

Minutes\*

**Senate Committee on Finance and Planning**  
**Tuesday, September 23, 2003**  
**4:00 - 5:00**  
**238A Morrill Hall**

Present: Charles Campbell (chair), Calvin Alexander, Brittny McCarthy Barnes, Stanley Bonnema, Thomas Klein, Yi Li, Richard Pfitzenreuter, Terry Roe, Charles Speaks, Sue Van Voorhis, Warren Warwick, Susan Carlson Weinberg

Absent: none counted for a special meeting called on short notice

Guests: Professor Art Erdman (Advisory Committee on Athletics); Vice President Kathryn Brown, Lynn Holleran (Office of the Chief of Staff); Gary Summerville (Office of the Vice President for University Services)

[In these minutes: football stadium principles]

**Stadium Principles**

Professor Campbell convened the meeting at 4:00 and thanked those who were able to attend a special meeting on short notice. He explained that the President had provided to the Faculty Consultative Committee last week a draft set of "Guiding Principles for the Possible Development of an On-Campus Stadium" that are to be presented to the Board of Regents at their October meeting. The Faculty Consultative Committee decided to ask this Committee, and the Advisory Committee on Athletics, to advise it on what views it should communicate to the President--and asked that their views be provided by September 25 in order that the advice of the three committees can be incorporated in the administration's draft set of principles. This special meeting was therefore necessary.

Professor Feeney last week drafted a revised set of principles that drew on a number of email exchanges between FCC members and the original FCC statement of principles prepared when the University was considering a joint-use Gopher-Vikings stadium. The Committee has received Professor Feeney's draft, comments from three members of this Committee, and a letter that President Bruininks sent to Professors Martin and Erdman in response to the draft from Professor Feeney (a copy of which was provided to the President last week).

Vice President Brown said that the administration would incorporate concepts from the three committees in the draft principles for the Board of Regents; a small group will work to refine the draft, there will be a work session at the Regents' meeting at which time Board members can comment on the draft, and then a final working document will be prepared. They are trying not to create new principles but rather to refine the ones that were presented last year. The principles will also not be carved in stone; the Board endorsed the principles last year as guidelines but did not explicitly adopt them as "policy." She said she expected that the Board would do the same with a revised set of principles dealing with a Gopher-only stadium.

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Professor Warwick asked Professor Campbell to sum up the assumptions that underlie all of the documents. Professor Campbell said he had tried to do that in his own email to the Committee earlier in the day, although it was difficult. But they appear to be these: (1) The Twins and Vikings will abandon the Metrodome by 2011, therefore the University must decide where its football team will play. It could take over the Metrodome, build a new stadium, or play football in Blaine, as Associate Vice President Pfutzenreuter commented at the last meeting. (2) Whether or not the University will have "big time" football does not appear to be on the table for discussion.

There is an unstated assumption, Professor Warwick said, that the Metrodome is not one of the possibilities as a place for the Gophers to play. Perhaps if the roof were removed, it could be considered. The other alternatives are lose-lose, he said. Mr. Pfutzenreuter interjected that it is not possible to take the roof off the Metrodome: it holds up the walls. Professor Speaks recalled that the Committee had been told that in the past. Former Vice President Tonya Brown's financial analysis also projected an additional \$3 million per year in ticket revenues if the Metrodome were sold out for every Gopher game unless there were a new lease, which is not promising given the amount of the institutional subsidy. Professor Speaks also recalled that former Vice President Kruse told this Committee that his worst nightmare was that the University would inherit the Metrodome--a facility that is very expensive to operate, at an annual cost of about \$7 million or more.

Mr. Pfutzenreuter added that he did not know if the Metropolitan Sports Facilities Commission would remain in the picture if the Metrodome were no longer being used by anyone except the University. Essentially the only source of revenue for the Metrodome is the Vikings, he said; the Twins pay very little and the University pays nothing. If the two professional sports teams leave, the revenue gap will be huge.

Apropos the stadium feasibility analysis that Mr. Pfutzenreuter had discussed with the Committee last week, Professor Roe said it should include a cost-benefit analysis. Mr. Pfutzenreuter said there will be a project pro forma, which will include an analysis of the revenues and expenses that be expected. It will be a stadium pro forma, without indication of where the revenues (e.g., from parking) should be directed, he said in response to a query from Professor Speaks.

Will the feasibility study include opportunity costs, Ms. McCarthy Barnes asked? When they plan and site the stadium, they will put back as much surface parking as possible, Mr. Pfutzenreuter explained. They are keeping an eye on the need for future academic buildings as they go into the project so that other facilities could be built. The stadium will not use up all the space in the area.

Professor Campbell said that the feasibility study will be very important; at this point the Committee can only consider broad principles. He urged that there also be an academic impact statement developed in parallel with the feasibility study so that there is an airing of all the issues. Has there been such a study with other projects, Mr. Klein asked? What would it look like? Professor Campbell said that when the biennial budget is developed, the Committee typically asks how it supports the academic mission; that is the closest thing to an academic impact statement. He has heard calls, however, that there should be more focused assessments. Most statements have to do with the financial impact on the teaching, research, and service missions; one question is whether the stadium will affect the ability of the University to carry out those missions. There are also questions about how effective fund-raising would be and its costs. It is difficult to separate these things but he thought it reasonable to go through the exercise as a way to identify issues that can be discussed at a later date.

Professor Roe asked if it would not be best to comment on the draft "Guiding Principles" prepared by the administration. Professor Campbell agreed that would be simplest, and that others could look more at the details. Professor Speaks inquired of Professor Campbell if the draft addressed the concerns he had laid out for the Committee. Professor Campbell said he believed it did; it would be possible to state positions more strongly than the draft, but that could be seen as non-collegial. In the end, it is difficult to pin down the ideas more strongly because there is no way one can guarantee, for example, that there will be no surprises in the cost of the stadium (viz., Coffman Union).

Professor Speaks said that he supported the draft "Guiding Principles" with only a modest amendment to one of the points. He suggested the language about limiting financial or other risks be made stronger. Professor Roe noted that the Committee had been concerned about parking and the extent to which others would pick up extra costs. He also suggested that with recent tuition increases, students should be consulted very extensively about contributing to the cost of a stadium.

Ms. McCarthy Barnes said she was concerned that the initial document FCC statement included language about where stadium funding should come from and that it was inappropriate to include a reference to the possibility of student fees in the same discussion about earmarked private funds and alumni association support. The latter two sources of funds are given willingly; student funds may not be. She said she did not know if the students would support funding a stadium.

Mr. Pfutzenreuter suggested the Committee focus on the broader principles; after it tinkers with those, it could later articulate additional operating principles to advise the administration. He assured the Committee there would be ample time after the Board endorsed any principles for more specific advice to be provided. Professor Speaks concurred with Mr. Pfutzenreuter's suggestion and said the Committee should not seek to include any more detail in the draft principles; it can later develop operating recommendations for the administration.

Mr. Klein suggested including language about seeking over the long term for greater self-sufficiency in athletics. That goal should frame the stadium discussion, he said. This Committee has spent much time on that topic in the past, Professor Campbell observed, and has made stronger statements than that about it.

Ms. McCarthy Barnes noted that the original statement was from FCC; where do students fit in, she asked? Professor Campbell reported that the Senate Consultative Committee (SCC; which includes a number of students) discussed the stadium last week. It is early in the process, he pointed out. Professor Erdman noted that there are also students on the Advisory Committee on Athletics; he had urged the students on SCC to contact the students on the Advisory Committee to make their views known.

Professor Warwick said that students got a bad deal on Coffman Union, when some of them were at the University for four years but never had a student union. He said he would hate to see the same thing happen to students with a football stadium. He asked about the three lines engraved on the façade of Northrop Auditorium (which no one at the meeting could recall exactly): Is the stadium in keeping with that message? [The exact words are "Founded in faith that men are ennobled by understanding; Dedicated to the advancement of learning and the search for truth; Devoted to the instruction of youth and the welfare of the state."] Those phrases should be at the start of any statement about the stadium, he urged.

The Committee voted unanimously in favor of a generally-worded statement from Professor Speaks that it endorsed the draft "Guiding Principles" subject to the understanding that the financial risk language would be strengthened, that there be an assertion about the long-term goal of decreased institutional support for athletics, that student concerns about funding must be addressed, and that the ideals expressed in the words on Northrop should be included in a cover letter.

Professor Roe suggested that the Committee wait on consideration of more detailed operating statements until the stadium feasibility study was completed, which is expected by November 1. Professor Campbell said his concerns were that the Committee stay ahead of the process with respect to fund-raising and that it will be difficult to delineate the competition for funds between academic and stadium needs.

Professor Alexander said the Environmental Impact Statement (EIS) will be a major cost item that could affect construction costs as well as long term operating costs. It will have the potential to torque the financial statements. Who will do the EIS, asked? Mr. Pfutzenreuter said that has not been decided; they know roughly what it will cost but not who will shepherd it or what staff will work on it. He also said he did not know what would trigger an EIS.

Professor Campbell asked, about the \$125,000 in Foundation funds that will be used to pay for the feasibility study, how the Committee could assess whether even THOSE funds would not otherwise be available for academic purposes? Mr. Pfutzenreuter said the Committee should inquire of Mr. Fischer, head of the Foundation. No one will EVER know for sure if a donor would have given other funds to the University, he said. If an ex-football player from the 1950s gives funds for a stadium but has never otherwise donated money to the University, one can make a reasonable guess. If someone has also given to the University for academic purposes in the past, and now gives also for a stadium, will that reduce giving for academic purposes? There is no way to tell.

Is it conceivable that the stadium could be built without debt service, Professor Warwick asked? It is CONCEIVABLE, Mr. Pfutzenreuter said, if all the cash were provided up front, but it is not likely. If there is a gap between the time construction costs must be paid and donated funds come in, the University would have to provide bridge financing--and the cost of that bridge funding would be included as part of the project cost. The University has provided bridge funding for other projects (e.g., is doing so for the Translational Research Facility). The debt for the stadium will not be counted by rating agencies against the University's indebtedness if there is a legal pledge of donor funds and the dollars are in the pipeline. The stadium will have debt; the amount will depend on the revenue streams, fund-raising, and so on.

Is there enough information from the previous stadium study to compare the on-campus Gopher-only stadium with the joint-use Gopher-Vikings stadium, Mr. Klein asked? There is with respect to the site/land/environmental issues, Mr. Pfutzenreuter said, and with respect to the transportation/district issues. The remainder, however, is a blank tablet. Will the study allow a comparison to determine if one had more financial strength than the other, Mr. Klein then asked? Mr. Pfutzenreuter said they are not focusing on the joint-use possibility, and the study of it was never completed because it was pulled off the table. Would it lessen the risk profile if there were another entity involved, Mr. Klein inquired? The University wanted the Vikings to pay for the maintenance and other costs of a joint-use stadium, Mr. Pfutzenreuter said.

The phrase "Gopher-only" keeps being used, Professor Alexander said, but the President has referred to a general use stadium. Will other activities be factored into the revenue stream? They will, Mr. Pfutzenreuter said--but there is not a lot else that it can be used for. It will accommodate soccer, the high schools, and the Marching Band, but the new turf grass being used in stadiums would not allow for things like a tractor pull. Professor Alexander commented that he did not see that as a drawback.

Professor Campbell said he would prepare a communication to Professors Erdman and Martin about the actions of the Committee, and adjourned the meeting at 5:10.

-- Gary Engstrand

University of Minnesota