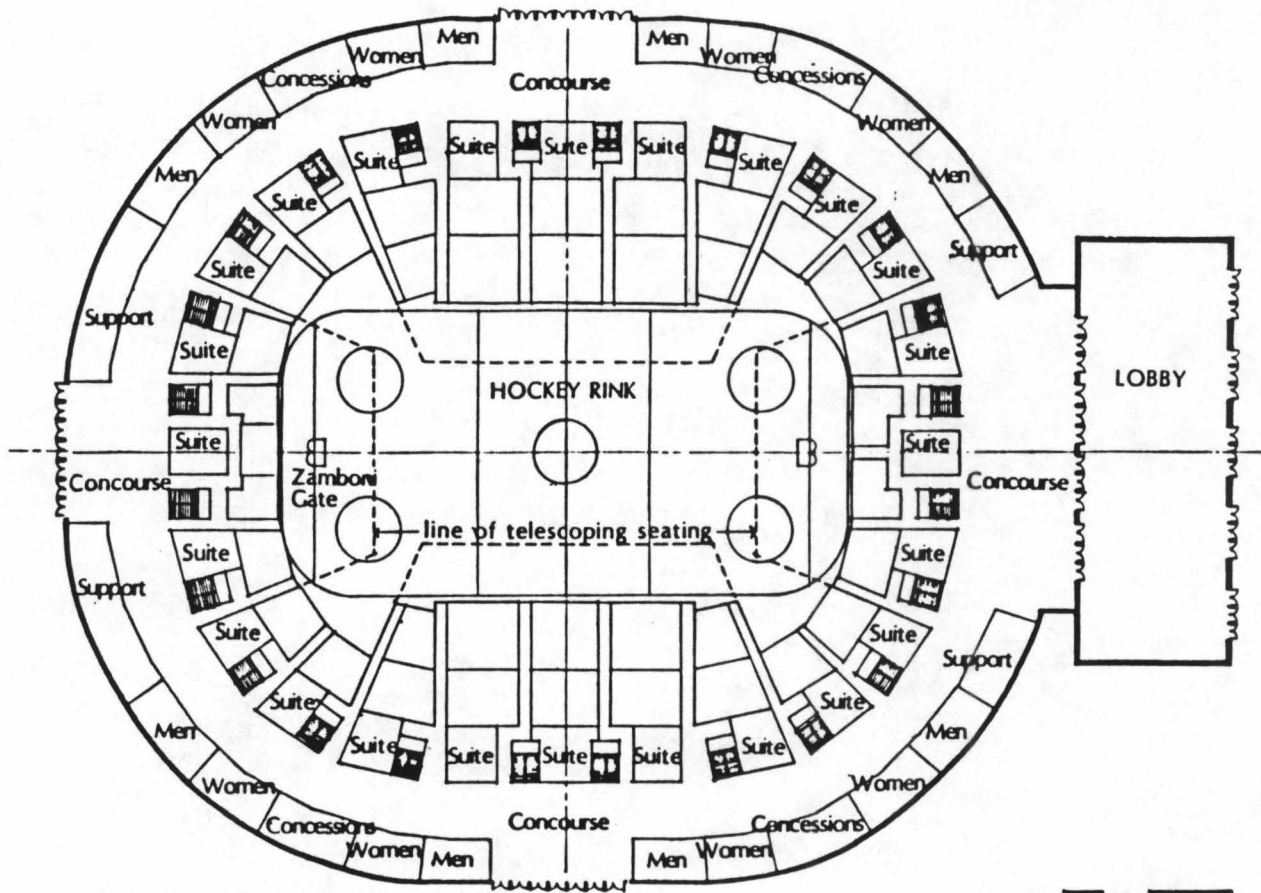
Upper Level/Seating Plan



Basement Plan



Ellerbe Becket



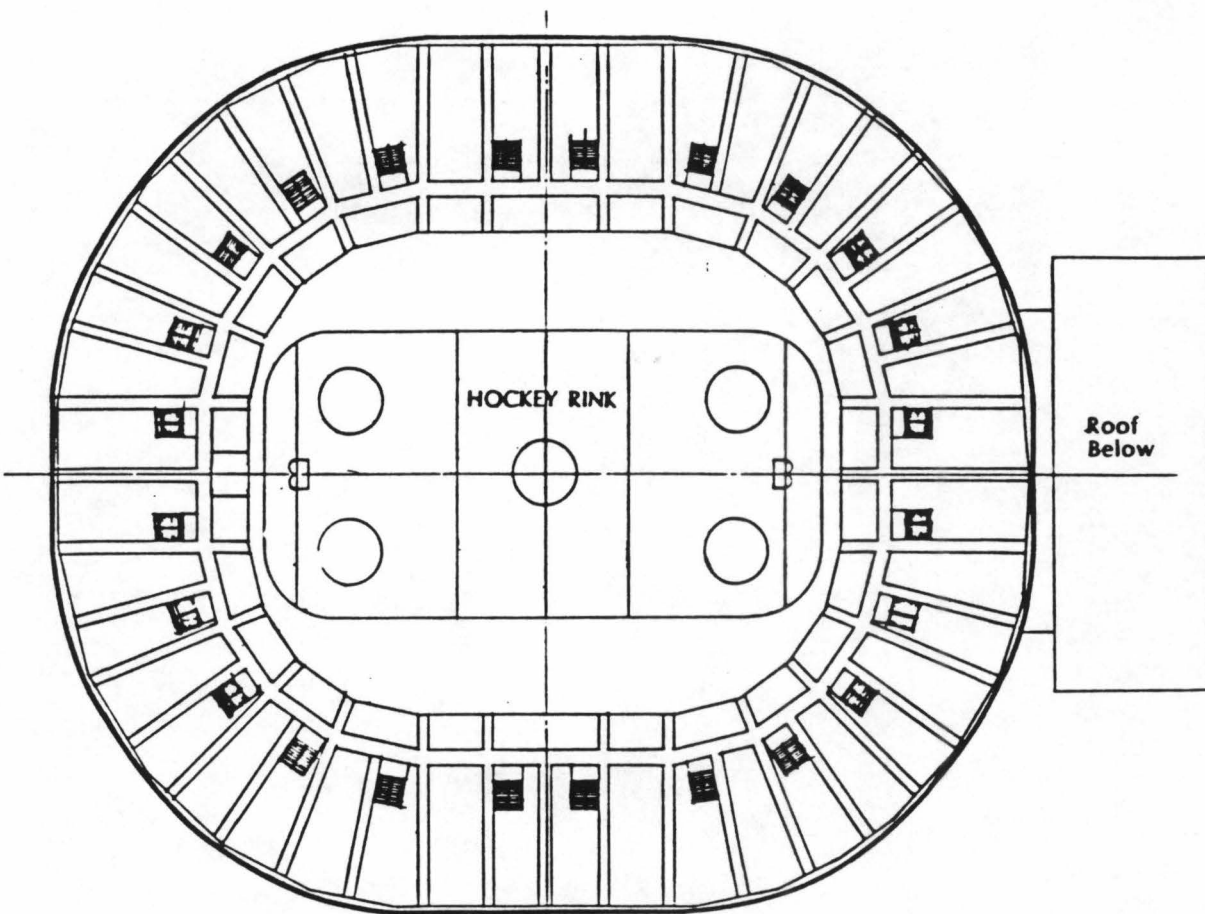
Concourse Level Plan

## Building 4

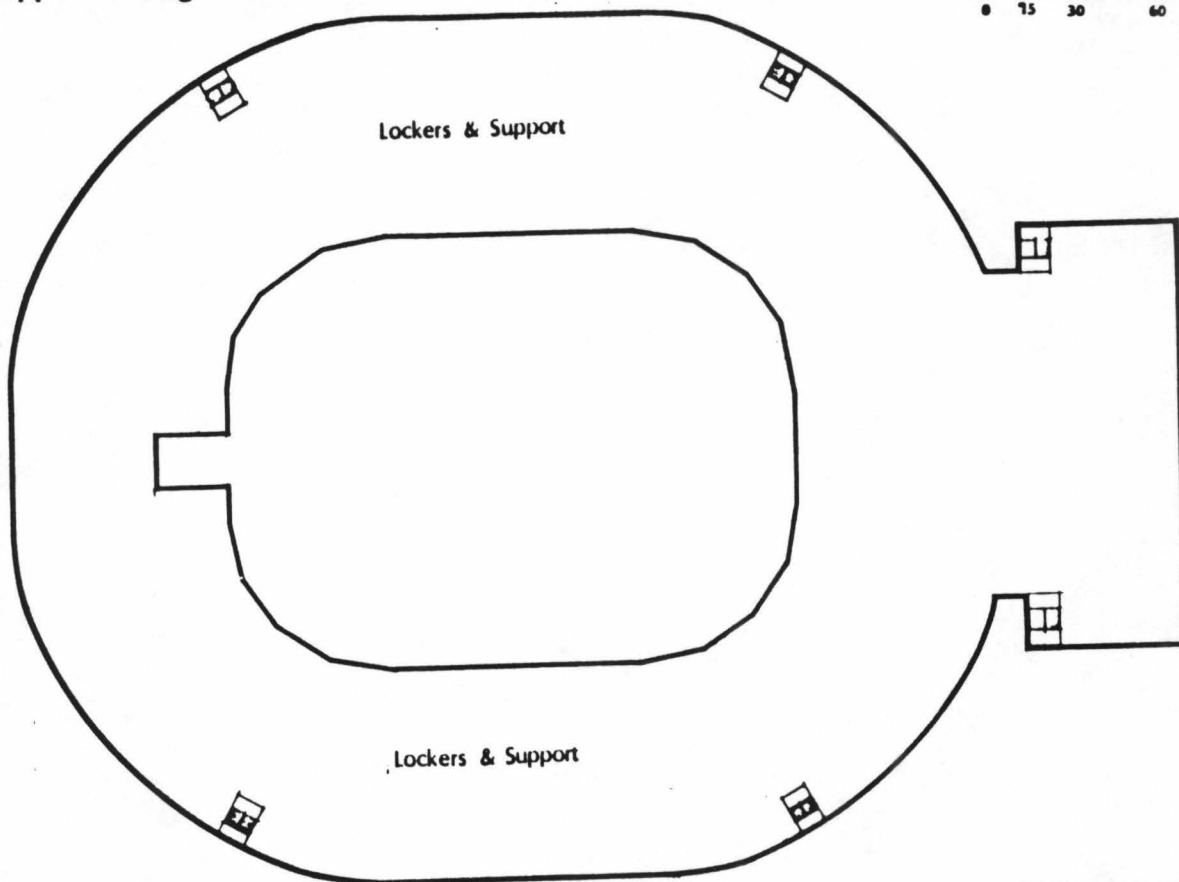
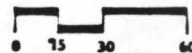
A. 15,000 seat Basketball Arena,  
13,500 seat Hockey Arena

## Seating Counts

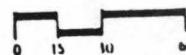
	Upper Level	Lower Level	Subtotal
Benches			
Benches w/ Backs	7332		7332
Chairs	1640	3104	4744
Suites		264	264
Total			<u>12350</u>

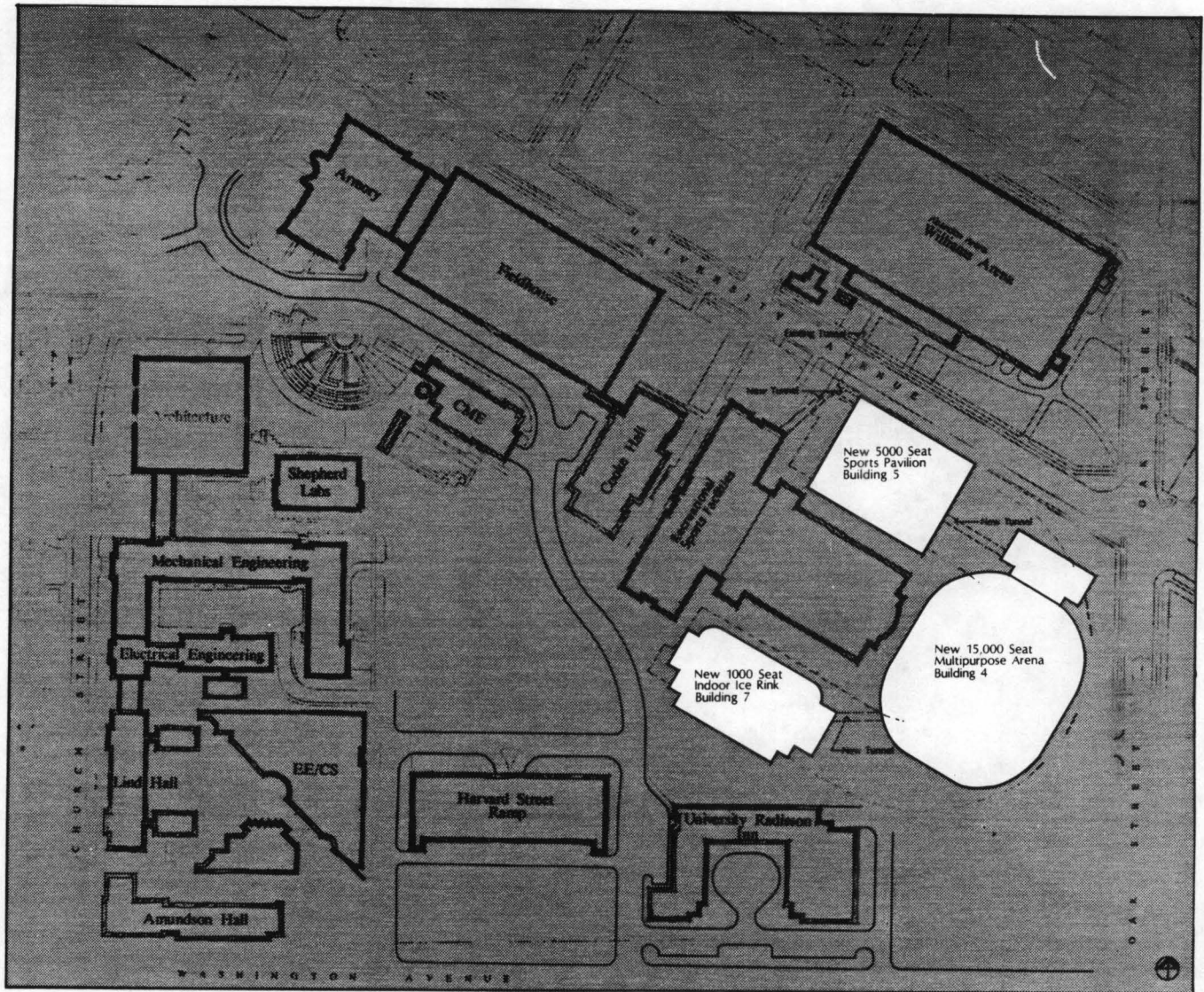


Upper Seating Level Plan



Basement Plan





SCENARIO C  
0 30 60 120

Ellerbe Becket

**Site Scenario C - \$78.4 million**

**Building Alternatives:**

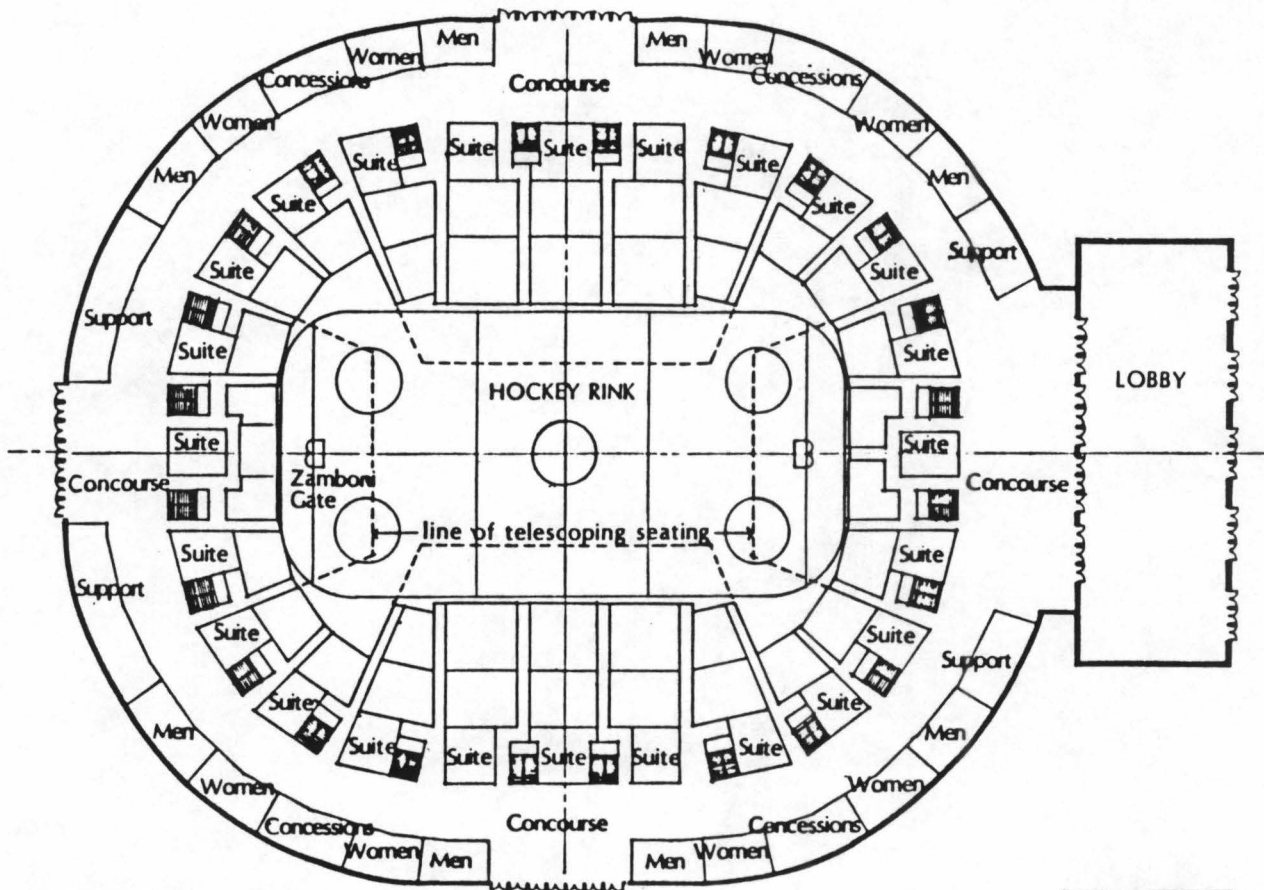
**Building Four:** Build new 15,000-seat Multipurpose Arena with chair seating, preferred seating sections and suites.

**Building Five:** Build new 5,000 seat Sports Pavilion with combination of chair seating and benches with backs. Provide flexible multipurpose athletic floor.

**Building Seven:** Build new Practice Ice Arena with 100' x 200' ice sheet and 1,000 bench seats.

The site plan for this scheme represents two options. The first option calls for the Sports Pavilion north of the Student Recreation Center, with the practice ice arena located to its south. The second, and preferred option calls for the Sports Pavilion to be located north of the Student Recreation Center with the Multipurpose Arena to its east. With the demolition of the existing Williams and Mariucci Arenas, the practice ice arena and future indoor tennis courts may be located on the existing Williams parcel, thereby making the current tennis courts site available for surface or structured parking.

This scenario was judged to be the most desirable in terms of satisfaction of programmatic needs, overall quality of facilities and operational efficiency.



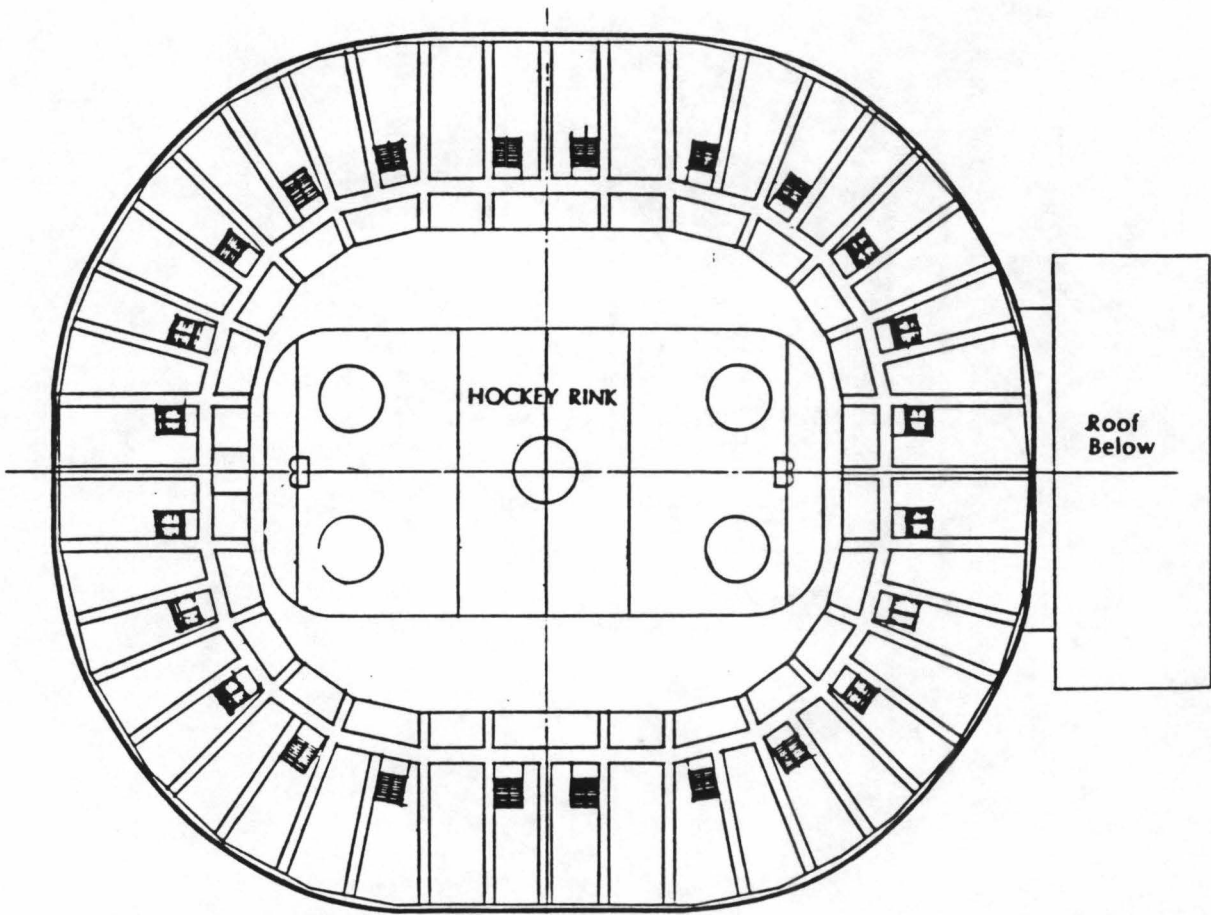
Concourse Level Plan

## Building 4

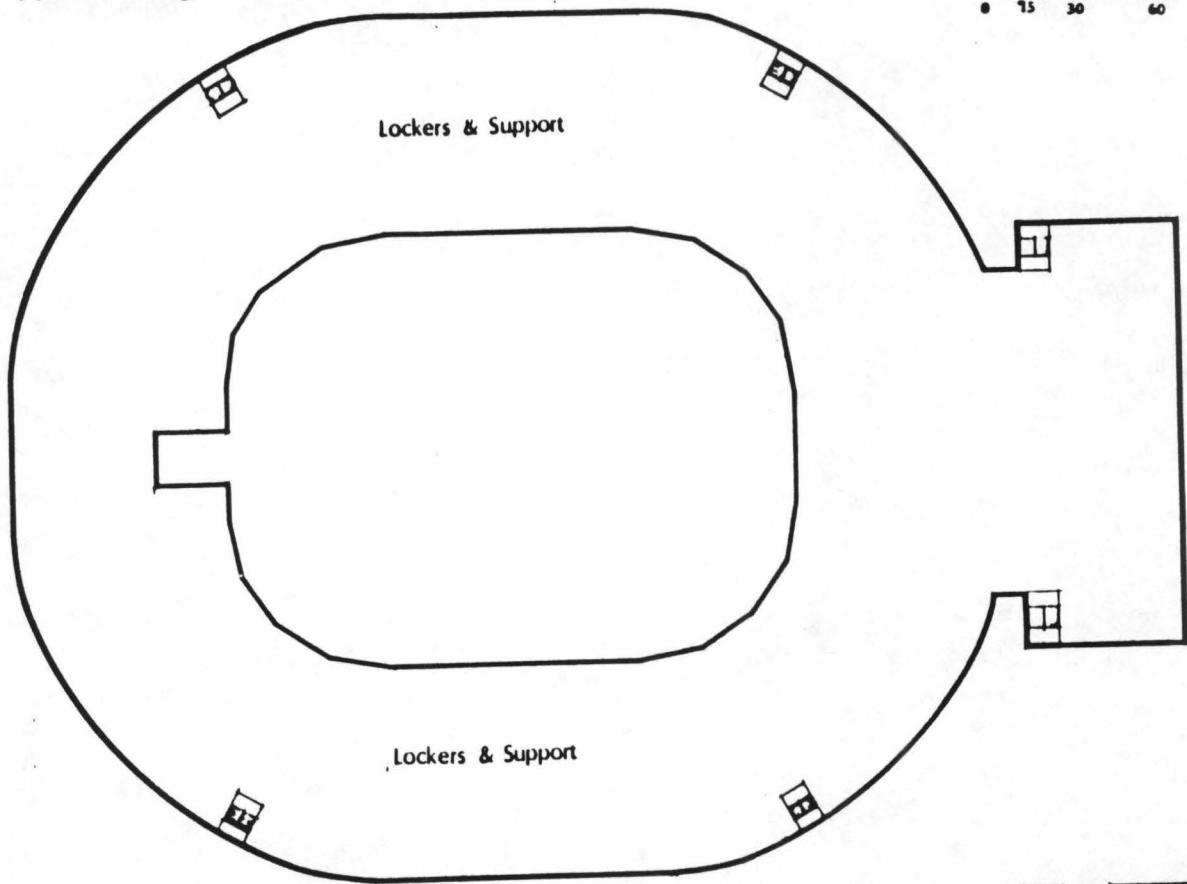
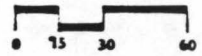
A. 15,000 seat Basketball Arena,  
13,500 seat Hockey Arena

## Seating Counts

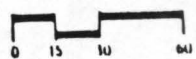
	Upper Level	Lower Level	Subtotal
Benches			
Benches w/ Backs	7332		7332
Chairs	1640	3104	4744
Suites		264	264
Total			<u>12350</u>



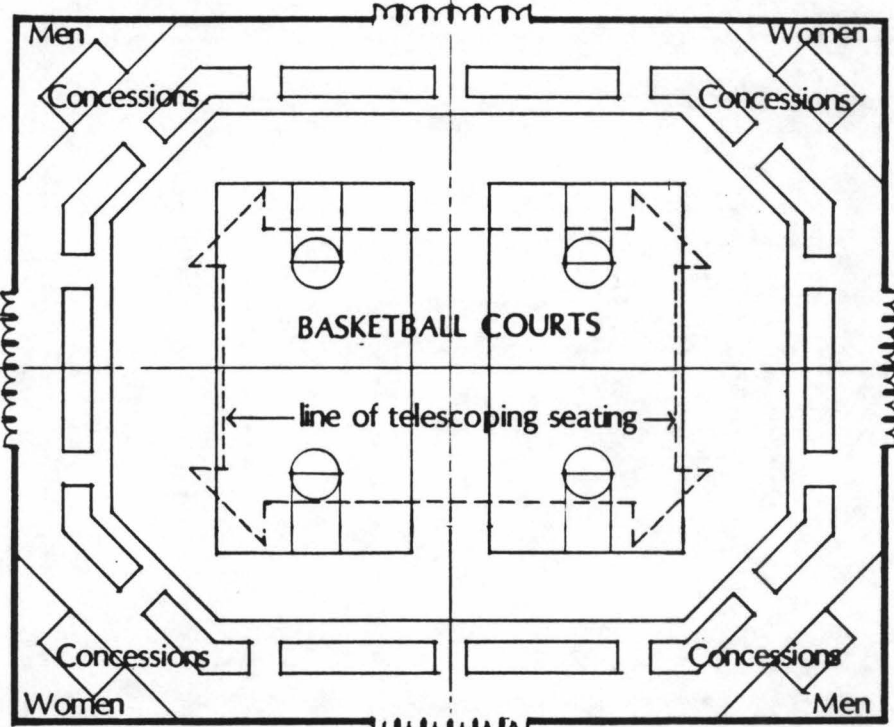
Upper Seating Level Plan



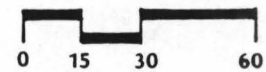
Basement Plan



Ellerbe Becket



Concourse Level Plan

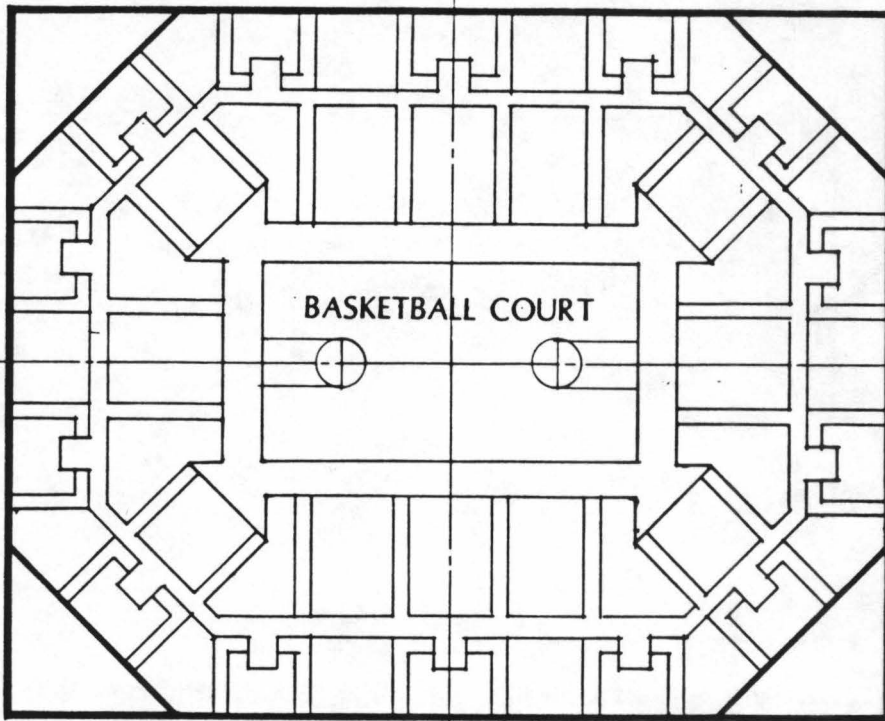


## Building 5

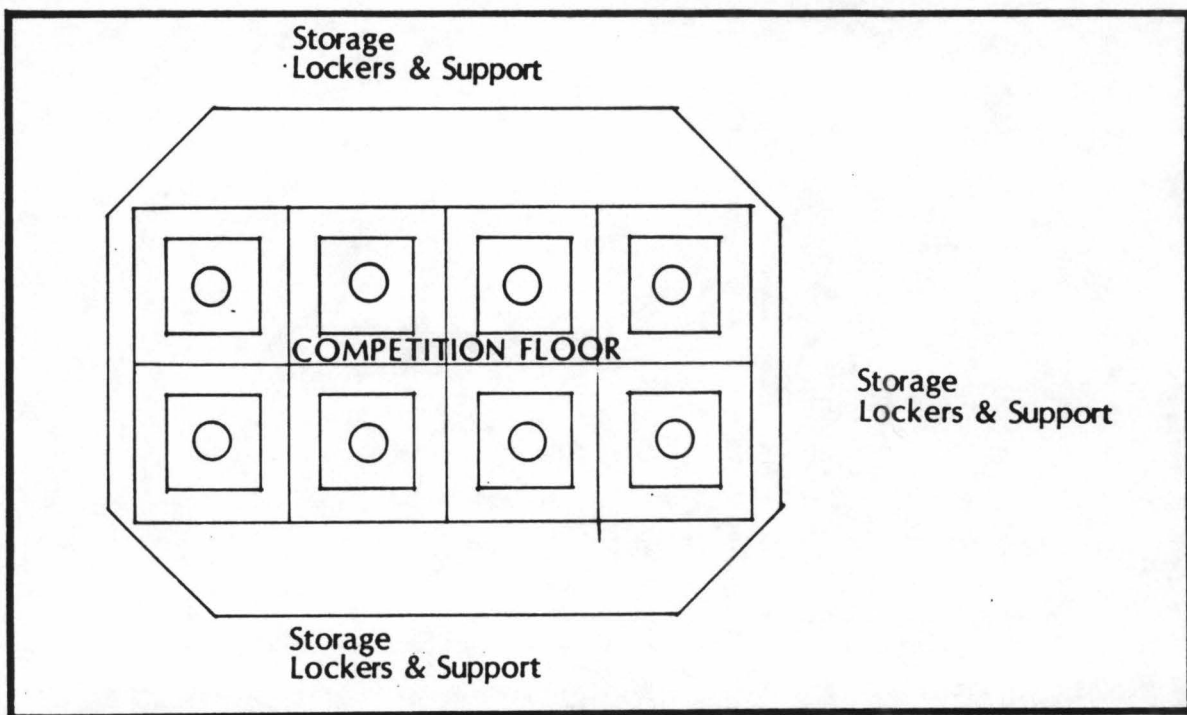
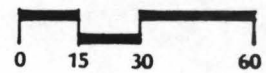
- A. Sports Pavilion with one competition court  
& three practice courts or eight wrestling mats

## Seating Counts

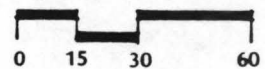
	Upper Level	Subtotal
Benches		
Benches w/ Backs	4176	4176
Chairs		
Suites		
Total		4176



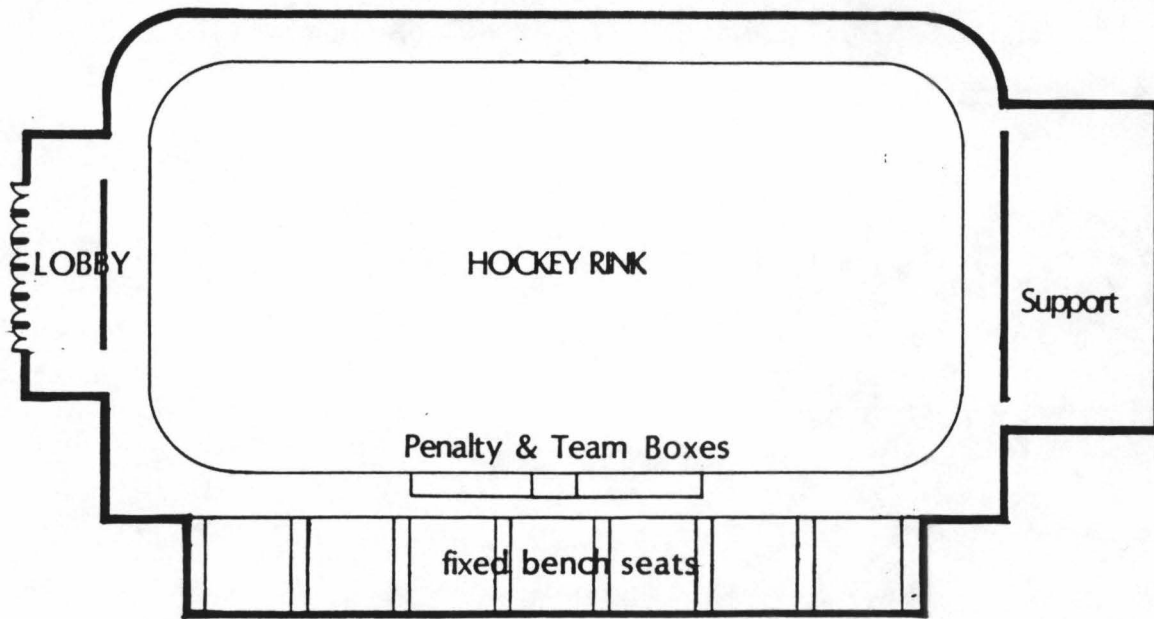
Upper Seating Level Plan



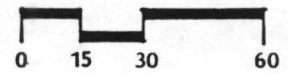
Lower Level Plan







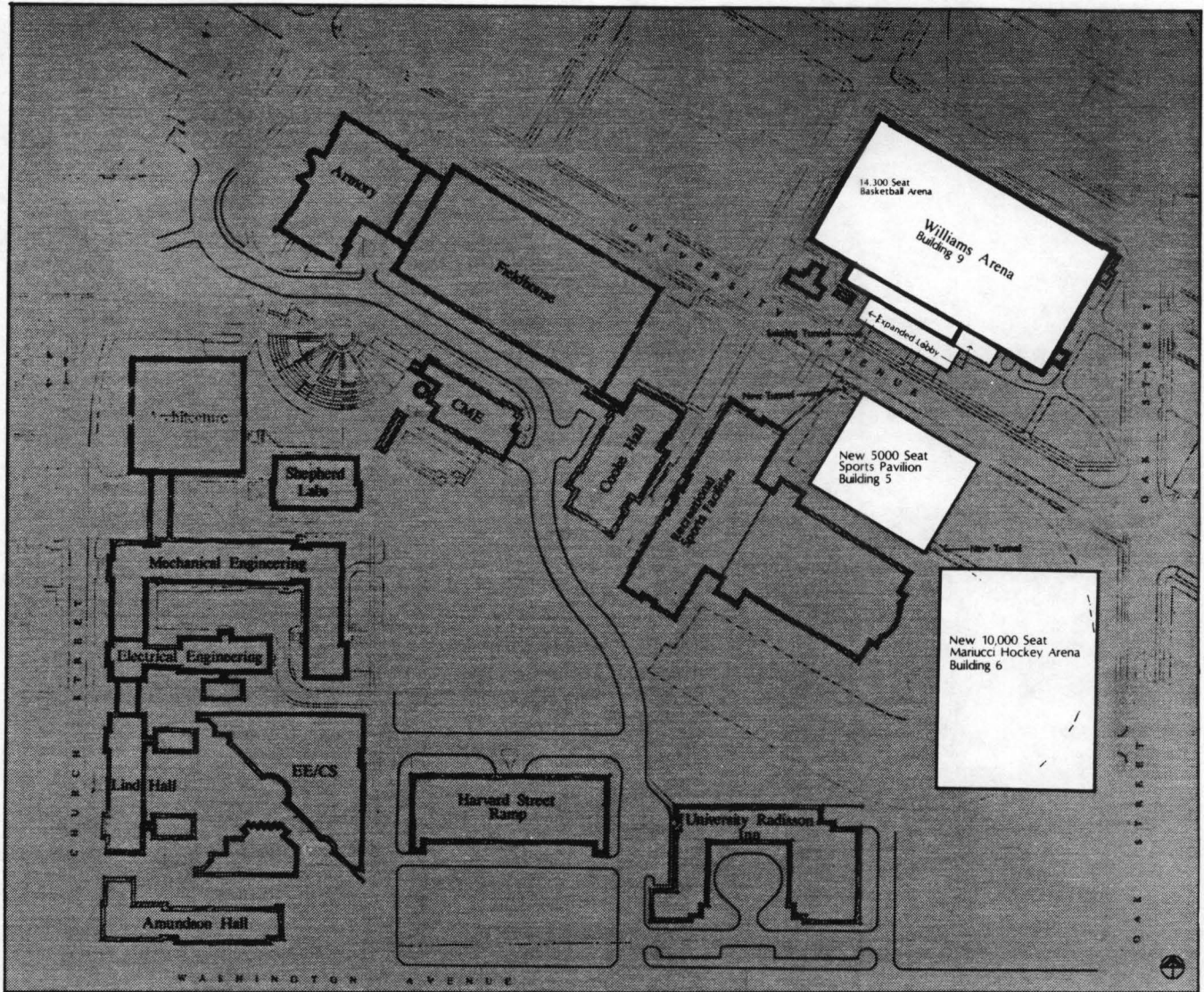
Ground Level Plan



## Building 7

### Seating Counts

	Ground Level	Subtotal
Benches		
Benches w/ Backs	1000	1000
Chairs		
Suites		
Total		1000



SCENARIO D  
0 30 60 120

Ellerbe Becket

**Site Scenario D - \$90.4 million**

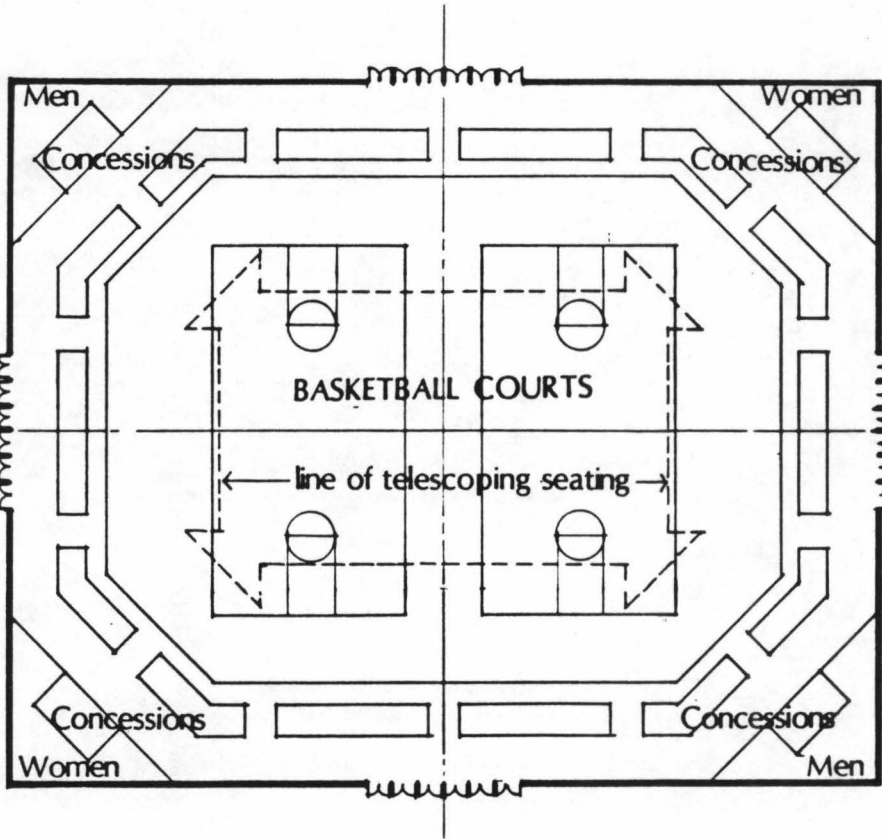
**Building Alternatives:**

**Building Two:** Renovate Williams/Mariucci Arena for 10,000 seat Hockey Arena. Demolish existing interior spaces throughout. Provide new ice sheet, seating, concessions and toilets. Install air conditioning and fire protection systems. Renovate locker and support spaces.

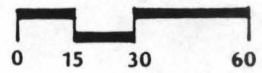
**Building Five:** Build new 5,000 seat Sports Pavilion with combination of chair seating and benches with backs. Provide flexible multipurpose athletic floor.

**Building Eight:** Build new 15,000 seat Basketball Arena with chair seating, preferred seating sections and suites.

This scenario proved to be the most expensive, and was eliminated on the basis of cost.



Concourse Level Plan

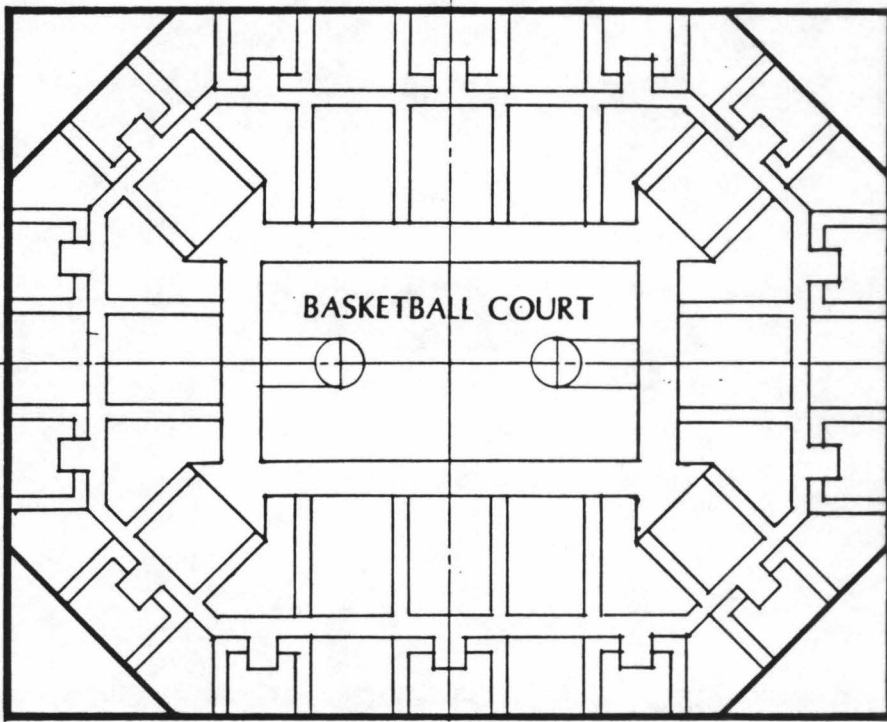


## Building 5

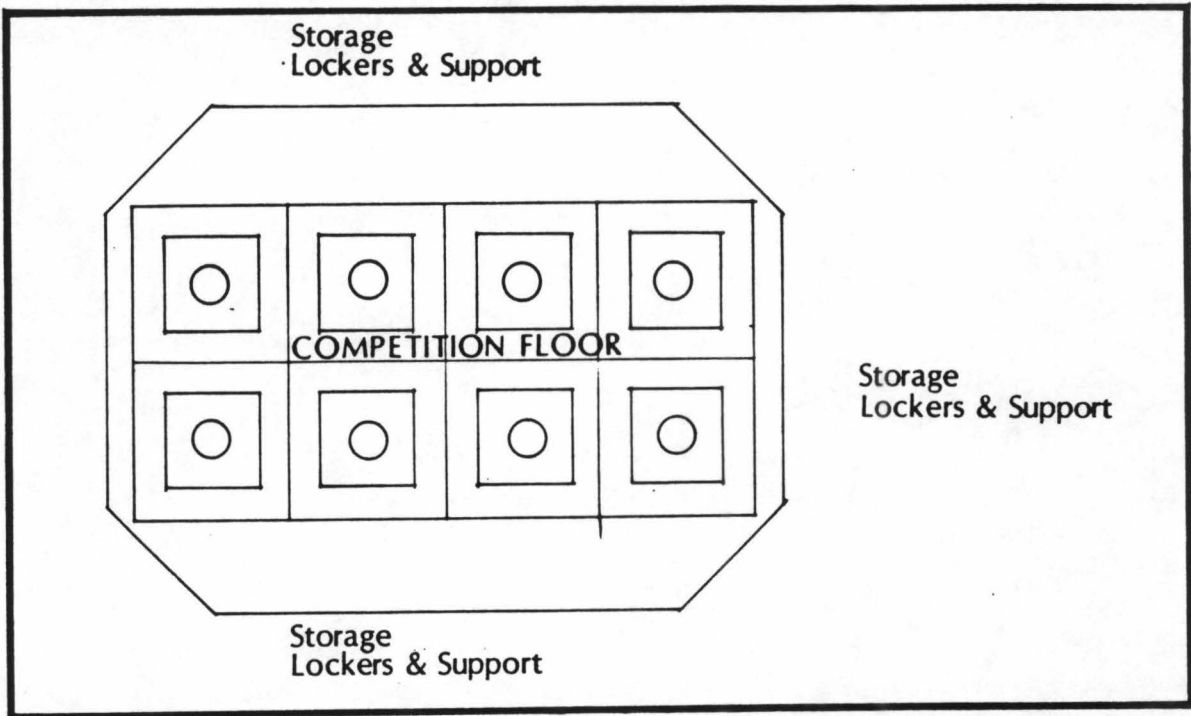
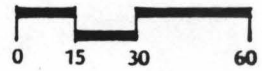
A. Sports Pavilion with one competition court & three practice courts or eight wrestling mats

## Seating Counts

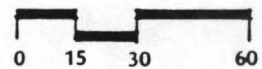
	Upper Level	Subtotal
Benches		
Benches w/ Backs	4176	4176
Chairs		
Suites		
Total		4176

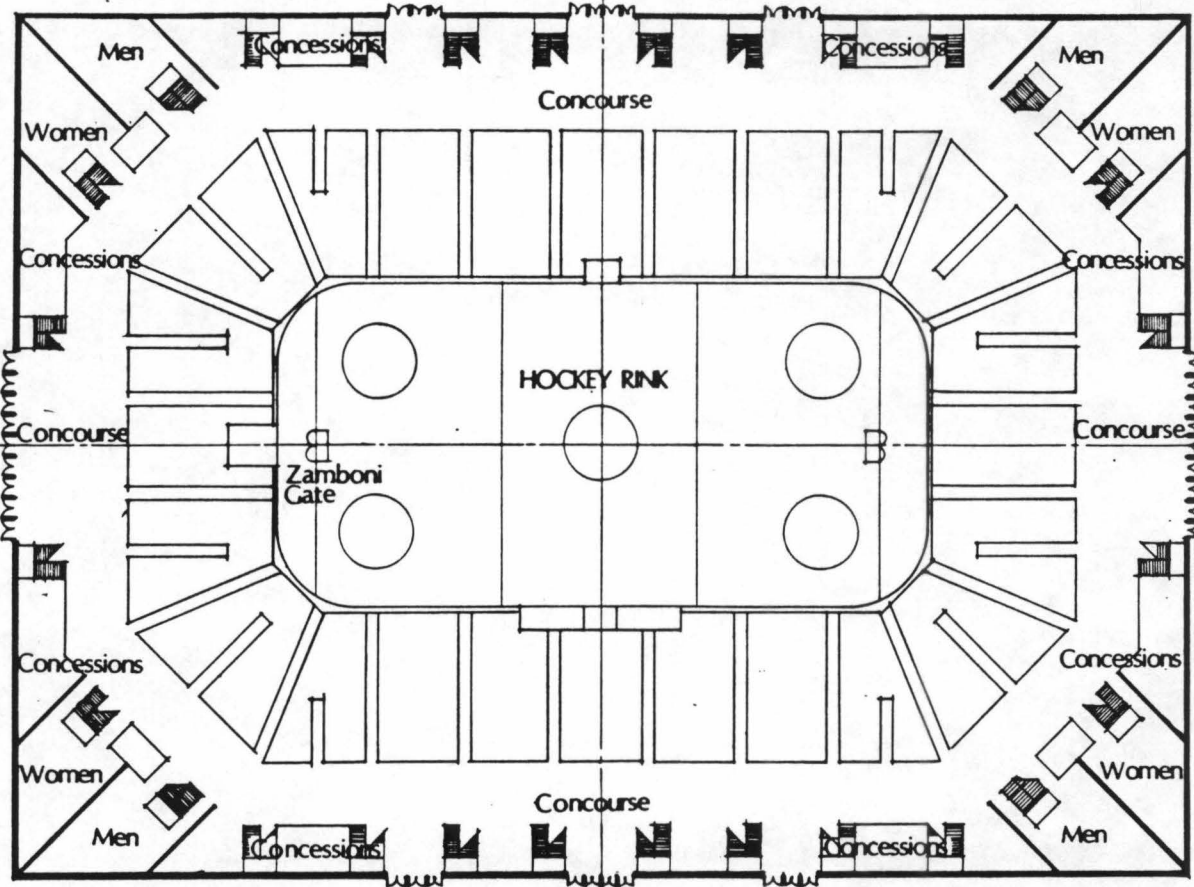


Upper Seating Level Plan



Lower Level Plan





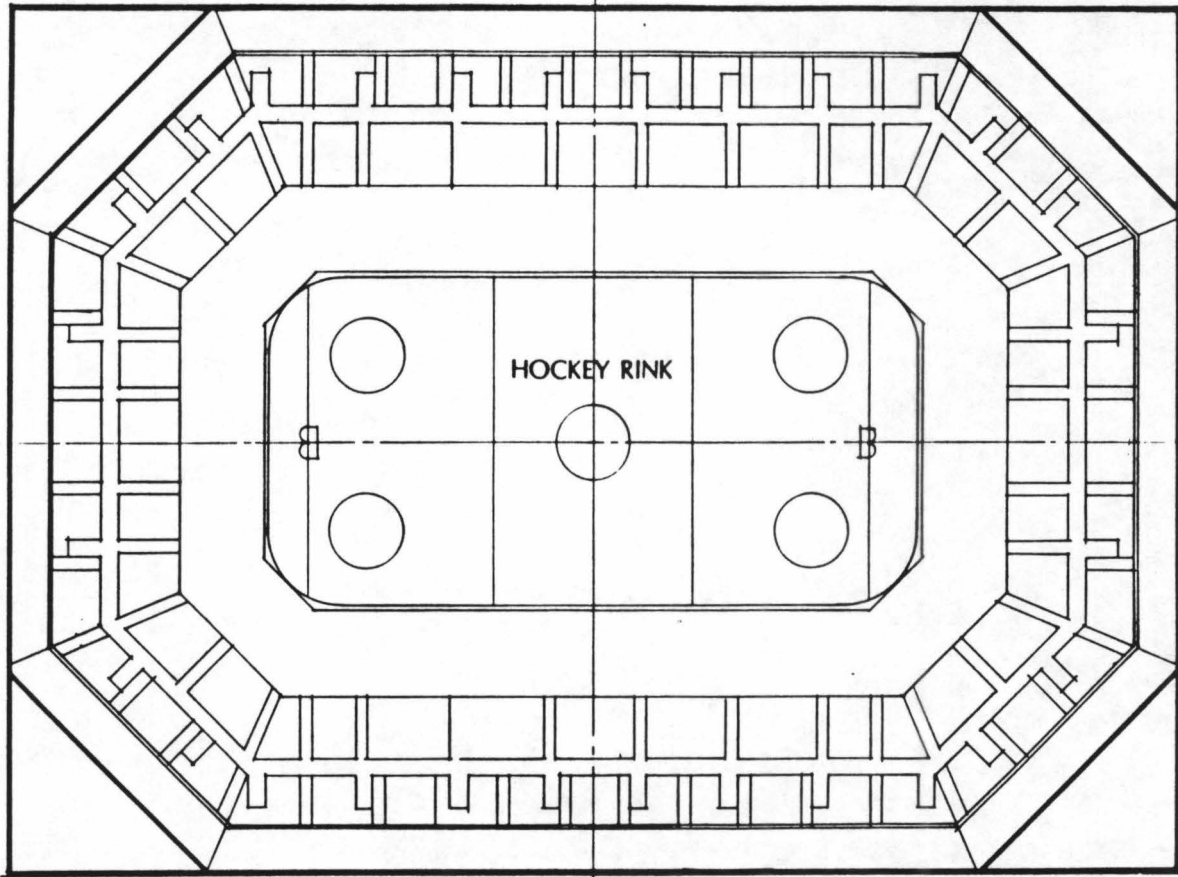
Concourse Level Plan

## Building 6

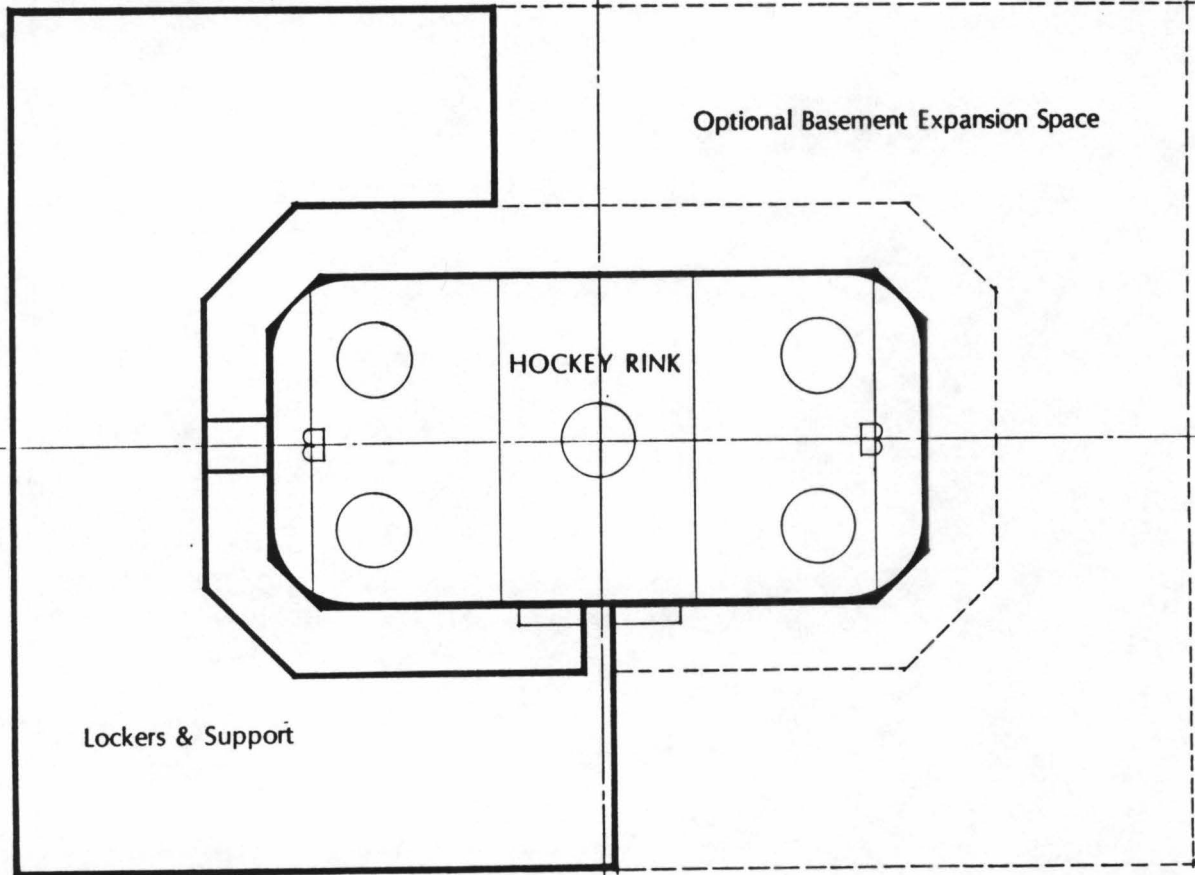
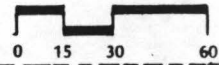
A. Preferred seating only

### Seating Counts

	Upper Level	Lower Level	Subtotal
Benches			
Benches w/ Backs	2580		2580
Chairs	1960	5592	7552
Suites			
<b>Total</b>			<b>10132</b>

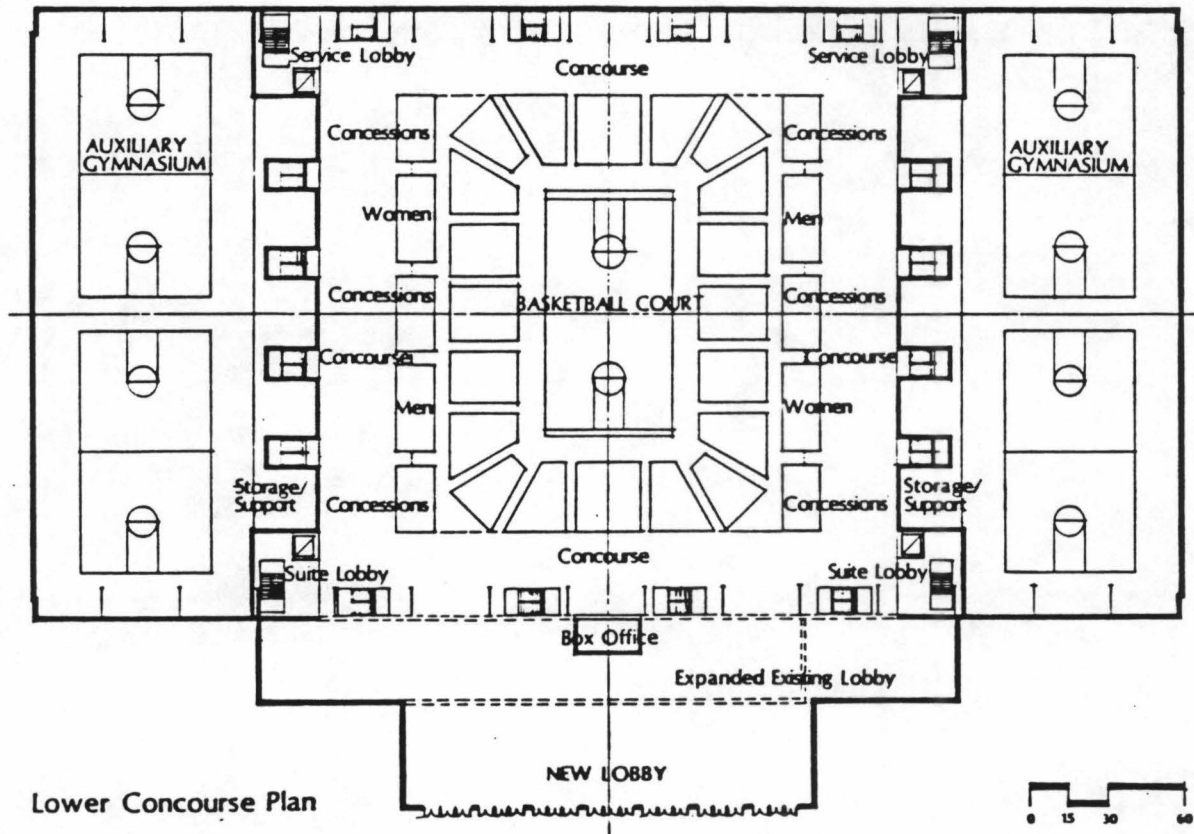


Upper Seating Level Plan



Basement Plan



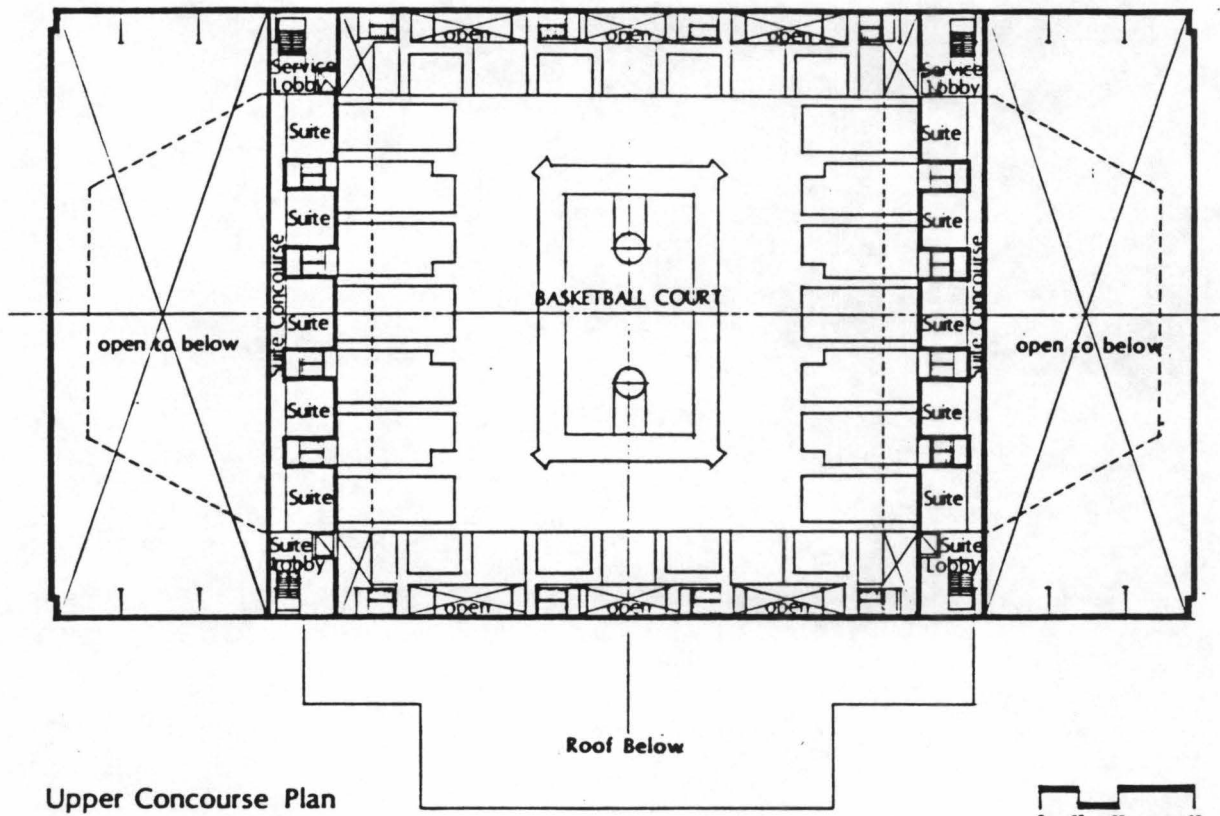


## Building 9

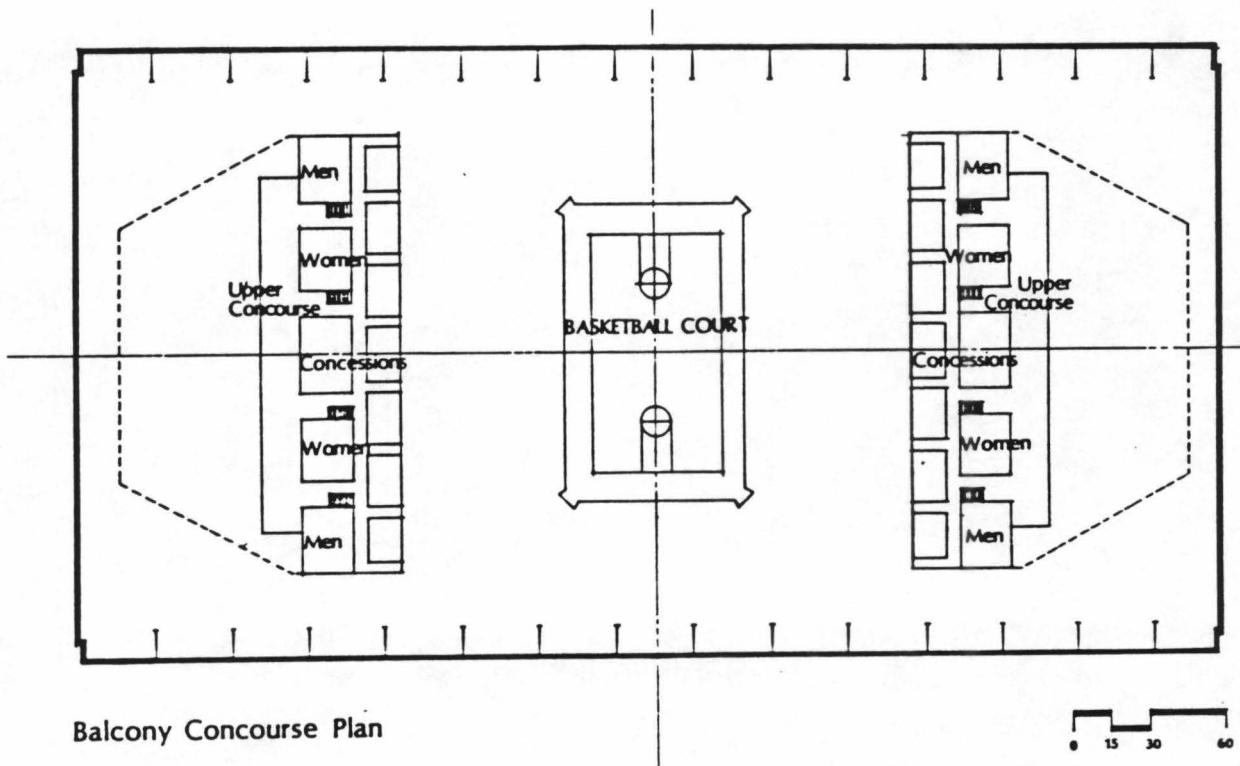
- A. Renovate for 14,300 seat Basketball Arena
- B. Expand lobby space

## Seating Counts

	Lower Level	Upper Concourse	Balcony Concourse	Balcony	Subtotal
Benches			2160	6580	8740
Benches w/ Backs					
Chairs	2112	2580	780		5472
Suites		100			100
<b>Total</b>					<b>14312</b>



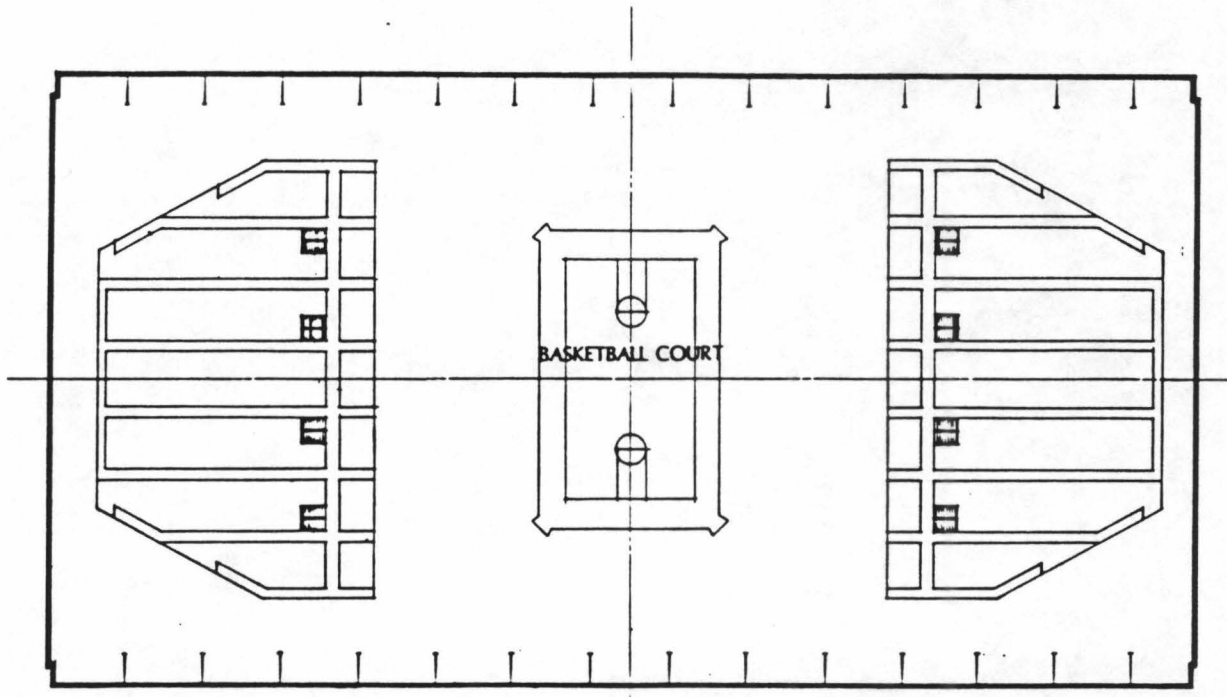
Upper Concourse Plan



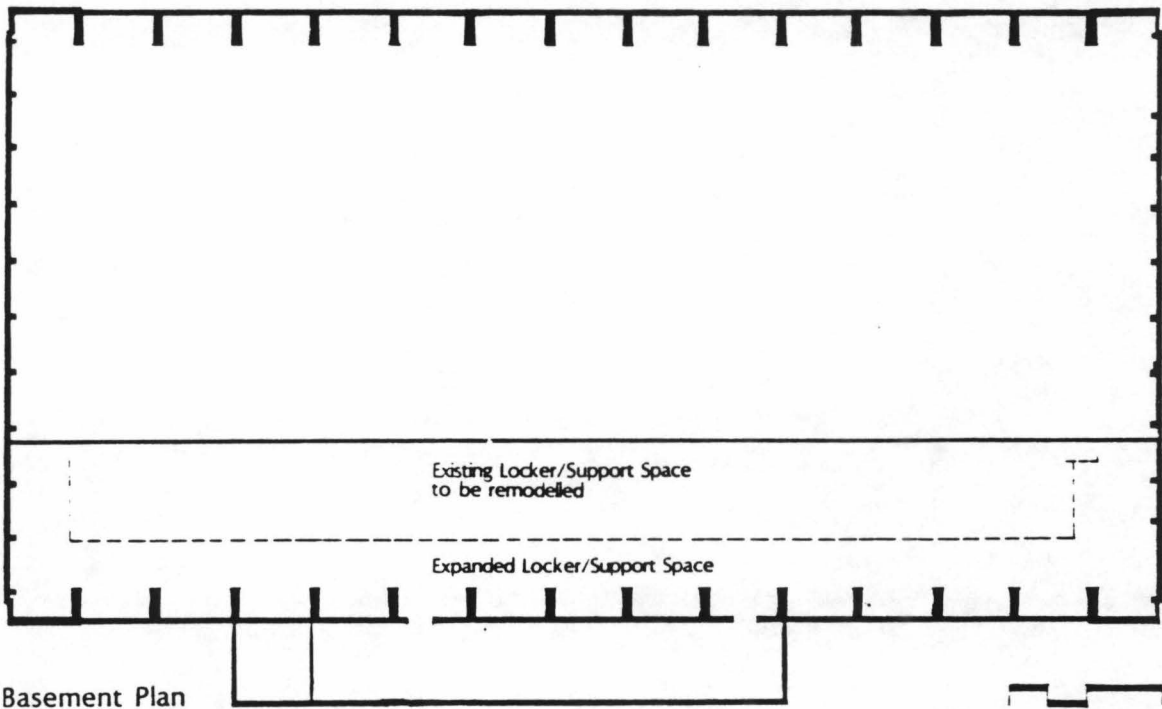
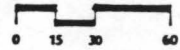
Balcony Concourse Plan

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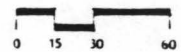


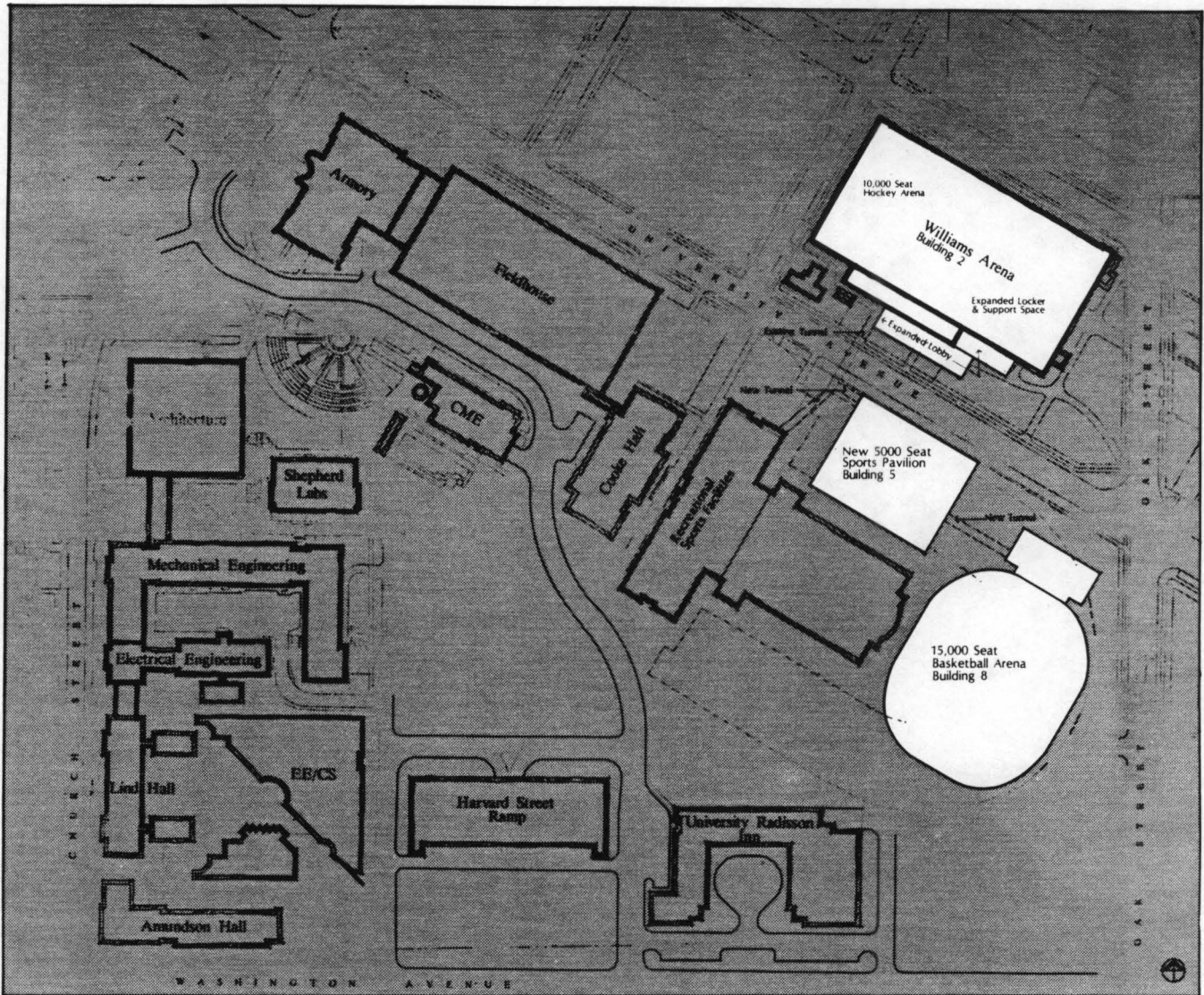


Balcony Plan



Basement Plan





SCENARIO E

0 30 60 120

Elkerbe Becket

**Site Scenario E - \$82.2 million**

**Building Alternatives:**

**Building Five:** Build new 5,000 seat Sports Pavilion with combination of chair seating and benches with backs. Provide flexible multipurpose athletic floor.

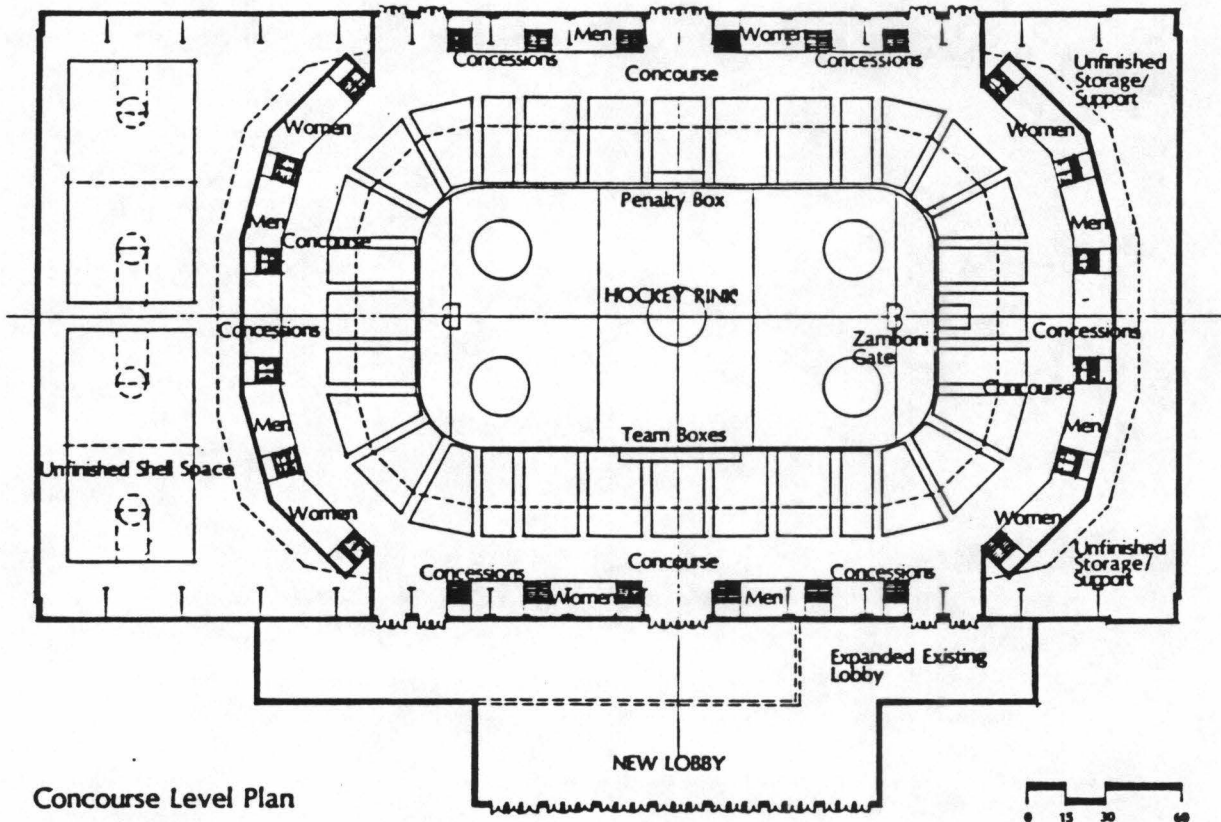
**Building Six:** Build new 10,000 seat hockey arena with a combination of chair seating and benches with backs, preferred seating sections, no suites.

**Building Nine:** Renovate Williams/Mariucci Arena for 14,300 seat Basketball Arena. Demolish existing interior spaces throughout. Provide new athletic floor, seating, concessions and toilets. Install air conditioning and fire protection systems. Renovate locker and support spaces.

While the new Sports Pavilion and Hockey Arena projects provide the opportunity to provide optimal solutions to programmatic needs, the adaptive reuse of Williams/Mariucci presents a number of obstacles. Seating layouts are less than desirable due to the existing building configuration, with extensive shell or expansion space available at the east and west concourse levels. The top seating rows are approximately 170' horizontally from the playing court and locker and support spaces are inhibited in their layout and proximity.

The construction sequence requires that the Men's Basketball program be relocated while Williams/Mariucci Arenas are renovated.

In general, while this scheme provided nearly the required number of seats, it was regarded as a less than desirable solution in terms of satisfaction of program,



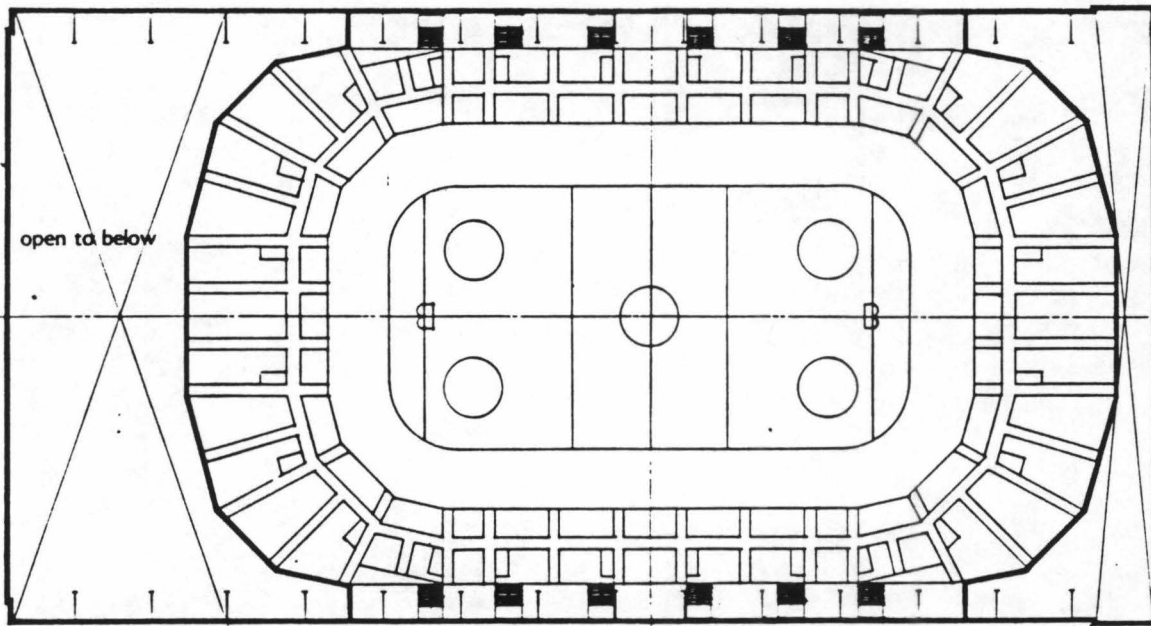
## Building 2

A. Renovate for 10,000 seat Hockey Arena

### Seating Counts

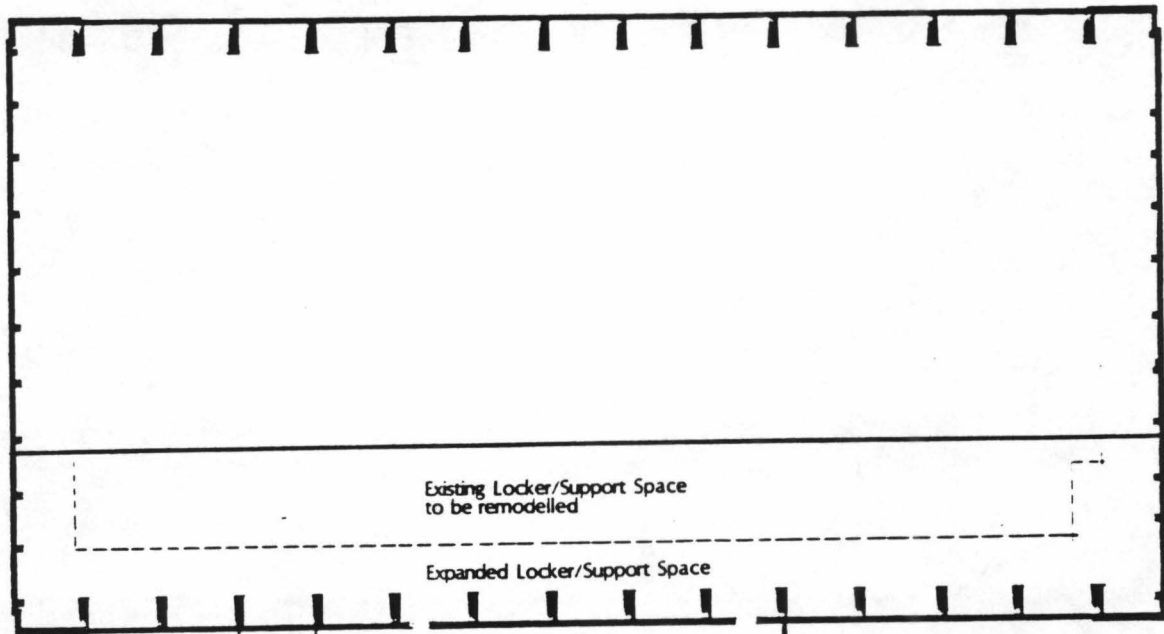
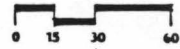
	Upper Level	Lower Level	Subtotal
Benches			
Benches w/-Backs	4620		4620
Chairs	1448	3912	5360
Suites			
Total			9980

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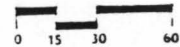


Upper Seating Level Plan

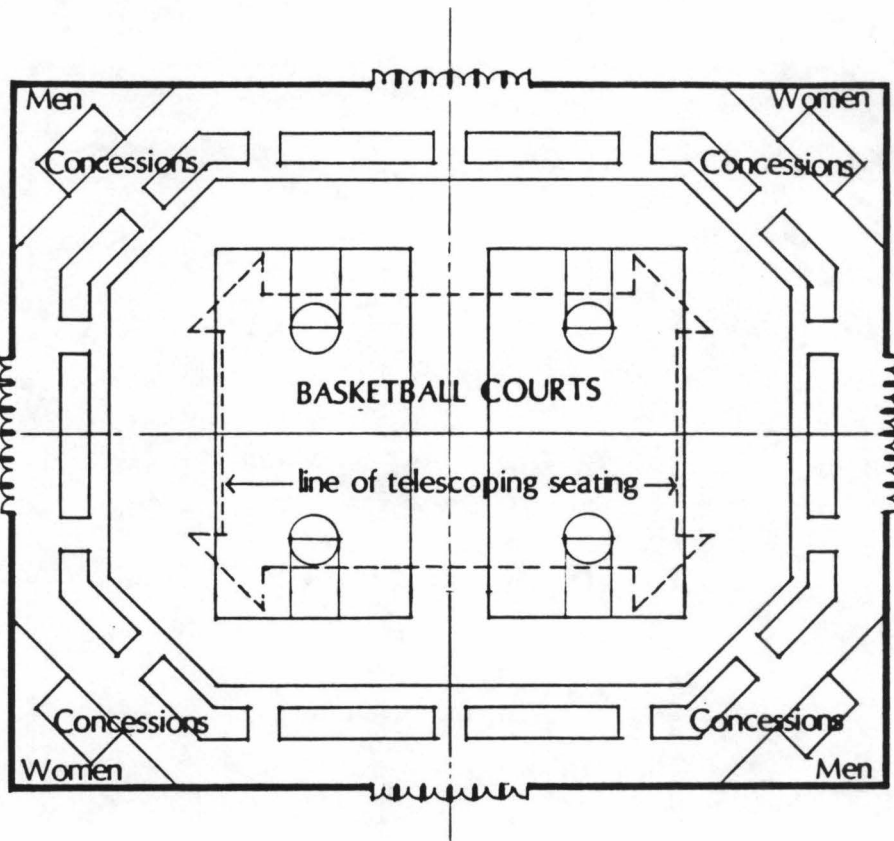
Roof Below



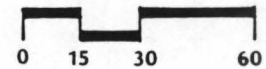
Basement Plan



Ellerbe Becket



Concourse Level Plan

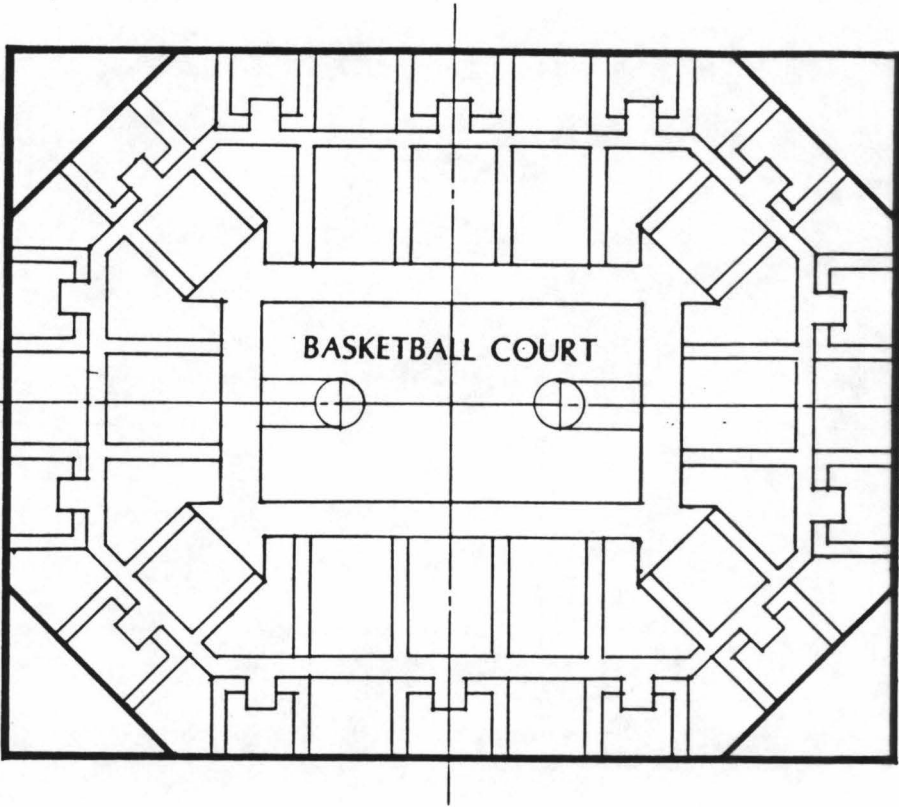


## Building 5

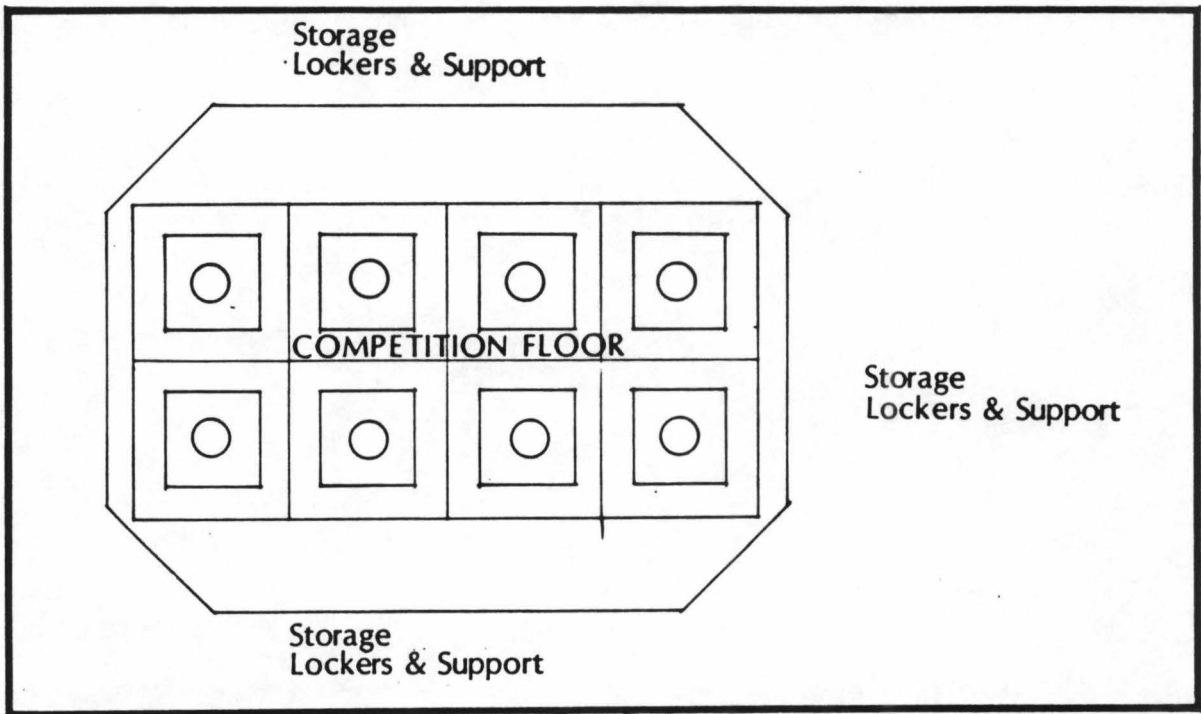
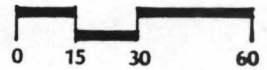
A. Sports Pavilion with one competition court & three practice courts or eight wrestling mats

## Seating Counts

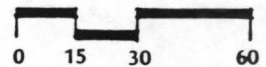
	Upper Level	Subtotal
Benches		
Benches w/ Backs	4176	4176
Chairs		
Suites		
Total		4176

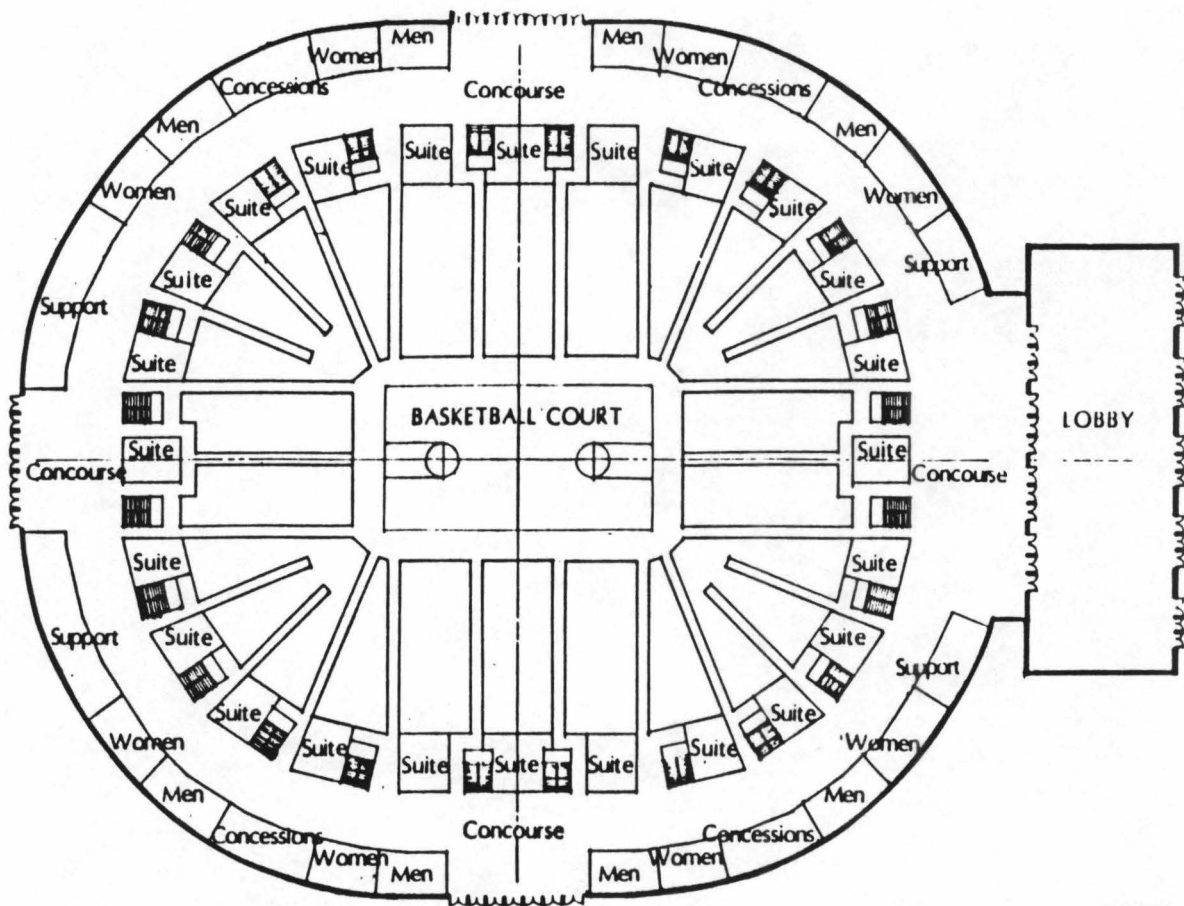


Upper Seating Level Plan



Lower Level Plan





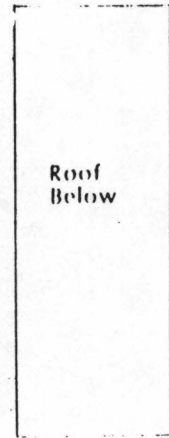
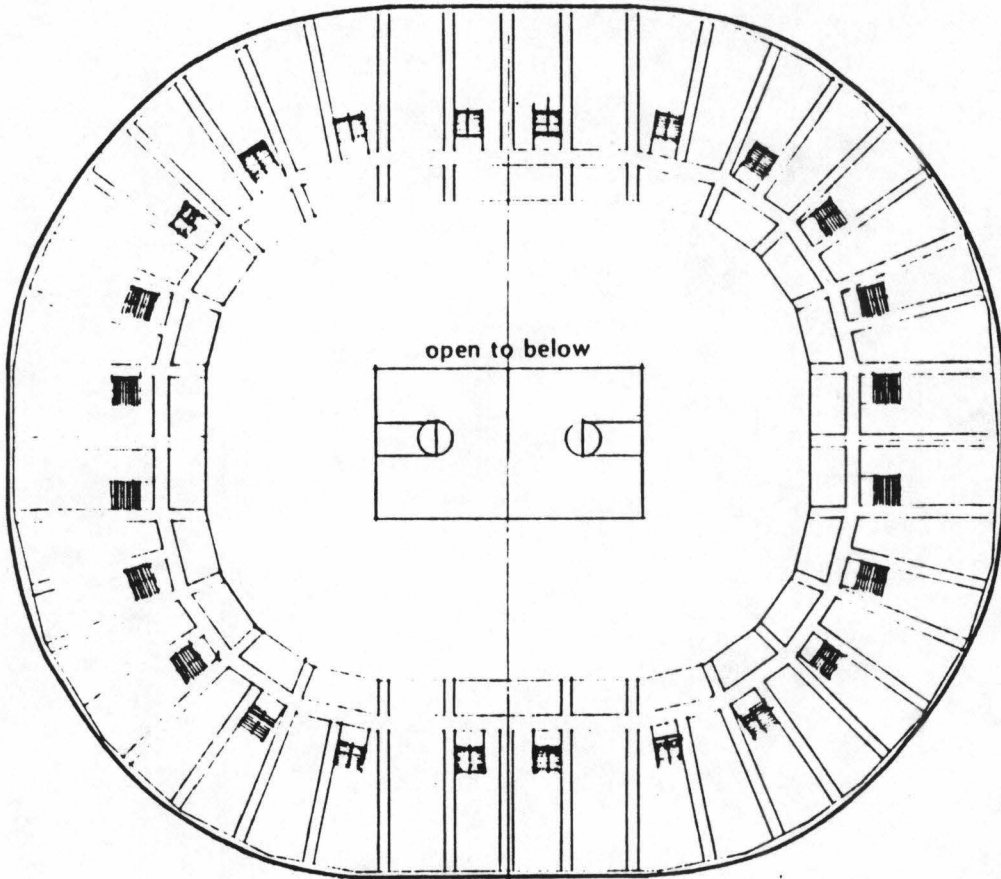
Concourse Level Plan

## Building 8

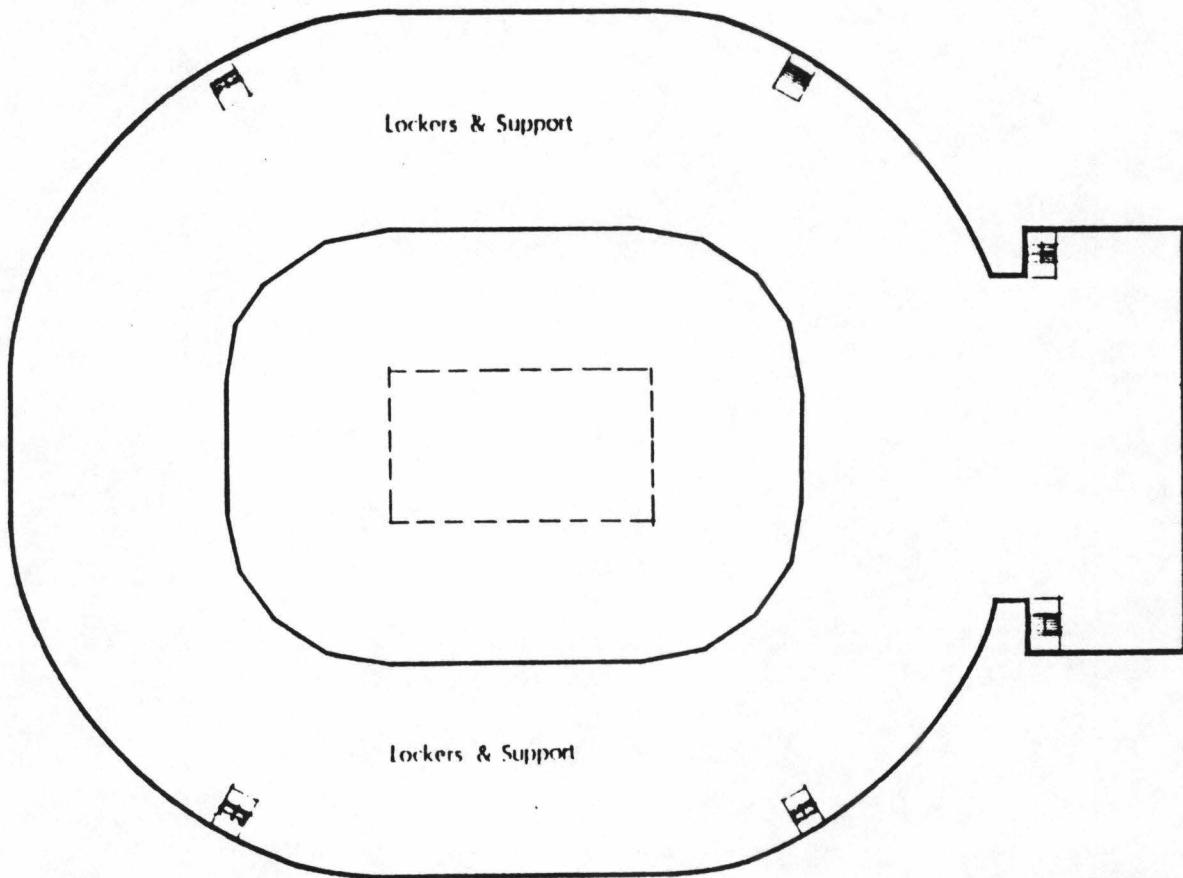
- A. 15,000 seat Basketball Arena
- B. Suites & preferred seating

### Seating Counts

	Upper Level	Lower Level	Subtotal
Benches			7332
Benches w/ Backs	7332		7332
Chairs	1640	5692	264
Suites		264	14928
Total			



Upper Seating Level Plan



Basement Plan





Site Scenario F - \$23 million

This scenario is based upon the assumption that men's basketball and hockey would play in off-campus venues.

The on-campus facilities required include practice facilities for each team plus either a new or renovated Sports Pavilion with seating for 3,200 to 5,000 patrons.

Because of this scenario's financial impact on the University, no detailed site studies were performed.

**Financial Feasibility Analysis**

REVIEW OF OTHER OPTIONS  
OFF-CAMPUS VENUES  
ON-CAMPUS VENUES

ASSUMPTIONS AND CASH FLOWS

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## Review of Other Options

### Off-Campus Venues Options

As part of the consulting team's analysis, the viability of hosting the University of Minnesota men's basketball and hockey programs at various facilities already existing in the Twin Cities was examined. The potential off-campus venues identified in the evaluation were the St. Paul Civic Center, the Hubert H. Humphrey Metrodome, the Met Center in Bloomington, and the Timberwolves Arena in downtown Minneapolis. The analysis included estimating the economic results of playing at each of the venues, as well as identifying any potential logistical or qualitative factors related to each option.

Our analysis included interviewing the facility managers, and requesting each to submit preliminary proposals to host the University's men's basketball and hockey home schedule. All responded except for the St. Paul Civic Center. Management at that facility indicated that the University's schedule would conflict with numerous trade shows and other events which are significant revenue generators for the Civic Center and that there would likely be considerable cost associated with the University's use of the facilities. Consequently, no further correspondence or analysis was undertaken with the St. Paul Civic Center beyond this initial meeting.

We next assisted management of the University in projecting the terms of the proposals received into estimated cash flow summaries and reviewed the results with each of the facility managers to ensure there were no misunderstandings related to the original proposal submissions. Finally, we requested a revised proposal which spoke directly to use of the facility the day before and the day of events in compliance with Big 10 and WCHA practice requirements. At this time, we have received responses from the Met Center and the Metrodome regarding the practice

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dates. The Met Center indicated that it would not be economically feasible to provide the practice days without a charge because of their heavy booking during the winter months. The Metrodome, however, indicated that there should be few problems in being able to provide the facilities the day before an event. However, no indication as to the rental rates for practice sessions were provided in the responses. We have not yet received a response from management of the Timberwolves Arena related to practice availability and potential schedule conflicts.

At this time, all information is on a preliminary basis, and is subject to final negotiation. No further steps have been taken to continue negotiations with these venues. The analysis that follows is based on the best information available to the consulting team as of the date of this report. Certain key assumptions were made, including the necessary rent charged for practice use of the facility for the day before an event and the premium which could be generated from preferred seating concepts.

#### Economic/Financial Comparison

We analyzed the proposals received from the facilities and compared each with the forecasted cash flow to the University resulting from both a new 14,000-seat facility built on campus and current operations at Williams/Mariucci. In comparing net cash flow to the University under each of the scenarios, the following assumptions were made:

1. All projections for the proposed on-campus multi-purpose arena, as well as the off-campus venues, reflect total revenues and expenses, including all ticket sales, concessions, novelty, and parking revenues, and projected debt service cost of the new proposed facility.

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2. The projection reflects, for each of the off-campus venues, the extent of event-related revenues that each was willing to share with the University, such as concessions and novelties, and also the per event expenses and admissions taxes or base rent that the University would be responsible for paying.
3. Off-campus venues and the on-campus multi-purpose arena were compared using projected cash flow streams over a 30-year period. The terminal value of the arena structure was also included in the valuation.

The assumptions were incorporated into the analysis and projections of cash flows to the University were made. Over a 30-year period, the economic return to the University of Minnesota of the new on-campus multi-purpose arena would be greater than any of the off-campus options, based on this set of assumptions. The estimated net present value of the cash flows to the University are summarized in the following chart:

<u>Facility</u>	<u>Net Present Value of Cash Flow to the University (3) (in millions)</u>
New On-Campus Multi-Purpose Arena	\$75.7
Met Center, Bloomington	73.7
Timberwolves Arena/Met Center (2)	71.3
Timberwolves Arena, downtown Minneapolis	69.0
Metrodome/Met Center (1)	68.6

- (1) Because the Metrodome does not facilitate ice events, this scenario assumes that men's basketball would be played in the Metrodome and hockey would be located at Met Center in Bloomington.
- (2) This scenario assumes that men's basketball would be played at the Timberwolves Arena and men's hockey would be played at Met Center in Bloomington.

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(3) Net cash flow over a 30-year period at an eight percent discount rate.

Details of this analysis are located in the Appendix.

#### Logistical/Qualitative Factors

1. The University of Minnesota would be a second tenant in all off-campus venues, significantly increasing the potential for scheduling conflicts;
2. The Metrodome is not ideally designed for basketball, and is not considered an optimal facility for basketball spectators. This facility, however, could be utilized for large crowds for a few events;
3. Difficulties in transportation of teams would result from holding events off-campus;
4. The local interest survey indicated a majority of persons would like to see the University athletic events remain on-campus; and
5. Big 10 and WCHA schedules normally are issued a few months prior to each season, which does not allow sufficient time to easily negotiate off-campus facility time.

#### On-Campus Options

As part of the consulting team's analysis, a review of preliminary operating cash flows was performed on each of the five other on-campus options considered. Each of these on-campus options is explained, and the programs for each are described in Part II. It was determined that all other options required significant amounts of outside funding relative to a 14,000-seat, multi-purpose facility. As a result, these other on-campus options were deemed infeasible. The remainder of the engagement focuses on the proposed multi-purpose arena.

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HIGHER EDUCATION ARENA ANALYSIS

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## Higher Education Arena Analysis

The following pages summarize the current type and level of event utilization, along with revenue sources, at a sample of higher education institutions throughout the country. The purpose of this analysis is to identify the market potential for sources of additional event utilization and revenue generating capability not currently present at the University of Minnesota. It also provides comparative statistics on the revenue sources of other institution's arena facilities similar to the University.

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Higher Education Arena Analysis

FACILITY	YEAR BUILT OR AGE	CAPACITY	TYPES OF ADVERTISING	TV/RADIO REVENUE SPLIT	NAMING RIGHTS	TYPES OF EVENTS	OTHER
1) U of Iowa: Carver-Hawkeye	5-6 yrs. old	15,500	Border around scoreboard is bid on.	Information not available.	None	Wrestling Volleyball Basketball	\$12 M. in revenue for '88. Budgeted for \$15 M. for '89.
2) U of Michigan: Crisler Arena	1967	13,609	None	Flat fee is paid to arena, radio/tv then sells commercial time.	None	Basketball Wrestling Gymnastics Concerts Graduations High School Tournaments	
Yost Ice Arena	1927	8,100	Scoreboard and message center: \$7,500/yr. Zamboni: \$2,000/yr.	10% of revenue from Big 10.	None	Hockey Ice time: \$100,000 rev./yr. Circus	
3) Michigan State: Brezland Arena	Opened in Nov. 1989	15,000	Message board.	Not available.	None	Basketball Hockey High School Tournaments	
4) Purdue University	1967	14,123	Advertising on back of tickets only: generates \$9,600 in revenue.	Univ. receives approx. \$800,000 in TV/Radio revenue annually.	None	Basketball Volleyball Wrestling	John Purdue Club: Season basketball tickets: Prices range from \$200 to \$2,500 for season depending on location.
5) U of Indiana	1971	17,311	Advertising on programs only: generates \$60,000 for football	Information not available.	None	Basketball	

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Higher Education Arena Analysis  
(continued)

FACILITY	YEAR BUILT OR AGE	CAPACITY	TYPES OF ADVERTISING	TV/RADIO REVENUE SPLIT	NAMING RIGHTS	TYPES OF EVENTS	OTHER
6) Ohio State	1954	13,276	Scoreboard: Four advertisers for one board paying \$75,000 each (\$300,000 total annual revenue).	Information not available.	Information not available.	Basketball Volleyball Wrestling	
7) U of Illinois	1963	15,500	Presently no advertising. In the process of buying scoreboards which will generate a base income and a % of sales.		None	Basketball Circus Concerts Truck shows	
8) U of Wisconsin	1930	11,400	Advertising on programs only.	Information not available.	None	Basketball	
9) U of Louisville	1956	19,358	None	Cannot divulge info.	None	Concerts Horse Shows Trade Shows Car Shows Livestock Shows	
10) U of North Carolina	1986	21,444	None	TV/Radio: \$1,676,250	None	Concerts Basketball	Rental revenue: \$900,871 to outside.
11) U of Las Vegas	1983	18,500	1 marquis, 2 computerized reader boards, posters: generates \$173,000/year.	TV/Radio: \$242,000	None	Basketball Concerts Wrestling	Generated \$8,800 for subleased subleased board rooms. Generated \$80,000 for equipment surcharge, \$690,000 for reimbursed labor and \$480,000 for rent.

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FACILITY	YEAR BUILT OR AGE	CAPACITY	TYPES OF ADVERTISING	TV/RADIO REVENUE SPLIT	NAMING RIGHTS	TYPES OF EVENTS	OTHER
12) Army	1979	5,000	None	None	None	Basketball (Men's and Women's) Wrestling Gymnastics Monkey Basketball Dunks Boxing Matches (ie. Hagler vs. Leonard, Cooney vs. Spinks) Graduation Ceremonies Reception area for new recruits	
13) Jacksonville State University Pete Jackson Arena	1986	5,000	Advertising through billboards with promotions such as the 30 second basketball shoot-out for \$10,000.	No revenue is generated through TV/Radio spots.	None	Basketball Graduation Ceremonies	
14) Washburn University	1984	5,000	Banners and billboards.	Radio broadcasting, with all costs being incurred by the station.	None	Basketball Volleyball Graduations Muscular Dystrophy Telethon State Basketball Tournaments	
15) Hayes Arena	1975	8,000	Scoreboard advertising: generates \$100,000 a year.	All revenue generated goes to the arena.	None	Basketball Hockey Concerts Volleyball Wrestling Circuses Graduation Ceremonies	

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(continued)

FACILITY	YEAR BUILT OR AGE	CAPACITY	TYPES OF ADVERTISING	TV/RADIO REVENUE SPLIT	NAMING RIGHTS	TYPES OF EVENTS	OTHER
16) Boston College	1987	8,500	Scoreboard advertising.	Information not available.	None	Basketball Campus Activities  Hockey	
17) Lamar University	1983	10,200	Ten year scoreboard contract with Coke.	TV revenue generated for basketball, which goes to the arena.	None	Basketball Concerts Frat Dances	
18) Arkansas State	1987	10,500	Colored brochure, Performance Magazine, amusement business.		None	Basketball Volleyball Track Trade Shows Concerts Truck Shows Tennis Tournaments	
19) Washington State	1973	12,000	Two marquies outside.	None	None	Basketball Rock Shows Conventions Broadway Shows Musicals Ballets	\$500,000 revenue earned annually, with \$240,000 going to the university.
20) Brandlet Coliseum	1988	13,500	Scoreboard.	None	None	Basketball Concerts Circus Trade Shows	

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(continued)

FACILITY	YEAR BUILT OR AGE	CAPACITY	TYPES OF ADVERTISING	TV/RADIO REVENUE SPLIT	NAMING RIGHTS	TYPES OF EVENTS	OTHER
21) Univ. of Wyoming	1982	15,000	Pepsi billboard, bank advertisement on scoreboard, banners for other corporations.	None	None	Basketball Wrestling Volleyball Concerts	
22) Univ. of New Orleans	1983	10,000	Advertisements in paper.	All revenue goes to the school.	None	Basketball (NBA) Concerts MTV Tours Wrestling Bingo Volleyball Rodeo Wheelchair BB & FB Tractor Pulls Circus Sesame St., Wizard of Oz, Muppets	

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Higher Education Arena Analysis  
(continued)

FACILITY	-----SUITES-----			-----PREFERRED SEATS-----			SEASON TICKETS	REGULAR ADMISSION	CONCESSIONS	PARKING
	# /SEATS	ANNUAL COST	% TO: UNIV/OTHER AMENITIES	# AND ANNUAL COST	% TO: UNIV/OTHER	PRIORITY SYSTEM	# AND ANNUAL COST	PRICES AND TERMS	PER CAP / % SPLIT	COST / # OF SPACES
1) U of Iowa: Carver-Hawkeye	None	Not available.	Not available.	Not available.	None (see season tickets).	Not available.	All seats are sold on a season ticket basis. \$2.5 M in revenue. \$11 @ home games.	Not available.	Contracted out: 43% to arena 57% to Ogden	\$3 per space, free if donate \$100 or more to athletics.  Very limited amount of parking available.
2) U of Michigan: Crisler Arena	None	Not available.	Not available.	Not available.	None (see season tickets).		Students pay 50%; Faculty pay 75% off the regular price of \$10 @ home games. Receive 100% of revenue from conference games, all but \$10,000 for nonconference.		Contracted out: 30-35% to arena 65%-70% to contractor \$1.7 mill./yr.	\$2 per space: 800 - 1,000 spaces available  \$20 season pass.
3) Michigan State: Jenisen Arena	None	Not available.	Not available.	Not available.	None		Season tickets sold for \$112 in '88.	\$7 per game.	On-campus food service. % of rev. Rec. \$3,000-4,000 per year (B.ball, hockey, football)	\$3 per space. 600-700 spaces.

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Higher Education Arena Analysis  
(continued)

FACILITY	SUITES			PREFERRED SEATS			SEASON TICKETS	REGULAR ADMISSION	CONCESSIONS	PARKING	
	# /SEATS	ANNUAL COST	% TO: UNIV/OTHER AMENITIES	# AND ANNUAL COST	% TO: UNIV/OTHER	PRIORITY SYSTEM	# AND ANNUAL COST	PRICES AND TERMS	PER CAP / % SPLIT	COST / # OF SPACES	
4) Purdue	None	Not available.	Not available.	Not available.	0	Not available.	Not available.	Public: \$982,700 Faculty/staff: \$159,700 Students: \$208,400	Regular price: \$8 - \$10 Students pay 50% of regular ticket price, and are allotted 55% of arena capacity. Faculty pays 75% of price and are allotted 18% of cap. John Purdue club members pay full price. (See Other) Public pays full price.	Contracted out: 31% of gross to arena 69% of gross to concessionaire Souvenirs: 20% of gross to arena 80% of gross to concessionaire \$12,100 total sales.	No charge: 2,000 spaces.
5) U of Indiana	None	Not available.	Not available.	Not available.	None	Not available.	Not available.	All sales are season tickets. Average price equals \$12 per game. (Total Rev. = \$2.6M) Priority given to long term customers.	Not available.	In house: 20-30% gross margin Per.cap.\$1.05 (Total rev. = \$293,000)	\$3 per event: 6,000 spaces
6) Ohio State	None	Not available.	Not available.	Not available.	None	Not available.	Not available.	All sales are season tickets. \$140 per year for 14 games per year (Total Rev. = \$1,858,640)	Not available.	Contracted out: Arena: 45.51% Marriott: 54.49% Total '88 arena revenue equals \$813,000. \$58,000 in arena novelty revenue.	\$3 per event: 900 spaces.
7) U of Illinois	None	Not available.	Not available.	Not available.	None	Not available.	Not available.	\$144-180/year for 18 games per year. All sales are season tickets.	Not available.	In-house: \$1/person Food/bev.: \$600,000 Novelties: \$250,000	5,000 capacity. No charge.

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Higher Education Arena Analysis  
(continued)

FACILITY	SUITES			PREFERRED SEATS			SEASON TICKETS # AND ANNUAL COST	REGULAR ADMISSION PRICES AND TERMS	CONCESSIONS PER CAP / % SPLIT	PARKING COST / # OF SPACES	
	# /SEATS	ANNUAL COST	% TO: UNIV/OTHER AMENITIES	# AND ANNUAL COST	% TO: UNIV/OTHER	PRIORITY SYSTEM					
8) U of Wisconsin	None	Not available.	Not available.	Not available.	None	Not available.	Not available.	\$144-180/year for 18 games per year. (Total revenue = \$1,080,000) Priority given to long term customers.	\$8 per person. Average attendance equals 9,000.	In-house.  2,000 spaces available.	
9) U of Louisville	None	Not available.	Not available.	Not available.	None	Not available.	Not available.	\$200,000/game, 16 games/yr. (\$3,200,000/year) 500 tickets are sold to general public @ \$12. Remainder are sold for \$13.	Contracted out: Agent: 63% Univ: 12% KY fair board: 25% Univ. revenue: \$72,000/yr	\$2 per space. 11,000 paved spaces, plus 20,000 available on grass.	
10) U of N Carolina	None	Not available.	Not available.	Not available.	None	Not available.	Not available.	Approx. \$279,000/yr.	All tickets \$13.	Contracted out: Agent: 60% Univ: 40% or \$112,464	1,550 spaces avail. \$5 each.
11) U of Las Vegas	26	\$506,000	100%	None	None	Not available.	Not available.	Approx. 16,250 attend @ \$132,000/yr.	\$5, \$8, \$10, \$12	Contracted out: Univ. receives \$659,000	6,000 avail. @ \$2 each Approx. \$409,000/yr.
12) Army	None	None	None	None	150	100%	Cadets that donate goods and services.	120 season tickets @ \$85.00 each.	Adults: \$5.00	Contracted out, with revenue being divided as follows: 40% to the arena 60% to the concessionaire	

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Higher Education Arena Analysis  
(continued)

FACILITY	SUITES				PREFERRED SEATS			SEASON TICKETS # AND ANNUAL COST	REGULAR ADMISSION PRICES AND TERMS	CONCESSIONS PER CAP / % SPLIT	PARKING COST / # OF SPACES
	# /SEATS	ANNUAL COST	% TO: UNIV/OTHER	AMENITIES	# AND ANNUAL COST	% TO: UNIV/OTHER	PRIORITY SYSTEM				
13) Jacksonville Stat University Pete Jackson Arena	None	None	None	None	800	100%	Reserved by basketball fans.	Not available.	Price: \$5.00	Contracted with high school band boosters: 33% to the arena 67% to the band boosters	3,500 parking spaces available @ \$2.00 per space.
14) Washburn Univ.	None	None	None	None	500	100%	Preferred seating to corporations that make donations to the school.	Not available.	Price: \$5.00	Contracted out to ARA Services: 40% to the arena 60% to the concessionaire	Free parking, with 500 spaces being available
15) Hayes Arena	None	None	None	None	3,000 No annual costs.	100%	None	\$50.00 for 15 games per year.	Price: \$6.00/game	Concessions are contracted out with the revenue split being: 30% to the arena 70% to the concessionaire	8,000 parking spaces: 1,000 preferred parkin (donation required) 7,000 free parking.
16) Boston College	14	\$25,000	Not available.	Not available.	None	None	None	\$130 for 15 games per year.	Price: \$10.00	In-house concessions	1,500 free parking spaces.
17) Lammar Univ.	None	None	None	None	None	None	None		Price: \$7.00	In-house concessions	2,600 parking spaces @ \$2.00 a space.
18) Arkansas State	None	None	None	None	None	None	None	4,600 season tickets at \$80.00 each.	Price Range: \$7.00 - \$10.00	In-house concessions with all proceeds going to the school.	1,000 parking spaces @ \$3.00 a space.

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Higher Education Arena Analysis  
(continued)

FACILITY	SUITES			PREFERRED SEATS			SEASON TICKETS # AND ANNUAL COST	REGULAR ADMISSION PRICES AND TERMS	CONCESSIONS PER CAP / % SPLIT	PARKING COST / # OF SPACES
	# /SEATS	ANNUAL COST	% TO: UNIV/OTHER AMENITIES	# AND ANNUAL COST	% TO: UNIV/OTHER	PRIORITY SYSTEM				
20) Brandlet Coliseum	None	None	None	3,000	100%	Reserved for those who donate to the school.	4,000 season tickets sold at \$91.00 each.	Price: \$9.00	In-house concessions with all proceeds going to the school. By the Directing Office.	Free parking for those preferred seats, else 30,000 spaces available @ \$2.00 per space.
21) Univ. of Wyoming	None	None	None	3,500	100%	Reserved for those who donate to the school.	8,000 season tickets sold at \$65.00 each.	Price: \$7.00	In-house concessions with all proceeds going to the school. By the Directing Office.	10,000 parking spaces sold at \$2.00 a space
22) University of New Orleans	250	Not available.	100% EE parking.	2,000	100%	None	All sales are season tickets.	Price: \$5.00	In-house concessions with all proceeds going to the school.	7,000 parking spaces sold at \$2.00 a space

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TWIN CITIES AREA  
MARKET SURVEY OF REVENUE SOURCES

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Twin Cities' Area Market Survey of Revenue Sources

In July 1989, a survey was conducted by Coopers & Lybrand in order to gauge potential financial support of local businesses and individuals in the form of charitable contributions, donations, purchase of suites and preferred seating, and advertising.

The results of the survey are summarized in Charts 1 through 13.

In general, respondents were hesitant to donate to the University for a new sports facility because of corporate giving guidelines and a perception that they had already given their fair share through the Minnesota Campaign. Respondents showed some interest in the purchase of suites and preferred seating, but were not willing to pay the same premiums on these amenities as they would for professional sporting events. There was moderate interest in advertising opportunities.

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## CHART #1

### LEVELS OF CHARITABLE GIVING BY INDUSTRY GROUP

	Greater than \$1,000,000 -----	\$100,000 to \$999,000 -----	Less than \$100,000 -----	Undetermined Amount -----	Zero -----	Total Number of Responses -----
Accounting				3		3
Architectural				2		2
Attorneys		3				3
Auto Dealers and Leasing				1	2	3
Broadcasting - Radio				2		2
Broadcasting - Television		1		1		2
Construction Trades					3	3
Finance	1	3		3	1	8
Food and Food Products	3			2		5
Health Care				2	2	4
Insurance		2				2
Lodging				1	1	2
Manufacturing	5	3		8	6	22
Real Estate					2	2
Retail Trade		1		2	4	7
Other		2		6	5	13
<b>All Respondents</b>	<b>9</b>	<b>15</b>		<b>33</b>	<b>26</b>	<b>83</b>

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## CHART #2

### CHOICE OF ON-CAMPUS OR OFF-CAMPUS VENUE

	---- Prefer On-Campus ----		---- Prefer Off-Campus ----		----- No Opinion -----	
	Number	%	Number	%	Number	%
Respondents expressing: Strong or Moderate interest	25	60%	10	24%	7	16%
Low interest	22	54%	4	9%	15	37%
All Respondents	47	57%	14	16%	22	27%

**Note:** Due to a limited number of respondents expressing strong interest, responses for strong and moderate interest are combined.

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### CHART #3

#### CHOICE OF OFF-CAMPUS VENUE

	Timberwolves Arena	Met Center	Civic Center	Metrodome	No Opinion
All Respondents	7	2	4	1	7
Strong or Moderate interest	6	1	3	1	4
Low interest	1	1	1		3

Responses represent the location preference for those respondents favoring off-campus venues. A majority of respondents indicated a preference for more than one location, e.g., the Timberwolves Arena for basketball and the Met Center for hockey.

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## CHART #4

### SPORT PREFERENCES AND ANNUAL SUPPORT

	Men's Basketball	Women's Basketball	Ice Hockey	Gymnastics	Wrestling	Women's Volleyball	General Interest
All Respondents	3	2	2	2	1	1	16
Respondents expressing low or moderate interest	2	2	2	2	1	1	13
Respondents' annual support level:							
\$1,000,000 or more							
\$500,000 to \$999,999							
\$250,000 to \$499,999							
\$100,000 to \$249,999							
\$50,000 to \$99,999							1
Less than \$50,000							7
Unknown/No Comment	3	2	2	2	1	1	8

Responses represent the sport preferences for those respondents who expressed interest in donating to a new facility.

No respondents expressed a strong interest in supporting specific sports.

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## CHART #5

### INTEREST IN ADVERTISING OPPORTUNITIES

	<u>Strong Interest</u>	<u>Moderate Interest</u>	<u>Low Interest</u>	<u>No Interest</u>
<b>Respondent Counts:</b>				
Fixed Advertising	1	15	2	65
Soft Advertising	1	12	1	69
Naming Rights		3	1	79
Sponsorship	1	12	1	69
<b>Percentage of Responses:</b>				
Fixed Advertising	1%	19%	2%	78%
Soft Advertising	1%	15%	1%	83%
Naming Rights		4%	1%	95%
Sponsorship	1%	15%	1%	83%

Note: Several respondents expressed interest in more than one advertising medium.

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## CHART #6

### INTEREST IN ADVERTISING OPPORTUNITIES AND AVAILABLE BUDGET

	Greater than \$300,000 -----	\$200,000 to \$300,000 -----	\$25,000 to \$50,000 -----	Less than \$25,000 -----	No Comment/ Unknown -----
Fixed Advertising		1		6	11
Soft Advertising			1	2	11
Naming Rights				1	3
Sponsorship		1		3	10

Note: Several respondents expressed interest in more than one advertising medium.

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## CHART #7

### ATTENDANCE AT SPORTING EVENTS

	Number of Respondents -----	Percentage -----
Attends Men's Basketball, not a Season Ticketholder	18	22%
Attends Ice Hockey, not a Season Ticketholder	17	20%
Men's Basketball Season Ticketholder	17	20%
Ice Hockey Season Ticketholder	10	12%
None of the Above	48	58%

Note: Several respondents provided multiple responses.

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## CHART #8

### INTEREST IN FACILITY AMENITIES

	Strong Interest		Some Interest		No Interest	
	Number	%	Number	%	Number	%
Private Suites	2	2%	11	14%	70	84%
Preferred Seating	2	2%	26	32%	55	66%
Private Club	2	2%	10	13%	71	86%

**Note:** No respondents indicated a definite interest in any of the amenities.

**Note:** A significant portion of respondents with interest are interested in two or more of these amenities.

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## CHART #9

### PRICING OF FACILITY AMENITIES

	-- Respondents with Interest --	
	Number	%
<b>PRIVATE SUITES:</b>		
Annual license fee of \$20,000	9	69%
Annual license fee less than \$20,000	4	31%
Total	13	
<b>PREFERRED SEATING:</b>		
Annual premium of \$1,000	6	21%
Annual premium of \$500	3	11%
Annual premium less than \$500	19	68%
Total	28	
<b>PRIVATE CLUB:</b>		
Annual membership fee of \$1,600	1	7%
Annual membership fee of \$1,200	1	9%
Annual membership fee of \$800	7	59%
Annual membership fee less than \$800	3	25%
Total	12	

Note: No respondents expressed interest in prices greater than amounts presented.

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# CHART #10

## PRIVATE SEATING LICENSE AGREEMENT TERM

	15 Years -----	5 Years -----	3 Years -----	Less than 3 Years -----
Private Suites	1	1	9	2
Preferred Seating	1	3	19	5

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## CHART #11

### INTEREST IN AMENITIES BY ATTENDANCE

	Private Suites		Preferred Seating		Private Club	
	Number	%	Number	%	Number	%
Attends Men's Basketball, not a Season Ticketholder	5	22%	12	28%	5	25%
Men's Basketball Season Ticketholder	5	22%	9	21%	4	20%
Attends Ice Hockey, not a Season Ticketholder	5	22%	10	23%	4	20%
Ice Hockey Season Ticketholder	5	22%	5	12%	4	20%
None of the Above	3	13%	7	15%	3	15%
	23		43		20	

Responses are limited to those respondents expressing interest in amenities.

Note: Several respondents provided multiple responses.

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## CHART #12

### INTEREST IN AMENITIES BY INDUSTRY GROUP

	Private Suites		Preferred Seating		Private Club	
	Number	%	Number	%	Number	%
Accounting			1	4%	1	8%
Architectural	2	15%	2	7%	1	8%
Auto Dealers and Leasing			1	4%		
Broadcasting – Television	2	15%	2	7%		
Construction Trades			1	4%	1	8%
Finance	4	31%	5	18%	2	17%
Food and Food Products	1	8%	2	7%	1	8%
Manufacturing	3	23%	6	21%	2	17%
Other			4	14%	2	17%
Real Estate			2	7%	1	8%
Retail Trade	1	8%	2	7%	1	8%
	13		28		12	

Responses are limited to those respondents expressing interest in amenities.

Note: Several respondents provided multiple responses.

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## CHART #13

### INTEREST IN AMENITIES BY ADVERTISING BUDGET AND INTEREST

	Private Suites		Preferred Seating		Private Club	
	Number	%	Number	%	Number	%
<b>Advertising Budget Level:</b>						
\$200,000 to \$300,000	1	8%	1	4%	1	8%
\$25,000 to \$50,000						
Less than \$25,000	5	38%	21	75%	8	67%
No Comment/Unknown	7	54%	6	21%	3	25%
	13		28		12	
<b>Interest in Facility Advertising:</b>						
Fixed Advertising	8	32%	8	32%	2	33%
Soft Advertising	7	28%	7	28%	1	17%
Naming Rights	2	8%	2	8%	1	17%
Sponsorship	8	32%	8	32%	2	33%
	25		25		6	

Responses are limited to those respondents expressing interest in amenities.

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ANALYSIS OF OPERATING CASH FLOW  
AND ESTIMATED NET PRESENT VALUE OF CASH FLOWS

OFF-CAMPUS VENUE OPTIONS

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Mr. Gordon M. Donhowe  
Vice President for Finance  
Chairman of the Sports and Recreational  
Facilities Planning Committee  
University of Minnesota  
Minneapolis, MN

We have assembled, from information referred to herein, the accompanying analysis of operating cash flow and estimated net present value of cash flows of the alternative venue options for the University of Minnesota's men's basketball and hockey programs for the years ending October 31, 1993 through 2005.

The accompanying analysis and this report were prepared to assist representatives of the University of Minnesota in their analysis of potential usage and viability of the facility alternatives, and should not be used for any other purpose. The purpose of the analysis included in this report is to determine the potential net operating cash flow which could be generated by each of the options. We have not compiled or examined the analysis of operating cash flow and express no assurance of any kind on it.

Furthermore, even if the University does elect one of the options herein, there will usually be differences between the estimated and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. In accordance with the terms of our engagement, this report and the accompanying analysis of operating cash flow were prepared for the University of Minnesota. Distribution is restricted to informed parties.

Minneapolis, Minnesota  
November 28, 1989

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## Off-Campus Venue Options

As part of the analysis performed for the long range facility needs of the University of Minnesota, off-campus venue options were explored as alternatives to building a facility on-campus. This sections provides an analysis of operating cash flow for years ending October 31, 1993 through 2005 and estimated net present value of cash flows for years 1993 through 2024.

Three off-campus venues were analyzed in detail:

- . The Met Center Arena in Bloomington;
- . The Timberwolves Arena in Downtown Minneapolis; and
- . The Hubert H. Humphrey Metrodome in Minneapolis.

The following sections will address each facility separately by providing an analysis of operating cash flow and estimated net present value of cash flows followed by details of the assumptions behind the analysis.

In summary, the estimated net present value of the cash flows to the University of Minnesota are reflected in the following chart:

<u>Facility</u>	<u>Net Present Value of Cash Flow to the University (3) (in millions)</u>
New On-Campus Multi-Purpose Arena	\$75.7
Met Center, Bloomington	73.7
Timberwolves Arena/Met Center (2)	71.3
Timberwolves Arena, downtown Minneapolis	69.0
Metrodome/Met Center (1)	68.6

- (1) Because the Metrodome does not facilitate ice events, this scenario assumes that men's basketball would be played in the Metrodome and hockey would be located at Met Center in Bloomington.
- (2) This scenario assumes that men's basketball would be played at the Timberwolves Arena and assumes that men's hockey would be played at Met Center in Bloomington.
- (3) Net cash flow over a 30-year period at an eight percent discount rate.

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**THE MET CENTER ARENA**

**Analysis of Operating Cash Flow to the  
University of Minnesota  
and  
Estimated Net Present Value of Cash Flows**

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UNIVERSITY OF MINNESOTA  
 PROPOSED USE OF MET CENTER ARENA FOR BASKETBALL, HOCKEY, AND HOCKEY PLAYOFFS  
 ANALYSIS OF OPERATING CASH FLOW AND ESTIMATED NET PRESENT VALUE OF CASH FLOWS  
 for years ending October 31, 1993 through 2005

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
	----	----	----	----	----	----	----	----	----	----	----	----	----
<b>Event Revenues:</b>													
Admissions	\$3,572,875	\$3,715,790	\$3,864,422	\$4,018,999	\$4,179,759	\$4,346,949	\$4,520,827	\$4,701,660	\$4,889,726	\$5,085,315	\$5,288,728	\$5,500,277	\$5,720,288
Concessions	270,035	280,837	292,070	303,753	315,903	328,539	341,681	355,348	369,562	384,344	399,718	415,707	432,335
Novelties	169,558	176,341	183,394	190,730	198,359	206,294	214,545	223,127	232,052	241,334	250,988	261,027	271,468
<b>Non-Event Revenues:</b>													
Private Suites	23,949	24,907	25,903	26,939	28,017	29,137	30,303	31,515	32,776	34,087	35,450	36,868	38,343
Preferred seating revenues	550,367	655,577	753,764	788,216	818,298	1,091,030	1,062,671	1,033,178	1,002,505	970,605	1,297,429	1,262,926	1,227,043
Signage and sponsorship	79,550	82,732	86,042	89,483	93,063	96,785	100,657	104,683	108,870	113,225	117,754	122,464	127,363
Private Club Memberships	250,000	250,000	250,000	250,000	250,000	300,000	300,000	300,000	300,000	300,000	360,000	360,000	360,000
<b>Total Revenues</b>	<b>\$4,916,335</b>	<b>\$5,186,184</b>	<b>\$5,455,595</b>	<b>\$5,668,120</b>	<b>\$5,883,398</b>	<b>\$6,398,734</b>	<b>\$6,570,683</b>	<b>\$6,749,511</b>	<b>\$6,935,491</b>	<b>\$7,128,911</b>	<b>\$7,750,067</b>	<b>\$7,959,270</b>	<b>\$8,176,841</b>
<b>Event Related Expenses</b>	<b>\$337,865</b>	<b>\$351,379</b>	<b>\$365,435</b>	<b>\$380,052</b>	<b>\$395,254</b>	<b>\$411,064</b>	<b>\$427,507</b>	<b>\$444,607</b>	<b>\$462,391</b>	<b>\$480,887</b>	<b>\$500,122</b>	<b>\$520,127</b>	<b>\$540,932</b>
Admissions Tax or Base Rent	535,931	557,369	579,663	602,850	626,964	652,042	678,124	705,249	733,459	762,797	793,309	825,042	858,043
<b>Total Expenses</b>	<b>\$873,796</b>	<b>\$908,748</b>	<b>\$945,098</b>	<b>\$982,902</b>	<b>\$1,022,218</b>	<b>\$1,063,107</b>	<b>\$1,105,631</b>	<b>\$1,149,856</b>	<b>\$1,195,850</b>	<b>\$1,243,684</b>	<b>\$1,293,432</b>	<b>\$1,345,169</b>	<b>\$1,398,976</b>
<b>TOTAL CASH FLOW TO UNIVERSITY</b>	<b>\$4,042,539</b>	<b>\$4,277,436</b>	<b>\$4,510,497</b>	<b>\$4,685,218</b>	<b>\$4,861,180</b>	<b>\$5,335,627</b>	<b>\$5,465,052</b>	<b>\$5,599,655</b>	<b>\$5,739,641</b>	<b>\$5,885,226</b>	<b>\$6,456,635</b>	<b>\$6,614,101</b>	<b>\$6,777,865</b>

Net Present Value of Cash Flows  
 from 1993-2024

**\$73,670,563**  
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UNIVERSITY OF MINNESOTA  
 PROPOSED USE OF MET CENTER ARENA FOR HOCKEY AND HOCKEY PLAYOFFS  
 ANALYSIS OF OPERATING CASH FLOW AND ESTIMATED NET PRESENT VALUE OF CASH FLOWS  
 for years ending October 31, 1993 through 2005

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>Event Revenues:</b>													
Admissions	1,577,370	1,640,465	1,706,084	1,774,327	1,845,300	1,919,112	1,995,876	2,075,712	2,158,740	2,245,090	2,334,893	2,428,289	2,525,420
Concessions	125,469	130,487	135,707	141,135	146,781	152,652	158,758	165,108	171,713	178,581	185,724	193,153	200,879
Novelties	73,181	76,108	79,152	82,318	85,611	89,036	92,597	96,301	100,153	104,159	108,325	112,658	117,165
<b>Non-Event Revenues:</b>													
Private Suites	11,974	12,453	12,952	13,470	14,008	14,569	15,151	15,757	16,388	17,043	17,725	18,434	19,171
Preferred seating revenues	212,035	249,831	283,795	292,791	299,403	418,777	403,309	387,222	370,491	353,091	496,093	477,273	457,701
Signage and sponsorship	42,115	43,800	45,551	47,374	49,268	51,239	53,289	55,420	57,637	59,943	62,340	64,834	67,427
Private Club Memberships	125,000	125,000	125,000	125,000	125,000	150,000	150,000	150,000	150,000	150,000	180,000	180,000	180,000
<b>Total Revenues</b>	<b>\$2,167,144</b>	<b>\$2,278,144</b>	<b>\$2,388,241</b>	<b>\$2,476,414</b>	<b>\$2,565,371</b>	<b>\$2,795,385</b>	<b>\$2,868,980</b>	<b>\$2,945,520</b>	<b>\$3,025,121</b>	<b>\$3,107,907</b>	<b>\$3,385,101</b>	<b>\$3,474,642</b>	<b>\$3,567,764</b>
<b>Event Related Expenses</b>	<b>179,213</b>	<b>186,382</b>	<b>193,837</b>	<b>201,591</b>	<b>209,654</b>	<b>218,040</b>	<b>226,762</b>	<b>235,832</b>	<b>245,266</b>	<b>255,076</b>	<b>265,279</b>	<b>275,891</b>	<b>286,926</b>
Admissions Tax or Base Rent	236,606	246,070	255,913	266,149	276,795	287,867	299,381	311,357	323,811	336,763	350,234	364,243	378,813
<b>Total Expenses</b>	<b>\$415,819</b>	<b>\$432,452</b>	<b>\$449,750</b>	<b>\$467,740</b>	<b>\$486,449</b>	<b>\$505,907</b>	<b>\$526,143</b>	<b>\$547,189</b>	<b>\$569,077</b>	<b>\$591,840</b>	<b>\$615,513</b>	<b>\$640,134</b>	<b>\$665,739</b>
<b>TOTAL CASH FLOW TO UNIVERSITY</b>	<b>\$1,751,325</b>	<b>\$1,845,692</b>	<b>\$1,938,491</b>	<b>\$2,008,675</b>	<b>\$2,078,922</b>	<b>\$2,289,477</b>	<b>\$2,342,837</b>	<b>\$2,398,331</b>	<b>\$2,456,045</b>	<b>\$2,516,067</b>	<b>\$2,769,588</b>	<b>\$2,834,508</b>	<b>\$2,902,025</b>

Net Present Value of Cash Flows  
 from 1993-2024

**\$31,578,136**  
 =====

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THE MET CENTER  
General Assumptions

	Average Gross Ticket Price	Ticket Price Net of Tax
	-----	-----
Basketball	\$8.34	\$7.87
Hockey - Reg Season	\$7.10	\$6.70
Hockey - Playoffs	\$3.00	\$2.83

	Average Gross Ticket Price	Ticket Price Net of Tax
	-----	-----
Basketball	\$10.00	\$9.43
Hockey	\$8.00	\$7.55

Taxes Applicable:

State Sales Tax	6.00%
City Sales Tax	0.00%
City Entertainment Tax	0.00%
	-----
	6.00%

Inflation factor                      1.04

Assumptions for Breakdown of Preferred Seat License Fee:

	Number of Games	Highest Ticket Price	Preferred Seat		
			Attendance	Revenue	Factor
			-----	-----	-----
Basketball	16	10	13,550	2,168,000	55.25%
Hockey	21	8	8,952	1,503,936	38.33%
Hockey Playoffs	3	8	10,500	252,000	6.42%
	-----			-----	
	40			3,923,936	

Breakdown of Preferred Seat License Fee:	1993	1998	2003	2008	2013	2018	2022
	thru 1997	thru 2002	thru 2007	thru 2012	thru 2017	thru 2021	thru 2024
	-----	-----	-----	-----	-----	-----	-----
Basketball	\$553	\$663	\$796	\$955	\$1,146	\$1,375	\$1,650
Hockey	383	460	552	662	795	954	1,144
Hockey Playoffs	64	77	92	111	133	160	192
	-----	-----	-----	-----	-----	-----	-----
	\$1,000	\$1,200	\$1,440	\$1,728	\$2,074	\$2,488	\$2,986

Private Suites at Met Center will be available for University events  
There are 20 suites.

We assume that 60% will be utilized for each event.

The University of Minnesota will receive 50% of the admission ticket fees from the private suites.

THE MET CENTER - BASKETBALL  
Revenue Assumptions

I. Admissions:

Year	Average Attendance	No. of Games	Average Net Price	Total Revenues
1989	13,550	16	\$7.87	\$1,705,766
1993	13,550	16	\$9.20	\$1,995,505
1994	13,550	16	\$9.57	\$2,075,325
1995	13,550	16	\$9.96	\$2,158,338
1996	13,550	16	\$10.35	\$2,244,672
1997	13,550	16	\$10.77	\$2,334,459
1998	13,550	16	\$11.20	\$2,427,837
1999	13,550	16	\$11.65	\$2,524,950
2000	13,550	16	\$12.11	\$2,625,948
2001	13,550	16	\$12.60	\$2,730,986
2002	13,550	16	\$13.10	\$2,840,226

Note: Net price inflated at 4% annually for all years including those after 2002.

II. Preferred Seating (1):

Year	Total Seats Licensed	Annual License Fee	Percent Premium (2)	Less Ticket Revenue	Total Net Revenues
1993	900	\$553	213%	\$158,924	\$338,332
1994	1,100	\$553	235%	\$202,010	\$405,747
1995	1,300	\$553	230%	\$248,289	\$469,969
1996	1,400	\$553	225%	\$278,084	\$495,425
1997	1,500	\$553	220%	\$309,865	\$518,895
1998	1,500	\$663	285%	\$322,259	\$672,252
1999	1,500	\$663	280%	\$335,150	\$659,362
2000	1,500	\$663	274%	\$348,556	\$645,956
2001	1,500	\$663	268%	\$362,498	\$632,014
2002	1,500	\$663	262%	\$376,998	\$617,514

(1) Concept consists of a set of seats closest to the action but are the same size as the rest of the house.

(2) Premium over the highest priced ticket.

Note: Total seats leased are constant in years after 2002.

THE MET CENTER - BASKETBALL (continued)  
Revenue Assumptions

III. Private Club:

Year	Average Membership	Average Cost	Total Revenues
-----			-----
1989	500	\$250	\$125,000
1993	500	\$250	\$125,000
1994	500	\$250	\$125,000
1995	500	\$250	\$125,000
1996	500	\$250	\$125,000
1997	500	\$250	\$125,000
1998	500	\$300	\$150,000
1999	500	\$300	\$150,000
2000	500	\$300	\$150,000
2001	500	\$300	\$150,000
2002	500	\$300	\$150,000

Note: Average cost remains constant in years after 2002.

IV. Sponsorships:

Year	Average Per Game	No. of Games	Total Revenues
-----			-----
1989	\$2,000	16	\$32,000
1993	\$2,340	16	\$37,435
1994	\$2,433	16	\$38,933
1995	\$2,531	16	\$40,490
1996	\$2,632	16	\$42,110
1997	\$2,737	16	\$43,794
1998	\$2,847	16	\$45,546
1999	\$2,960	16	\$47,368
2000	\$3,079	16	\$49,263
2001	\$3,202	16	\$51,233
2002	\$3,330	16	\$53,282

Note: Average sponsorship increases at 4% inflation in years after 2002.

THE MET CENTER - BASKETBALL (continued)  
Revenue Assumptions

V. Concessions:

Year	Number of Games	Average Attendance	Per Capita Spending	Combined Tax/NoShow Factor (1)	U of M Share of Gross	Total Revenue
1989	16	13,550	\$3.00	0.95	20%	\$123,576
1993	16	13,550	\$3.51	0.95	20%	\$144,566
1994	16	13,550	\$3.65	0.95	20%	\$150,349
1995	16	13,550	\$3.80	0.95	20%	\$156,363
1996	16	13,550	\$3.95	0.95	20%	\$162,618
1997	16	13,550	\$4.11	0.95	20%	\$169,122
1998	16	13,550	\$4.27	0.95	20%	\$175,887
1999	16	13,550	\$4.44	0.95	20%	\$182,923
2000	16	13,550	\$4.62	0.95	20%	\$190,240
2001	16	13,550	\$4.80	0.95	20%	\$197,849
2002	16	13,550	\$5.00	0.95	20%	\$205,763

(1) Sales tax = 0% No Show factor = 5%

Note: Concession spending per capita increases at 4% inflation per year after 2002.

VI. Novelties:

Year	Number of Games	Average Attendance	Per Capita Spending	Combined Tax/NoShow Factor (1)	U of M Share of Gross	Total Revenue
1989	16	13,550	\$1.00	0.95	40%	\$82,384
1993	16	13,550	\$1.17	0.95	40%	\$96,378
1994	16	13,550	\$1.22	0.95	40%	\$100,233
1995	16	13,550	\$1.27	0.95	40%	\$104,242
1996	16	13,550	\$1.32	0.95	40%	\$108,412
1997	16	13,550	\$1.37	0.95	40%	\$112,748
1998	16	13,550	\$1.42	0.95	40%	\$117,258
1999	16	13,550	\$1.48	0.95	40%	\$121,948
2000	16	13,550	\$1.54	0.95	40%	\$126,826
2001	16	13,550	\$1.60	0.95	40%	\$131,899
2002	16	13,550	\$1.67	0.95	40%	\$137,175

(1) Sales tax = 0% No Show factor = 5%

Note: Novelties spending per capita increases at 4% inflation per year after 2002.

THE MET CENTER - BASKETBALL (continued)  
Expense Assumptions

I. Base Rent (1):

Year	Net Ticket Revenues	Base Rent Percent	Practice Rent Percent (2)	Event Rental	Practice Rental	Total Rent
1989	\$1,705,766	10.00%	5.00%	\$170,577	\$85,288	\$255,865
1993	\$1,995,505	10.00%	5.00%	\$199,551	\$99,775	\$299,326
1994	\$2,075,325	10.00%	5.00%	\$207,533	\$103,766	\$311,299
1995	\$2,158,338	10.00%	5.00%	\$215,834	\$107,917	\$323,751
1996	\$2,244,672	10.00%	5.00%	\$224,467	\$112,234	\$336,701
1997	\$2,334,459	10.00%	5.00%	\$233,446	\$116,723	\$350,169
1998	\$2,427,837	10.00%	5.00%	\$242,784	\$121,392	\$364,176
1999	\$2,524,950	10.00%	5.00%	\$252,495	\$126,248	\$378,743
2000	\$2,625,948	10.00%	5.00%	\$262,595	\$131,297	\$393,892
2001	\$2,730,986	10.00%	5.00%	\$273,099	\$136,549	\$409,648
2002	\$2,840,226	10.00%	5.00%	\$284,023	\$142,011	\$426,034

Note: Base rent remains at 10% of net ticket revenue in years after 2002.

(1) Special terms can be made for a 10% base rent with a \$7,500 to \$10,000 annual maximum rent

(2) Practice days may be available at no rental fee.

II. Event-Related Operating Expenses:

Year	Per Game Cost	No. of Games	Total Operating Expense
1989	\$8,476	16	\$135,616
1993	\$9,916	16	\$158,652
1994	\$10,312	16	\$164,998
1995	\$10,725	16	\$171,598
1996	\$11,154	16	\$178,461
1997	\$11,600	16	\$185,600
1998	\$12,064	16	\$193,024
1999	\$12,547	16	\$200,745
2000	\$13,048	16	\$208,775
2001	\$13,570	16	\$217,126
2002	\$14,113	16	\$225,811

Note: Operating expenses per game increase at 4% inflation in years after 2002.

THE MET CENTER - HOCKEY  
Revenue Assumptions

I. Admissions:

Year	Average Attendance	No. of Games	Average Net Price	Total Revenues
1989	8,952	21	\$6.70	\$1,259,192
1993	8,952	21	\$7.84	\$1,473,076
1994	8,952	21	\$8.15	\$1,531,999
1995	8,952	21	\$8.48	\$1,593,279
1996	8,952	21	\$8.81	\$1,657,010
1997	8,952	21	\$9.17	\$1,723,291
1998	8,952	21	\$9.53	\$1,792,222
1999	8,952	21	\$9.91	\$1,863,911
2000	8,952	21	\$10.31	\$1,938,468
2001	8,952	21	\$10.72	\$2,016,006
2002	8,952	21	\$11.15	\$2,096,647

Note: Net price inflated at 4% annually for all years including those after 2002.

II. Preferred Seating (1):

Year	Total Seats Licensed	Annual License Fee	Percent Premium (2)	Less Ticket Revenue	Total Net Revenues
1993	900	\$383	107%	\$166,870	\$178,075
1994	1,100	\$383	116%	\$212,111	\$209,489
1995	1,300	\$383	111%	\$260,703	\$237,551
1996	1,400	\$383	106%	\$291,988	\$244,593
1997	1,500	\$383	101%	\$325,358	\$249,551
1998	1,500	\$460	142%	\$338,372	\$351,518
1999	1,500	\$460	137%	\$351,907	\$337,983
2000	1,500	\$460	131%	\$365,983	\$323,907
2001	1,500	\$460	125%	\$380,623	\$309,267
2002	1,500	\$460	119%	\$395,848	\$294,042

(1) Concept consists of a set of seats closest to the action but are the same size as the rest of the house.

(2) Premium over the highest priced ticket.

Note: Total seats leased are constant in years after 2002.

THE MET CENTER - HOCKEY (continued)  
Revenue Assumptions

III. Private Club:

Year	Average Membership	Average Cost	Total Revenues
1989	500	\$250	\$125,000
1993	500	\$250	\$125,000
1994	500	\$250	\$125,000
1995	500	\$250	\$125,000
1996	500	\$250	\$125,000
1997	500	\$250	\$125,000
1998	500	\$300	\$150,000
1999	500	\$300	\$150,000
2000	500	\$300	\$150,000
2001	500	\$300	\$150,000
2002	500	\$300	\$150,000

Note: Average cost remains constant in years after 2002.

IV. Sponsorships:

Year	Average Per Game	No. of Games	Total Revenues
1989	\$1,500	21	\$31,500
1993	\$1,755	21	\$36,851
1994	\$1,825	21	\$38,325
1995	\$1,898	21	\$39,858
1996	\$1,974	21	\$41,452
1997	\$2,053	21	\$43,110
1998	\$2,135	21	\$44,834
1999	\$2,220	21	\$46,628
2000	\$2,309	21	\$48,493
2001	\$2,402	21	\$50,433
2002	\$2,498	21	\$52,450

Note: Average sponsorship increases at 4% inflation in years after 2002.

THE MET CENTER - HOCKEY (continued)  
Revenue Assumptions

V. Concessions

Year	Number of Games	Average Attendance	Per Capita Spending	Combined Tax/NoShow Factor(1)	U of M Share of Gross	Total Revenue
1989	21	8,952	\$2.50	0.95	20%	\$89,296
1993	21	8,952	\$2.92	0.95	20%	\$104,464
1994	21	8,952	\$3.04	0.95	20%	\$108,642
1995	21	8,952	\$3.16	0.95	20%	\$112,988
1996	21	8,952	\$3.29	0.95	20%	\$117,508
1997	21	8,952	\$3.42	0.95	20%	\$122,208
1998	21	8,952	\$3.56	0.95	20%	\$127,096
1999	21	8,952	\$3.70	0.95	20%	\$132,180
2000	21	8,952	\$3.85	0.95	20%	\$137,467
2001	21	8,952	\$4.00	0.95	20%	\$142,966
2002	21	8,952	\$4.16	0.95	20%	\$148,685

(1) Sales tax = 0% No Show factor = 5%

Note: Concession spending per capita increases at 4% inflation per year after 2002.

VI. Novelties

Year	Number of Games	Average Attendance	Per Capita Spending	Combined Tax/NoShow Factor (1)	U of M Share of Gross	Total Revenue
1989	21	8,952	\$0.75	0.95	40%	\$53,578
1993	21	8,952	\$0.88	0.95	40%	\$62,678
1994	21	8,952	\$0.91	0.95	40%	\$65,185
1995	21	8,952	\$0.95	0.95	40%	\$67,793
1996	21	8,952	\$0.99	0.95	40%	\$70,505
1997	21	8,952	\$1.03	0.95	40%	\$73,325
1998	21	8,952	\$1.07	0.95	40%	\$76,258
1999	21	8,952	\$1.11	0.95	40%	\$79,308
2000	21	8,952	\$1.15	0.95	40%	\$82,480
2001	21	8,952	\$1.20	0.95	40%	\$85,780
2002	21	8,952	\$1.25	0.95	40%	\$89,211

(1) Sales tax = 0% No Show factor = 5%

Note: Novelties spending per capita increases at 4% inflation per year after 2002.



THE MET CENTER - HOCKEY (continued)  
Expense Assumptions

I. Base Rent (1):

Year	Net Ticket Revenues	Base Rent Percent	Practice Rent Percent (2)	Event Rental	Practice Rental	Total Rent
1989	\$1,259,192	10.00%	5.00%	\$125,919	\$62,960	\$188,879
1993	\$1,473,076	10.00%	5.00%	\$147,308	\$73,654	\$220,961
1994	\$1,531,999	10.00%	5.00%	\$153,200	\$76,600	\$229,800
1995	\$1,593,279	10.00%	5.00%	\$159,328	\$79,664	\$238,992
1996	\$1,657,010	10.00%	5.00%	\$165,701	\$82,851	\$248,552
1997	\$1,723,291	10.00%	5.00%	\$172,329	\$86,165	\$258,494
1998	\$1,792,222	10.00%	5.00%	\$179,222	\$89,611	\$268,833
1999	\$1,863,911	10.00%	5.00%	\$186,391	\$93,196	\$279,587
2000	\$1,938,468	10.00%	5.00%	\$193,847	\$96,923	\$290,770
2001	\$2,016,006	10.00%	5.00%	\$201,601	\$100,800	\$302,401
2002	\$2,096,647	10.00%	5.00%	\$209,665	\$104,832	\$314,497

Note: Base rent remains at 10% of net ticket revenue in years after 2002.

(1) Special terms can be made for a 10% base rent with a \$7,500 to \$10,000 annual maximum rent

(2) Practice days may be available at no rental fee.

II. Event-Related Operating Expenses:

Year	Per Game Cost	No. of Games	Total Operating Expense
1989	\$6,500	21	\$136,500
1993	\$7,604	21	\$159,686
1994	\$7,908	21	\$166,073
1995	\$8,225	21	\$172,716
1996	\$8,554	21	\$179,625
1997	\$8,896	21	\$186,810
1998	\$9,252	21	\$194,282
1999	\$9,622	21	\$202,053
2000	\$10,006	21	\$210,135
2001	\$10,407	21	\$218,541
2002	\$10,823	21	\$227,283

Note: Operating expenses per game increase at 4% inflation in years after 2002.

THE MET CENTER - HOCKEY PLAYOFFS  
Revenue Assumptions

I. Admissions:

Year	Average Attendance	No. of Games	Average Net Price	Total Revenues
1989	10,500	3	\$2.83	\$89,151
1993	10,500	3	\$3.31	\$104,294
1994	10,500	3	\$3.44	\$108,466
1995	10,500	3	\$3.58	\$112,804
1996	10,500	3	\$3.72	\$117,317
1997	10,500	3	\$3.87	\$122,009
1998	10,500	3	\$4.03	\$126,890
1999	10,500	3	\$4.19	\$131,965
2000	10,500	3	\$4.36	\$137,244
2001	10,500	3	\$4.53	\$142,734
2002	10,500	3	\$4.71	\$148,443

Note: Net price inflated at 4% annually for all years including

II. Preferred Seating (1):

Year	Total Seats Licensed	Annual License Fee	Percent Premium (2)	Less Ticket Revenue	Total Revenues
1993	900	\$64	142%	\$23,839	\$33,960
1994	1,100	\$64	156%	\$30,302	\$40,342
1995	1,300	\$64	151%	\$37,243	\$46,244
1996	1,400	\$64	146%	\$41,713	\$48,197
1997	1,500	\$64	141%	\$46,480	\$49,852
1998	1,500	\$77	190%	\$48,339	\$67,259
1999	1,500	\$77	185%	\$50,272	\$65,326
2000	1,500	\$77	179%	\$52,283	\$63,315
2001	1,500	\$77	173%	\$54,375	\$61,224
2002	1,500	\$77	167%	\$56,550	\$59,049

(1) Concept consists of a set of seats closest to the action but are the same size as the rest in the house.

(2) Premium over the highest priced ticket.

Note: Total seats leased are constant in years after 2002.

THE MET CENTER - HOCKEY PLAYOFFS (continued)  
Revenue Assumptions

III. Private Club:

Included in Hockey (regular season)

IV. Sponsorships:

Year	Average Per Game	No. of Games	Total Revenues
1989	\$1,500	3	\$4,500
1993	\$1,755	3	\$5,264
1994	\$1,825	3	\$5,475
1995	\$1,898	3	\$5,694
1996	\$1,974	3	\$5,922
1997	\$2,053	3	\$6,159
1998	\$2,135	3	\$6,405
1999	\$2,220	3	\$6,661
2000	\$2,309	3	\$6,928
2001	\$2,402	3	\$7,205
2002	\$2,498	3	\$7,493

Note: Average sponsorship increases at 4% inflation in years after 2002.

THE MET CENTER - HOCKEY PLAYOFFS (continued)  
Revenue Assumptions

V. Concessions

Year	Number of Games	Average Attendance	Per Capita Spending	Combined Tax/NoShow Factor (1)	U of M Share of Gross	Total Revenue
1989	3	10,500	\$3.00	0.95	20%	\$17,955
1993	3	10,500	\$3.51	0.95	20%	\$21,005
1994	3	10,500	\$3.65	0.95	20%	\$21,845
1995	3	10,500	\$3.80	0.95	20%	\$22,719
1996	3	10,500	\$3.95	0.95	20%	\$23,628
1997	3	10,500	\$4.11	0.95	20%	\$24,573
1998	3	10,500	\$4.27	0.95	20%	\$25,556
1999	3	10,500	\$4.44	0.95	20%	\$26,578
2000	3	10,500	\$4.62	0.95	20%	\$27,641
2001	3	10,500	\$4.80	0.95	20%	\$28,747
2002	3	10,500	\$5.00	0.95	20%	\$29,896

(1) Sales tax = 0% No Show factor = 5%

Note: Concession spending per capita increases at 4% inflation per year after 2002.

VI. Novelties

Year	Number of Games	Average Attendance	Per Capita Spending	Combined Tax/NoShow Factor (1)	U of M Share of Gross	Total Revenue
1989	3	10,500	\$0.75	0.95	40%	\$8,978
1993	3	10,500	\$0.88	0.95	40%	\$10,502
1994	3	10,500	\$0.91	0.95	40%	\$10,923
1995	3	10,500	\$0.95	0.95	40%	\$11,359
1996	3	10,500	\$0.99	0.95	40%	\$11,814
1997	3	10,500	\$1.03	0.95	40%	\$12,286
1998	3	10,500	\$1.07	0.95	40%	\$12,778
1999	3	10,500	\$1.11	0.95	40%	\$13,289
2000	3	10,500	\$1.15	0.95	40%	\$13,820
2001	3	10,500	\$1.20	0.95	40%	\$14,373
2002	3	10,500	\$1.25	0.95	40%	\$14,948

(1) Sales tax = 0% No Show factor = 5%

Note: Novelties spending per capita increases at 4% inflation per year after 2002.

THE MET CENTER - HOCKEY PLAYOFFS (continued)  
Expense Assumptions

I. Base Rent (1):

Year	Net		Practice Rent Percent (2)	Event Rental	Practice Rental	Total Rent
	Ticket Revenues	Base Rent Percent				
1989	\$89,151	10.00%	5.00%	\$8,915	\$4,458	\$13,373
1993	\$104,294	10.00%	5.00%	\$10,429	\$5,215	\$15,644
1994	\$108,466	10.00%	5.00%	\$10,847	\$5,423	\$16,270
1995	\$112,804	10.00%	5.00%	\$11,280	\$5,640	\$16,921
1996	\$117,317	10.00%	5.00%	\$11,732	\$5,866	\$17,597
1997	\$122,009	10.00%	5.00%	\$12,201	\$6,100	\$18,301
1998	\$126,890	10.00%	5.00%	\$12,689	\$6,344	\$19,033
1999	\$131,965	10.00%	5.00%	\$13,197	\$6,598	\$19,795
2000	\$137,244	10.00%	5.00%	\$13,724	\$6,862	\$20,587
2001	\$142,734	10.00%	5.00%	\$14,273	\$7,137	\$21,410
2002	\$148,443	10.00%	5.00%	\$14,844	\$7,422	\$22,266

Note: Base rent remains at 10% of net ticket revenue in years after 2002.

(1) Special terms can be made for a 10% base rent with a \$7,500 to \$10,000 annual maximum rent

(2) Practice days may be available at no rental fee.

II. Event-Related Operating Expenses:

Year	Per Game Cost	No. of Games	Total Operating Expense
1989	\$6,500	3	\$19,500
1993	\$7,604	3	\$22,812
1994	\$7,908	3	\$23,725
1995	\$8,225	3	\$24,674
1996	\$8,554	3	\$25,661
1997	\$8,896	3	\$26,687
1998	\$9,252	3	\$27,755
1999	\$9,622	3	\$28,865
2000	\$10,006	3	\$30,019
2001	\$10,407	3	\$31,220
2002	\$10,823	3	\$32,469

Note: Operating expenses per game increase at 4% inflation in years after 2002.

**THE TIMBERWOLVES ARENA**

**Analysis of Operating Cash Flows to the  
University of Minnesota  
and  
Estimated Net Present Value of Cash Flows**

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UNIVERSITY OF MINNESOTA  
 PROPOSED USE OF TIMBERWOLVES ARENA FOR BASKETBALL, HOCKEY, AND HOCKEY PLAYOFFS  
 ANALYSIS OF OPERATING CASH FLOW AND ESTIMATED NET PRESENT VALUE OF CASH FLOWS  
 for years ending October 31, 1993 through 2005

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
	----	----	----	----	----	----	----	----	----	----	----	----	----
Event Revenues:													
Admissions	\$3,458,674	\$3,597,021	\$3,740,901	\$3,890,538	\$4,046,159	\$4,208,005	\$4,376,326	\$4,551,379	\$4,733,434	\$4,922,771	\$5,119,682	\$5,324,469	\$5,537,448
Concessions	130,292	135,504	140,924	146,561	152,423	158,520	164,861	171,455	178,314	185,446	192,864	200,579	208,602
Novelties	163,624	170,169	176,976	184,055	191,417	199,073	207,036	215,318	223,931	232,888	242,203	251,891	261,967
Non-Event Revenues:													
Preferred seating revenues	561,542	669,783	771,224	807,771	840,087	1,113,691	1,086,238	1,057,688	1,027,995	997,115	1,325,000	1,291,600	1,256,864
Signage and sponsorship	79,550	82,732	86,042	89,483	93,063	96,785	100,657	104,683	108,870	113,225	117,754	122,464	127,363
Private Club Memberships	250,000	250,000	250,000	250,000	250,000	300,000	300,000	300,000	300,000	300,000	360,000	360,000	360,000
Total Revenues	\$4,643,682	\$4,905,208	\$5,166,066	\$5,368,407	\$5,573,149	\$6,076,075	\$6,235,118	\$6,400,523	\$6,572,543	\$6,751,445	\$7,357,503	\$7,551,003	\$7,752,243
Event Related Expenses	\$341,599	\$355,263	\$369,473	\$384,252	\$399,622	\$415,607	\$432,231	\$449,521	\$467,501	\$486,201	\$505,650	\$525,876	\$546,911
Admissions Tax or Base Rent	533,945	555,303	577,515	600,616	624,640	649,626	675,611	702,635	730,741	759,970	790,369	821,984	854,863
Total Expenses	\$875,544	\$910,566	\$946,988	\$984,868	\$1,024,262	\$1,065,233	\$1,107,842	\$1,152,156	\$1,198,242	\$1,246,172	\$1,296,019	\$1,347,859	\$1,401,774
TOTAL CASH FLOW TO UNIVERSITY	\$3,768,138	\$3,994,643	\$4,219,078	\$4,383,539	\$4,548,886	\$5,010,842	\$5,127,276	\$5,248,367	\$5,374,301	\$5,505,273	\$6,061,484	\$6,203,144	\$6,350,469

Net Present Value of Cash Flows  
 from 1993-2024

\$68,977,023  
 =====

UNIVERSITY OF MINNESOTA  
 PROPOSED USE OF TIMBERWOLVES ARENA FOR BASKETBALL  
 ANALYSIS OF OPERATING CASH FLOW AND ESTIMATED NET PRESENT VALUE OF CASH FLOWS  
 for years ending October 31, 1993 through 2005

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>Event Revenues:</b>													
Admissions	1,931,722	2,008,991	2,089,350	2,172,924	2,259,841	2,350,235	2,444,244	2,542,014	2,643,695	2,749,442	2,859,420	2,973,797	3,092,749
Concessions	69,753	72,543	75,445	78,463	81,602	84,866	88,260	91,791	95,462	99,281	103,252	107,382	111,677
Novelties	93,004	96,725	100,594	104,617	108,802	113,154	117,680	122,387	127,283	132,374	137,669	143,176	148,903
<b>Non-Event Revenues:</b>													
Preferred seating revenues	343,411	412,204	477,906	504,314	528,799	682,553	670,075	657,097	643,600	629,564	813,868	798,687	782,898
Signage and sponsorship	37,435	38,933	40,490	42,110	43,794	45,546	47,368	49,263	51,233	53,282	55,414	57,630	59,935
Private Club Memberships	125,000	125,000	125,000	125,000	125,000	150,000	150,000	150,000	150,000	150,000	180,000	180,000	180,000
<b>Total Revenues</b>	<b>\$2,600,326</b>	<b>\$2,754,395</b>	<b>\$2,908,785</b>	<b>\$3,027,428</b>	<b>\$3,147,838</b>	<b>\$3,426,353</b>	<b>\$3,517,627</b>	<b>\$3,612,552</b>	<b>\$3,711,273</b>	<b>\$3,813,944</b>	<b>\$4,149,623</b>	<b>\$4,260,672</b>	<b>\$4,376,162</b>
<b>Event Related Expenses</b>	<b>159,101</b>	<b>165,465</b>	<b>172,083</b>	<b>178,967</b>	<b>186,125</b>	<b>193,570</b>	<b>201,313</b>	<b>209,366</b>	<b>217,740</b>	<b>226,450</b>	<b>235,508</b>	<b>244,928</b>	<b>254,725</b>
Admissions Tax or Base Rent	289,758	301,349	313,403	325,939	338,976	352,535	366,637	381,302	396,554	412,416	428,913	446,070	463,912
<b>Total Expenses</b>	<b>\$448,859</b>	<b>\$466,813</b>	<b>\$485,486</b>	<b>\$504,905</b>	<b>\$525,102</b>	<b>\$546,106</b>	<b>\$567,950</b>	<b>\$590,668</b>	<b>\$614,295</b>	<b>\$638,866</b>	<b>\$664,421</b>	<b>\$690,998</b>	<b>\$718,638</b>
<b>TOTAL CASH FLOW TO UNIVERSITY</b>	<b>\$2,151,467</b>	<b>\$2,287,582</b>	<b>\$2,423,299</b>	<b>\$2,522,523</b>	<b>\$2,622,737</b>	<b>\$2,880,248</b>	<b>\$2,949,677</b>	<b>\$3,021,884</b>	<b>\$3,096,979</b>	<b>\$3,175,077</b>	<b>\$3,485,202</b>	<b>\$3,569,674</b>	<b>\$3,657,524</b>

Net Present Value of Cash Flows  
 from 1993-2024  
 \$39,695,757

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TIMBERWOLVES ARENA  
General Assumptions

	Average Gross Ticket Price	Ticket Price Net of Tax
	-----	-----
Basketball	\$8.34	\$7.62
Hockey - Reg Season	\$7.10	\$6.48
Hockey - Playoffs	\$3.00	\$2.74

	Average Gross Ticket Price	Ticket Price Net of Tax
	-----	-----
Basketball	\$10.00	\$9.13
Hockey	\$8.00	\$7.31

Taxes Applicable:

State Sales Tax	6.00%
City Sales Tax	0.50%
City Entertainmt Tax	3.00%
	-----
	9.50%

Inflation factor                      1.04

Assumptions for Breakdown of Preferred Seat License Fee:

	Number of Games	Highest Ticket Price	Attendance	Preferred Seat	
				Revenue	Factor
				-----	-----
Basketball	16	\$10.00	13,550	2,168,000	55.25%
Hockey	21	\$8.00	8,952	1,503,936	38.33%
Hockey Playoffs	3	\$8.00	10,500	252,000	6.42%
	-----			-----	
	40			3,923,936	

Breakdown of Preferred Seat License Fee:	1993	1998	2003	2008	2013	2018	2022
	thru 1997	thru 2002	thru 2007	thru 2012	thru 2017	thru 2022	thru 2024
	-----	-----	-----	-----	-----	-----	-----
Basketball	\$553	\$663	\$796	\$955	\$1,146	\$1,375	\$1,650
Hockey	383	460	552	662	795	954	1,144
Hockey Playoffs	64	77	92	111	133	160	192
	-----	-----	-----	-----	-----	-----	-----
	\$1,000	\$1,200	\$1,440	\$1,728	\$2,074	\$2,488	\$2,986

TIMBERWOLVES - BASKETBALL  
Revenue Assumptions

I. Admissions:

Year	Average Attendance	No. of Games	Average Net Price (1)	Total Revenues
1989	13,550	16	\$7.62	\$1,651,244
1993	13,550	16	\$8.91	\$1,931,722
1994	13,550	16	\$9.27	\$2,008,991
1995	13,550	16	\$9.64	\$2,089,350
1996	13,550	16	\$10.02	\$2,172,924
1997	13,550	16	\$10.42	\$2,259,841
1998	13,550	16	\$10.84	\$2,350,235
1999	13,550	16	\$11.27	\$2,444,244
2000	13,550	16	\$11.73	\$2,542,014
2001	13,550	16	\$12.19	\$2,643,695
2002	13,550	16	\$12.68	\$2,749,442

Note: Net price inflated at 4% annually for all years including those after 2002.

II. Preferred Seating (1):

Year	Total Seats Licensed	Annual License Fee	Percent Premium (2)	Less Ticket Revenue	Total Net Revenues
1993	900	\$553	278%	\$153,844	\$343,411
1994	1,100	\$553	211%	\$195,553	\$412,204
1995	1,300	\$553	199%	\$240,353	\$477,906
1996	1,400	\$553	187%	\$269,195	\$504,314
1997	1,500	\$553	176%	\$299,960	\$528,799
1998	1,500	\$663	219%	\$311,959	\$682,553
1999	1,500	\$663	207%	\$324,437	\$670,075
2000	1,500	\$663	195%	\$337,415	\$657,097
2001	1,500	\$663	183%	\$350,911	\$643,600
2002	1,500	\$663	173%	\$364,948	\$629,564

(1) Concept consists of a set of seats closest to the action but are the same size as the rest of the house.

(2) Premium over the highest priced ticket.

Note: Annual license fee and total seats leased are constant in years after 2002.

TIMBERWOLVES - BASKETBALL (continued)  
Revenue Assumptions

III. Private Club:

Year	Average Membership	Average Cost	Total Revenues
-----			-----
1989	500	\$250	\$125,000
1993	500	\$250	\$125,000
1994	500	\$250	\$125,000
1995	500	\$250	\$125,000
1996	500	\$250	\$125,000
1997	500	\$250	\$125,000
1998	500	\$300	\$150,000
1999	500	\$300	\$150,000
2000	500	\$300	\$150,000
2001	500	\$300	\$150,000
2002	500	\$300	\$150,000

Note: Average cost remains constant in years after 2002.

IV. Sponsorships:

Year	Average Per Game	No. of Games	Total Revenues
-----			-----
1989	\$2,000	16	\$32,000
1993	\$2,340	16	\$37,435
1994	\$2,433	16	\$38,933
1995	\$2,531	16	\$40,490
1996	\$2,632	16	\$42,110
1997	\$2,737	16	\$43,794
1998	\$2,847	16	\$45,546
1999	\$2,960	16	\$47,368
2000	\$3,079	16	\$49,263
2001	\$3,202	16	\$51,233
2002	\$3,330	16	\$53,282

Note: Average sponsorship increases at 4% inflation for all years including those years after 2002.

TIMBERWOLVES - BASKETBALL (continued)  
Revenue Assumptions

V. Concessions:

Year	Number of Games	Average Attendance	Per Capita Spending	Combined Tax/NoShow Factor (1)	U of M Share of Gross	Total Revenue
1989	16	13,550	\$3.00	0.92	10%	\$59,625
1993	16	13,550	\$3.51	0.92	10%	\$69,753
1994	16	13,550	\$3.65	0.92	10%	\$72,543
1995	16	13,550	\$3.80	0.92	10%	\$75,445
1996	16	13,550	\$3.95	0.92	10%	\$78,463
1997	16	13,550	\$4.11	0.92	10%	\$81,602
1998	16	13,550	\$4.27	0.92	10%	\$84,866
1999	16	13,550	\$4.44	0.92	10%	\$88,260
2000	16	13,550	\$4.62	0.92	10%	\$91,791
2001	16	13,550	\$4.80	0.92	10%	\$95,462
2002	16	13,550	\$5.00	0.92	10%	\$99,281

(1) Sales tax = 3.5% No Show factor = 5%

Note: Concession spending per capita increases at 4% inflation per year after 2002.

VI. Novelties:

Year	Number of Games	Average Attendance	Per Capita Spending	Combined Tax/NoShow Factor (1)	U of M Share of Gross	Total Revenue
1989	16	13,550	\$1.00	0.92	40%	\$79,501
1993	16	13,550	\$1.17	0.92	40%	\$93,004
1994	16	13,550	\$1.22	0.92	40%	\$96,725
1995	16	13,550	\$1.27	0.92	40%	\$100,594
1996	16	13,550	\$1.32	0.92	40%	\$104,617
1997	16	13,550	\$1.37	0.92	40%	\$108,802
1998	16	13,550	\$1.42	0.92	40%	\$113,154
1999	16	13,550	\$1.48	0.92	40%	\$117,680
2000	16	13,550	\$1.54	0.92	40%	\$122,387
2001	16	13,550	\$1.60	0.92	40%	\$127,283
2002	16	13,550	\$1.67	0.92	40%	\$132,374

(1) Sales tax = 3.5% No Show factor = 5%

Note: Novelties spending per capita increases at 4% inflation per year after 2002.

TIMBERWOLVES - BASKETBALL (continued)  
Expense Assumptions

I. Base Rent:

Year	Net Ticket Revenues	Base Rent Percent	Practice Rent Percent	Event Rental	Practice Rental (1)	Total Rent
1989	\$1,651,244	10.00%	5.00%	\$165,124	\$82,562	\$247,687
1993	\$1,931,722	10.00%	5.00%	\$193,172	\$96,586	\$289,758
1994	\$2,008,991	10.00%	5.00%	\$200,899	\$100,450	\$301,349
1995	\$2,089,350	10.00%	5.00%	\$208,935	\$104,468	\$313,403
1996	\$2,172,924	10.00%	5.00%	\$217,292	\$108,646	\$325,939
1997	\$2,259,841	10.00%	5.00%	\$225,984	\$112,992	\$338,976
1998	\$2,350,235	10.00%	5.00%	\$235,023	\$117,512	\$352,535
1999	\$2,444,244	10.00%	5.00%	\$244,424	\$122,212	\$366,637
2000	\$2,542,014	10.00%	5.00%	\$254,201	\$127,101	\$381,302
2001	\$2,643,695	10.00%	5.00%	\$264,369	\$132,185	\$396,554
2002	\$2,749,442	10.00%	5.00%	\$274,944	\$137,472	\$412,416

(1) Assumes rental charge for practice day preceding event will be the same as the day of the event.

Note: Base rent remains at 10% of net ticket revenue through 2024.

II. Event-Related Operating Expenses:

Year	Per Game Oper. Cost	No. of Games	Total Operating Expense
1989	\$8,500	16	\$136,000
1993	\$9,944	16	\$159,101
1994	\$10,342	16	\$165,465
1995	\$10,755	16	\$172,083
1996	\$11,185	16	\$178,967
1997	\$11,633	16	\$186,125
1998	\$12,098	16	\$193,570
1999	\$12,582	16	\$201,313
2000	\$13,085	16	\$209,366
2001	\$13,609	16	\$217,740
2002	\$14,153	16	\$226,450

Note: Operating expenses per game increase at 4% inflation through 2024.

TIMBERWOLVES - HOCKEY  
Revenue Assumptions

I. Admissions:

Year	Average Attendance	No. of Games	Average Net Price	Total Revenues
1989	8,952	21	\$6.48	\$1,218,944
1993	8,952	21	\$7.59	\$1,425,992
1994	8,952	21	\$7.89	\$1,483,031
1995	8,952	21	\$8.20	\$1,542,352
1996	8,952	21	\$8.53	\$1,604,047
1997	8,952	21	\$8.87	\$1,668,208
1998	8,952	21	\$9.23	\$1,734,937
1999	8,952	21	\$9.60	\$1,804,334
2000	8,952	21	\$9.98	\$1,876,508
2001	8,952	21	\$10.38	\$1,951,568
2002	8,952	21	\$10.80	\$2,029,631

Note: Net price inflated at 4% annually for all years including those after 2002.

II. Preferred Seating (1):

Year	Total Seats Licensed	Annual License Fee	Percent Premium (2)	Less Ticket Revenue	Total Net Revenues
1993	900	\$383	150%	\$161,537	\$183,408
1994	1,100	\$383	105%	\$205,331	\$216,269
1995	1,300	\$383	97%	\$252,370	\$245,884
1996	1,400	\$383	90%	\$282,655	\$253,926
1997	1,500	\$383	83%	\$314,958	\$259,950
1998	1,500	\$383	76%	\$327,557	\$247,352
1999	1,500	\$460	103%	\$340,659	\$349,231
2000	1,500	\$460	95%	\$354,285	\$335,605
2001	1,500	\$460	87%	\$368,457	\$321,433
2002	1,500	\$460	80%	\$383,195	\$306,695

(1) Concept consists of a set of seats closest to the action but are the same size as the rest of the house.

(2) Premium over the highest priced ticket.

Note: Annual license fee and total seats leased are constant in years after 2002.

TIMBERWOLVES - HOCKEY (continued)  
Revenue Assumptions

III. Private Club:

Year	Average Membership	Average Cost	Total Revenues
-----	-----	-----	-----
1989	500	\$250	\$125,000
1993	500	\$250	\$125,000
1994	500	\$250	\$125,000
1995	500	\$250	\$125,000
1996	500	\$250	\$125,000
1997	500	\$250	\$125,000
1998	500	\$300	\$150,000
1999	500	\$300	\$150,000
2000	500	\$300	\$150,000
2001	500	\$300	\$150,000
2002	500	\$300	\$150,000

Note: Average cost remains constant in years after 2002.

IV. Sponsorships:

Year	Average Per Game	No. of Games	Total Revenues
-----	-----	-----	-----
1989	\$1,500	21	\$31,500
1993	\$1,755	21	\$36,851
1994	\$1,825	21	\$38,325
1995	\$1,898	21	\$39,858
1996	\$1,974	21	\$41,452
1997	\$2,053	21	\$43,110
1998	\$2,135	21	\$44,834
1999	\$2,220	21	\$46,628
2000	\$2,309	21	\$48,493
2001	\$2,402	21	\$50,433
2002	\$2,498	21	\$52,450

Note: Average sponsorship increases at 4% inflation for all years including those years after 2002.

TIMBERWOLVES - HOCKEY (continued)  
Revenue Assumptions

V. Concessions:

Year	Number of Games	Average Attendance	Per Capita Spending	Combined Tax/NoShow Factor(1)	U of M Share of Gross	Total Revenue
1989	21	8,952	\$2.50	0.92	10%	\$43,085
1993	21	8,952	\$2.92	0.92	10%	\$50,404
1994	21	8,952	\$3.04	0.92	10%	\$52,420
1995	21	8,952	\$3.16	0.92	10%	\$54,517
1996	21	8,952	\$3.29	0.92	10%	\$56,697
1997	21	8,952	\$3.42	0.92	10%	\$58,965
1998	21	8,952	\$3.56	0.92	10%	\$61,324
1999	21	8,952	\$3.70	0.92	10%	\$63,777
2000	21	8,952	\$3.85	0.92	10%	\$66,328
2001	21	8,952	\$4.00	0.92	10%	\$68,981
2002	21	8,952	\$4.16	0.92	10%	\$71,740

(1) Sales tax = 3.5% No Show factor = 5%

Note: Concession spending per capita increases at 4% inflation per year after 2002.

VI. Novelties:

Year	Number of Games	Average Attendance	Per Capita Spending	Combined Tax/NoShow Factor (1)	U of M Share of Gross	Total Revenue
1989	21	8,952	\$0.75	0.92	40%	\$51,702
1993	21	8,952	\$0.88	0.92	40%	\$60,485
1994	21	8,952	\$0.91	0.92	40%	\$62,904
1995	21	8,952	\$0.95	0.92	40%	\$65,420
1996	21	8,952	\$0.99	0.92	40%	\$68,037
1997	21	8,952	\$1.03	0.92	40%	\$70,758
1998	21	8,952	\$1.07	0.92	40%	\$73,589
1999	21	8,952	\$1.11	0.92	40%	\$76,532
2000	21	8,952	\$1.15	0.92	40%	\$79,594
2001	21	8,952	\$1.20	0.92	40%	\$82,777
2002	21	8,952	\$1.25	0.92	40%	\$86,088

(1) Sales tax = 3.5% No Show factor = 5%

Note: Novelties spending per capita increases at 4% inflation per year after 2002.



TIMBERWOLVES - HOCKEY (continued)  
Expense Assumptions

I. Base Rent:

Year	Net Ticket Revenues	Base Rent Percent	Practice Rent Percent	Event Rental	Practice Rental (1)	Total Rent
1989	\$1,218,944	10.00%	5.00%	\$121,894	\$60,947	\$182,842
1993	\$1,425,992	10.00%	5.00%	\$142,599	\$71,300	\$213,899
1994	\$1,483,031	10.00%	5.00%	\$148,303	\$74,152	\$222,455
1995	\$1,542,352	10.00%	5.00%	\$154,235	\$77,118	\$231,353
1996	\$1,604,047	10.00%	5.00%	\$160,405	\$80,202	\$240,607
1997	\$1,668,208	10.00%	5.00%	\$166,821	\$83,410	\$250,231
1998	\$1,734,937	10.00%	5.00%	\$173,494	\$86,747	\$260,241
1999	\$1,804,334	10.00%	5.00%	\$180,433	\$90,217	\$270,650
2000	\$1,876,508	10.00%	5.00%	\$187,651	\$93,825	\$281,476
2001	\$1,951,568	10.00%	5.00%	\$195,157	\$97,578	\$292,735
2002	\$2,029,631	10.00%	5.00%	\$202,963	\$101,482	\$304,445

(1) Assumes rental charge for practice day preceding event will be the same as the day of the event.

Note: Base rent remains at 10% of net ticket revenue through 2024.

II. Event-Related Operating Expenses:

Year	Per Game Oper. Cost	No. of Games	Total Operating Expense
1989	\$12,500	21	\$262,500
1993	\$14,623	21	\$307,088
1994	\$15,208	21	\$319,371
1995	\$15,816	21	\$332,146
1996	\$16,449	21	\$345,432
1997	\$17,107	21	\$359,249
1998	\$17,791	21	\$373,619
1999	\$18,503	21	\$388,564
2000	\$19,243	21	\$404,107
2001	\$20,013	21	\$420,271
2002	\$20,813	21	\$437,082

Note: Operating expenses per game increase at 4% inflation through 2024.

TIMBERWOLVES - HOCKEY PLAYOFFS  
Revenue Assumptions

I. Admissions:

Year	Average Attendance	No. of Games	Average Net Price	Total Revenues
1989	10,500	3	\$2.74	\$86,301
1993	10,500	3	\$3.21	\$100,960
1994	10,500	3	\$3.33	\$104,999
1995	10,500	3	\$3.47	\$109,199
1996	10,500	3	\$3.61	\$113,567
1997	10,500	3	\$3.75	\$118,109
1998	10,500	3	\$3.90	\$122,834
1999	10,500	3	\$4.06	\$127,747
2000	10,500	3	\$4.22	\$132,857
2001	10,500	3	\$4.39	\$138,171
2002	10,500	3	\$4.56	\$143,698

Note: Net price inflated at 4% annually for all years including those after 2002.

II. Preferred Seating (1):

Year	Total Seats Licensed	Annual License Fee	Percent Premium (2)	Less Ticket Revenue	Total Revenues
1993	900	\$64	193%	\$23,077	\$34,722
1994	1,100	\$64	182%	\$29,333	\$41,310
1995	1,300	\$64	178%	\$36,053	\$47,435
1996	1,400	\$64	174%	\$40,379	\$49,530
1997	1,500	\$64	169%	\$44,994	\$51,338
1998	1,500	\$64	165%	\$46,794	\$49,538
1999	1,500	\$77	216%	\$48,666	\$66,933
2000	1,500	\$77	212%	\$50,612	\$64,986
2001	1,500	\$77	206%	\$52,637	\$62,962
2002	1,500	\$77	201%	\$54,742	\$60,856

(1) Concept consists of a set of seats closest to the action but are the same size as the rest in the house.

(2) Premium over the highest priced ticket.

Note: Annual license fee and total seats leased are constant in years after

TIMBERWOLVES - HOCKEY PLAYOFFS (continued)  
Revenue Assumptions

III. Private Club:

Included in Hockey (regular season)

IV. Sponsorships:

Year	Average Per Game	No. of Games	Total Revenues
1989	\$1,500	3	\$4,500
1993	\$1,755	3	\$5,264
1994	\$1,825	3	\$5,475
1995	\$1,898	3	\$5,694
1996	\$1,974	3	\$5,922
1997	\$2,053	3	\$6,159
1998	\$2,135	3	\$6,405
1999	\$2,220	3	\$6,661
2000	\$2,309	3	\$6,928
2001	\$2,402	3	\$7,205
2002	\$2,498	3	\$7,493

Note: Average sponsorship increases at 4% inflation for all years including those years after 2002.

TIMBERWOLVES - HOCKEY PLAYOFFS (continued)  
Revenue Assumptions

V. Concessions:

Year	Number of Games	Average Attendance	Per Capita Spending	Combined Tax/NoShow Factor (1)	U of M Share of Gross	Total Revenue
1989	3	10,500	\$3.00	0.92	10%	\$8,663
1993	3	10,500	\$3.51	0.92	10%	\$10,135
1994	3	10,500	\$3.65	0.92	10%	\$10,540
1995	3	10,500	\$3.80	0.92	10%	\$10,962
1996	3	10,500	\$3.95	0.92	10%	\$11,400
1997	3	10,500	\$4.11	0.92	10%	\$11,856
1998	3	10,500	\$4.27	0.92	10%	\$12,331
1999	3	10,500	\$4.44	0.92	10%	\$12,824
2000	3	10,500	\$4.62	0.92	10%	\$13,337
2001	3	10,500	\$4.80	0.92	10%	\$13,870
2002	3	10,500	\$5.00	0.92	10%	\$14,425

(1) Sales tax = 3.5% No Show factor = 5%

Note: Concession spending per capita increases at 4% inflation per year after 2002.

VI. Novelties:

Year	Number of Games	Average Attendance	Per Capita Spending	Combined Tax/NoShow Factor(1)	U of M Share of Gross	Total Revenue
1989	3	10,500	\$0.75	0.92	40%	\$8,663
1993	3	10,500	\$0.88	0.92	40%	\$10,135
1994	3	10,500	\$0.91	0.92	40%	\$10,540
1995	3	10,500	\$0.95	0.92	40%	\$10,962
1996	3	10,500	\$0.99	0.92	40%	\$11,400
1997	3	10,500	\$1.03	0.92	40%	\$11,856
1998	3	10,500	\$1.07	0.92	40%	\$12,331
1999	3	10,500	\$1.11	0.92	40%	\$12,824
2000	3	10,500	\$1.15	0.92	40%	\$13,337
2001	3	10,500	\$1.20	0.92	40%	\$13,870
2002	3	10,500	\$1.25	0.92	40%	\$14,425

(1) Sales tax = 3.5% No Show factor = 5%

Note: Novelties spending per capita increases at 4% inflation per year after 2002.

TIMBERWOLVES - HOCKEY PLAYOFFS (continued)  
Expense Assumptions

I. Base Rent:

Year	Net		Practice Rent Percent	Event Rental	Practice Rental (1)	Total Rent
	Ticket Revenues	Base Rent Percent				
1989	\$86,301	10.00%	5.00%	\$8,630	\$4,315	\$12,945
1993	\$100,960	10.00%	5.00%	\$10,096	\$5,048	\$15,144
1994	\$104,999	10.00%	5.00%	\$10,500	\$5,250	\$15,750
1995	\$109,199	10.00%	5.00%	\$10,920	\$5,460	\$16,380
1996	\$113,567	10.00%	5.00%	\$11,357	\$5,678	\$17,035
1997	\$118,109	10.00%	5.00%	\$11,811	\$5,905	\$17,716
1998	\$122,834	10.00%	5.00%	\$12,283	\$6,142	\$18,425
1999	\$127,747	10.00%	5.00%	\$12,775	\$6,387	\$19,162
2000	\$132,857	10.00%	5.00%	\$13,286	\$6,643	\$19,929
2001	\$138,171	10.00%	5.00%	\$13,817	\$6,909	\$20,726
2002	\$143,698	10.00%	5.00%	\$14,370	\$7,185	\$21,555

(1) Assumes rental charge for practice day preceding event will be the same as the day of the event.

Note: Base rent remains at 10% of net ticket revenue through 2024.

II. Event-Related Operating Expenses:

Year	Per Game Oper. Cost	No. of Games	Total Operating Expense
1989	\$12,500	3	\$37,500
1993	\$14,623	3	\$43,870
1994	\$15,208	3	\$45,624
1995	\$15,816	3	\$47,449
1996	\$16,449	3	\$49,347
1997	\$17,107	3	\$51,321
1998	\$17,791	3	\$53,374
1999	\$18,503	3	\$55,509
2000	\$19,243	3	\$57,730
2001	\$20,013	3	\$60,039
2002	\$20,813	3	\$62,440

Note: Operating expenses per game increase at 4% inflation through 2024.

UNIVERSITY OF MINNESOTA  
 PROPOSED USE OF THE TIMBERWOLVES ARENA FOR BASKETBALL  
 ESTIMATED NET PRESENT VALUE OF CASH FLOWS OF A GUARANTEED PAYMENT  
 for years ending October 31, 1993 through 2005

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Guaranteed Payment:													
Admissions	\$877,394	\$912,490	\$948,989	\$986,949	\$1,026,427	\$1,067,484	\$1,110,183	\$1,154,591	\$1,200,774	\$1,248,805	\$1,298,757	\$1,350,708	\$1,404,736
Concessions	37,435	38,933	40,490	42,110	43,794	45,546	47,368	49,263	51,233	53,282	55,414	57,630	59,935
TOTAL CASH FLOW TO UNIVERSITY	\$914,829	\$951,423	\$989,479	\$1,029,059	\$1,070,221	\$1,113,030	\$1,157,551	\$1,203,853	\$1,252,007	\$1,302,087	\$1,354,171	\$1,408,338	\$1,464,671

Net Present Value of Cash Flows  
 from 1993-2024  
 \$16,034,975  
 =====

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 FOR DISCUSSION PURPOSES ONLY  
 SUBJECT TO REVISION

THE HUBERT H. HUMPHREY METRODOME

Analysis of operating Cash Flow to the  
University of Minnesota  
and  
Estimated Net Present Value of Cash Flows

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SUBJECT TO REVISION

UNIVERSITY OF MINNESOTA  
 PROPOSED USE OF HUBERT H. HUMPHREY METRODOME FOR BASKETBALL  
 ANALYSIS OF OPERATING CASH FLOW AND ESTIMATED NET PRESENT VALUE OF CASH FLOWS  
 for years ending October 31, 1993 through 2005

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>Event Revenues:</b>													
Admissions	\$1,995,505	\$2,075,325	\$2,158,338	\$2,244,672	\$2,334,459	\$2,427,837	\$2,524,950	\$2,625,948	\$2,730,986	\$2,840,226	\$2,953,835	\$3,071,988	\$3,194,868
Concessions	210,344	218,758	227,508	236,609	246,073	255,916	266,152	276,799	287,871	299,385	311,361	323,815	336,768
Novelties	93,486	97,226	101,115	105,159	109,366	113,740	118,290	123,022	127,942	133,060	138,383	143,918	149,675
<b>Non-Event Revenues:</b>													
Preferred seating revenues	338,326	405,740	469,961	495,416	518,885	672,241	659,350	645,944	632,002	617,502	801,322	785,639	769,329
Signage and sponsorship	37,435	38,933	40,490	42,110	43,794	45,546	47,368	49,263	51,233	53,282	55,414	57,630	59,935
Private Club Memberships	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Revenues</b>	<b>\$2,675,097</b>	<b>\$2,835,981</b>	<b>\$2,997,412</b>	<b>\$3,123,966</b>	<b>\$3,252,577</b>	<b>\$3,515,280</b>	<b>\$3,616,111</b>	<b>\$3,720,976</b>	<b>\$3,830,035</b>	<b>\$3,943,456</b>	<b>\$4,260,314</b>	<b>\$4,382,991</b>	<b>\$4,510,574</b>
<b>Event Related Expenses</b>	<b>\$326,905</b>	<b>\$339,981</b>	<b>\$353,581</b>	<b>\$367,724</b>	<b>\$382,433</b>	<b>\$397,730</b>	<b>\$413,639</b>	<b>\$430,185</b>	<b>\$447,392</b>	<b>\$465,288</b>	<b>\$483,900</b>	<b>\$503,256</b>	<b>\$523,386</b>
Admissions Tax or Base Rent	299,326	311,299	323,751	336,701	350,169	364,176	378,743	393,892	409,648	426,034	443,075	460,798	479,230
Deprec Capital Equip	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	0	0	0
<b>Total Expenses</b>	<b>\$776,231</b>	<b>\$801,280</b>	<b>\$827,331</b>	<b>\$854,425</b>	<b>\$882,602</b>	<b>\$911,906</b>	<b>\$942,382</b>	<b>\$974,077</b>	<b>\$1,007,040</b>	<b>\$1,041,322</b>	<b>\$926,975</b>	<b>\$964,054</b>	<b>\$1,002,616</b>
<b>TOTAL CASH FLOW TO THE UNIVERSITY</b>	<b>\$1,898,866</b>	<b>\$2,034,701</b>	<b>\$2,170,081</b>	<b>\$2,269,541</b>	<b>\$2,369,975</b>	<b>\$2,603,374</b>	<b>\$2,673,729</b>	<b>\$2,746,898</b>	<b>\$2,822,994</b>	<b>\$2,902,134</b>	<b>\$3,333,339</b>	<b>\$3,418,937</b>	<b>\$3,507,958</b>

Net Present Value of Cash Flows from 1993-2024  
 \$37,048,042

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 SUBJECT TO REVISION



THE HUBERT H. HUMPHREY METRODOME  
General Assumptions

	Average Gross Ticket Price	Ticket Price Net of Tax
Basketball	\$8.34	\$7.87

	Average Gross Ticket Price	Ticket Price Net of Tax
Basketball	\$10.00	\$9.43

Taxes Applicable:

State Sales Tax	6.00%
City Sales Tax	0.00%
City Entertainment Tax	0.00%
	6.00%

Inflation factor            1.04

	1993 thru 1997	1998 thru 2002	2003 thru 2007	2008 thru 2012	2013 thru 2017	2018 thru 2022	2022 thru 2024
Breakdown of Preferred Seat License Fee:							
Basketball	\$553	\$663	\$796	\$955	\$1,146	\$1,375	\$1,650
	\$553	\$663	\$796	\$955	\$1,146	\$1,375	\$1,650

THE HUBERT H. HUMPHREY METRODOME (continued)  
Event Revenue Assumptions

I. Admissions:

Year	Average Attendance	No. of Games	Average Net Price	Total Revenues
-----	-----	-----	-----	-----
1989	13,550	16	\$7.87	\$1,705,766
1993	13,550	16	\$9.20	\$1,995,505
1994	13,550	16	\$9.57	\$2,075,325
1995	13,550	16	\$9.96	\$2,158,338
1996	13,550	16	\$10.35	\$2,244,672
1997	13,550	16	\$10.77	\$2,334,459
1998	13,550	16	\$11.20	\$2,427,837
1999	13,550	16	\$11.65	\$2,524,950
2000	13,550	16	\$12.11	\$2,625,948
2001	13,550	16	\$12.60	\$2,730,986
2002	13,550	16	\$13.10	\$2,840,226

Note: Net price inflated at 4% annually for all years including those after 2002.

II. Preferred Seating (1):

Year	Total Seats Licensed	Annual License Fee	Percent Premium (2)	Less Ticket Revenue	Total Net Revenues
-----	-----	-----	-----	-----	-----
1993	900	\$553	266%	\$158,924	\$338,326
1994	1,100	\$553	213%	\$202,010	\$405,740
1995	1,300	\$553	201%	\$248,289	\$469,961
1996	1,400	\$553	189%	\$278,084	\$495,416
1997	1,500	\$553	178%	\$309,865	\$518,885
1998	1,500	\$663	221%	\$322,259	\$672,241
1999	1,500	\$663	209%	\$335,150	\$659,350
2000	1,500	\$663	197%	\$348,556	\$645,944
2001	1,500	\$663	185%	\$362,498	\$632,002
2002	1,500	\$663	174%	\$376,998	\$617,502

(1) Concept consists of a set of seats closest to the action but are the same size as the rest of the house.

(2) Premium over the highest priced ticket.

Note: Total seats leased are constant in years after 2002.

THE HUBERT H. HUMPHREY METRODOME (continued)  
Event Revenue Assumptions

III. Private Club:

Year	Average Membership	Average Cost	Total Revenues
-----	-----	-----	-----
1989	0	\$0	\$0
1993	0	\$0	\$0
1994	0	\$0	\$0
1995	0	\$0	\$0
1996	0	\$0	\$0
1997	0	\$0	\$0
1998	0	\$0	\$0
1999	0	\$0	\$0
2000	0	\$0	\$0
2001	0	\$0	\$0
2002	0	\$0	\$0

Note: No private club facility exists at the Dome.

IV. Sponsorships:

Year	Average Per Game	No. of Games	Total Revenues
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1989	\$2,000	16	\$32,000
1993	\$2,340	16	\$37,435
1994	\$2,433	16	\$38,933
1995	\$2,531	16	\$40,490
1996	\$2,632	16	\$42,110
1997	\$2,737	16	\$43,794
1998	\$2,847	16	\$45,546
1999	\$2,960	16	\$47,368
2000	\$3,079	16	\$49,263
2001	\$3,202	16	\$51,233
2002	\$3,330	16	\$53,282

Note: Average sponsorship increases at 4% inflation for all years including those years after 2002.

THE HUBERT H. HUMPHREY METRODOME (continued)  
Event Revenue Assumptions

V. Concessions:

Year	Number of Games	Average Attendance	Per Capita Spending	Combined Tax/NoShow Factor (1)	U of M Share of Gross	Total Revenue
1989	16	13,550	\$3.00	0.92	30%	\$179,803
1993	16	13,550	\$3.51	0.92	30%	\$210,344
1994	16	13,550	\$3.65	0.92	30%	\$218,758
1995	16	13,550	\$3.80	0.92	30%	\$227,508
1996	16	13,550	\$3.95	0.92	30%	\$236,609
1997	16	13,550	\$4.11	0.92	30%	\$246,073
1998	16	13,550	\$4.27	0.92	30%	\$255,916
1999	16	13,550	\$4.44	0.92	30%	\$266,152
2000	16	13,550	\$4.62	0.92	30%	\$276,799
2001	16	13,550	\$4.80	0.92	30%	\$287,871
2002	16	13,550	\$5.00	0.92	30%	\$299,385

(1) Sales tax = 3% No Show factor = 5%

Note: Concession spending per capita increases at 4% inflation per year after 2002.

VI. Novelties:

Year	Number of Games	Average Attendance	Per Capita Spending	Combined Tax/NoShow Factor (1)	U of M Share of Gross	Total Revenue
1989	16	13,550	\$1.00	0.92	40%	\$79,912
1993	16	13,550	\$1.17	0.92	40%	\$93,486
1994	16	13,550	\$1.22	0.92	40%	\$97,226
1995	16	13,550	\$1.27	0.92	40%	\$101,115
1996	16	13,550	\$1.32	0.92	40%	\$105,159
1997	16	13,550	\$1.37	0.92	40%	\$109,366
1998	16	13,550	\$1.42	0.92	40%	\$113,740
1999	16	13,550	\$1.48	0.92	40%	\$118,290
2000	16	13,550	\$1.54	0.92	40%	\$123,022
2001	16	13,550	\$1.60	0.92	40%	\$127,942
2002	16	13,550	\$1.67	0.92	40%	\$133,060

(1) Sales tax = 3% No Show factor = 5%

Note: Novelties spending per capita increases at 4% inflation per year after 2002.

THE HUBERT H. HUMPHREY METRODOME (continued)  
Expense Assumptions

I. Base Rent:

Year	Net Ticket Revenues	Base Rent Percent	Practice Rent Percent	Event Rental	Practice Rental	Total Rent
1989	\$1,705,766	10.00%	5.00%	\$170,577	\$85,288	\$255,865
1993	\$1,995,505	10.00%	5.00%	\$199,551	\$99,775	\$299,326
1994	\$2,075,325	10.00%	5.00%	\$207,533	\$103,766	\$311,299
1995	\$2,158,338	10.00%	5.00%	\$215,834	\$107,917	\$323,751
1996	\$2,244,672	10.00%	5.00%	\$224,467	\$112,234	\$336,701
1997	\$2,334,459	10.00%	5.00%	\$233,446	\$116,723	\$350,169
1998	\$2,427,837	10.00%	5.00%	\$242,784	\$121,392	\$364,176
1999	\$2,524,950	10.00%	5.00%	\$252,495	\$126,248	\$378,743
2000	\$2,625,948	10.00%	5.00%	\$262,595	\$131,297	\$393,892
2001	\$2,730,986	10.00%	5.00%	\$273,099	\$136,549	\$409,648
2002	\$2,840,226	10.00%	5.00%	\$284,023	\$142,011	\$426,034

Note: Base rent remains at 10% of net ticket revenue in years after 2002.

II. Event-Related Operating Expenses:

Year	Per Game Oper. Cost	No. of Games	Total Operating Expense
1989	\$17,465	16	\$279,440
1993	\$20,432	16	\$326,905
1994	\$21,249	16	\$339,981
1995	\$22,099	16	\$353,581
1996	\$22,983	16	\$367,724
1997	\$23,902	16	\$382,433
1998	\$24,858	16	\$397,730
1999	\$25,852	16	\$413,639
2000	\$26,887	16	\$430,185
2001	\$27,962	16	\$447,392
2002	\$29,081	16	\$465,288

Note: Operating expenses per game increase at 4% inflation per year after 2002.

THE HUBERT H. HUMPHREY METRODOME (continued)  
Expense Assumptions

III. Depreciation of Capital Equipment:

Year	Cost Basis	Life	Annual Depreciation
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1993	\$1,500,000	10	\$150,000
1994	\$1,500,000	10	\$150,000
1995	\$1,500,000	10	\$150,000
1996	\$1,500,000	10	\$150,000
1997	\$1,500,000	10	\$150,000
1998	\$1,500,000	10	\$150,000
1999	\$1,500,000	10	\$150,000
2000	\$1,500,000	10	\$150,000
2001	\$1,500,000	10	\$150,000
2002	\$1,500,000	10	\$150,000

Note: Depreciation is calculated straight-line, expense remains constant through 2002. There is no depreciation assumed after 2002.