

UNIVERSITY OF MINNESOTA

University Senate

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September 25, 2003

President Robert Bruininks
President's Office
202 Morrill Hall

Dear Bob:

I write to convey the sentiments of the faculty governance system about the draft "Guiding Principles for the Possible Development of an On-Campus Stadium." Both the Senate Committee on Finance and Planning and the Advisory Committee on Athletics reviewed the statement and provided advice to the Faculty Consultative Committee. Copies of the letters from Professors Campbell and Erdman are attached.

I append an edited version of the draft principles that incorporates the specific concerns of the two committees as well as those of FCC (new language is underlined; language to be deleted is struck out). We ask that you include these changes in the version of the principles that you submit to the Board of Regents.

FCC also had an opportunity to look at the explanation and description of the feasibility study that will be conducted. The Committee thought the "why now" section was quite strong and reflected many of our concerns. At the same time, the feasibility study should have an impact section (e.g., on students and student life, on student finances, on the finances of athletics vis-à-vis the subsidy from the University). The Committee also strongly believes that how the objectives of the stadium will be accomplished and the specific steps that will be taken need to be clearly identified (for example, there is considerable doubt about how much of an increase in a sense of campus community can be achieved with six or seven home football games). The Committee expressed concern about some of the tone of the document (for example, many do not believe this is "an exciting time for the University community" in any positive sense of that phrase, when people face large tuition increases, benefits cuts, salary freezes, and potential strikes). It may be too late to alter the wording of this statement, but hereafter we suggest people attend to tone.

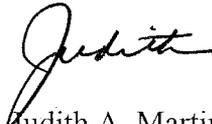
FCC felt strongly that a cover letter for the principles should include the statements from the façade of Northrop Auditorium and the statement in your letter to me quoted in the letter from Professor Campbell to Professor Erdman.

I also attach to this letter the minutes of the discussion held on September 23 at the Senate Committee on Finance and Planning. I will forward to you shortly the minutes of the

FCC discussion last week and this week. We will not circulate these minutes in the usual manner until the Board meets, but we do ask that you forward these excerpts to the Board members in advance of their discussion of the stadium principles.

We hope this is helpful.

Cordially,

A handwritten signature in black ink, appearing to read "Judith". The signature is fluid and cursive, with a large initial "J" and a long, sweeping tail.

Judith A. Martin, Chair
Faculty Consultative Committee

UNIVERSITY OF MINNESOTA
GUIDING PRINCIPLES
FOR THE POSSIBLE DEVELOPMENT OF AN ON CAMPUS STADIUM
DRAFT

The Board of Regents of the University of Minnesota has stated the priority of the academic mission and the value of intercollegiate athletics. . . “Participation in intercollegiate athletics at the University of Minnesota is a valuable opportunity for all student-athletes to supplement their education through sports. The purpose should always be to provide the highest potential for amateur athletic excellence within the University’s educational framework.” (Regents Policy on Intercollegiate Athletics) Within this policy, the following principles will be used to guide a decision on the any future development of a football stadium on the Minneapolis campus for the use of the Gopher football team and related athletic and academic purpose of the University.

UNIVERSITY MISSION / We will protect the University's fundamental academic mission.

The University of Minnesota's fundamental academic mission in teaching, research, and public service is foremost and cannot be subordinated to other objectives less related to this primary mission. The mission of the institution will be preserved in all aspects of stadium planning, and consideration of any future stadium development ~~will not compromise~~ should be consistent with the University’s fundamental academic mission, purpose or programs.

FINANCIAL STRATEGY/ We will ensure financial benefit for the University and limit financial risk to the academic mission.

If developed, a Gopher on campus stadium project ~~will~~ must generate financial benefits for the University and the Department of Intercollegiate Athletics. ~~Every effort will be made to~~ The University will limit financial or other risks to the University budget and its academic programs. The University will identify new funding sources to support the implementation of the campus stadium with the expectation that funds will not be diverted from other University purposes and resources. The primary funding goal will be to build an on campus Gopher-only stadium substantially from private contributions and resources.

UNIVERSITY AND NEIGHBORHOOD COMMUNITY / We will promote physical and programmatic integration with the Twin Cities campus community and adjacent neighborhoods.

If developed, a Gopher on campus stadium ~~must be developed in order to~~ enhance campus life in ways that can be identified. It must not detract from ~~it~~ campus life and must while maximize opportunities to support the University’s teaching, research, and public service missions. All uses of the facility will be compatible with the University’s mission. Any stadium on campus will be designed, constructed, and operated in a manner that is fully compatible and integrated with the City of Minneapolis, the University campus environment, and the commercial and residential neighborhoods near the stadium site. The University will be a good neighbor, and respect nearby neighborhoods’ needs during the planning and construction process.

GOVERNANCE/ We will retain control of all aspects of stadium development and management.

The University will maintain effective control over all aspects of the governance, design, development, and ongoing management of the stadium. This principle ensures that a

possible stadium advances the University's academic mission, its campus and community priorities, protects University resources, and provides financial support for the University.

STUDENT EXPERIENCE AND INTERCOLLEGIATE ATHLETICS / We will improve student life, increase community enthusiasm for Gopher football and enhance the Gopher football game-day experience.

A Gopher on campus stadium project ~~will~~ must be designed to enhance student life on campus, create opportunities for University wide events and celebrations, increase alumni and community support for the University, and strengthen the sense of community, thereby qualitatively improving the collegiate and Gopher football and University experience for students, student-athletes and fans.

PROJECT DEVELOPMENT / We will assure that project design and construction meets the highest standards of fairness, integrity, and sound business practice.

All planning and development of the stadium ~~will~~ must meet the most stringent requirements of fairness and good stewardship in the expenditure of public funding. Maintaining the confidence of all those with a stake in its success - faculty, students, and staff; contractors and vendors; neighbors, public officials and government units; and all Minnesotans - is essential to the ultimate success of this project.

DRAFT September 9, 2003

UNIVERSITY OF MINNESOTA

September 25, 2003

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Professor Judith Martin, Chair
FCC

Dear Judith:

I am writing to inform you of the actions taken by the Advisory Committee on Athletics at its meeting today regarding the draft Administrative Guiding Principles for the Possible Development of an on Campus Stadium of September 9, 2003.

Overall, ACA was supportive of the guiding principles but Committee members did want me to convey to the FCC the following:

ACA agrees with SCFP that there needs to be extensive consultation with students about the possibility of student fee support for a stadium. It is essential to find out what the general student body's opinion is regarding this matter. Consultation should go beyond student government leadership. Discussions need to include both the reality of the potential financial hardship for students (in the case of additional fees on top of the current student fees) and the recognition that a stadium will have a positive impact on student life and the University community.

ACA believes that University Relations should communicate to the university community about what is actually happening with respect to the stadium. Without continuous information flow, the community is only guided by what is read in the newspaper and heard on TV or the talk shows. It is important for the University and broader community to know which groups are actively being consulted about the stadium and that these groups are informed and educated about the issues.

In paragraph two, "will not compromise" might be replaced by "should be consistent with" as a more positive statement.

Finally, ACA believes that there needs to be continued reminders that the money used in pursuit of the stadium will not compete with other academic purposes.

On behalf of the Committee, thank you.

Sincerely,



Professor Art Erdman, Chair
ACA

September 24, 2003

Professor Art Erdman, Chair
Advisory Committee on Athletics

Dear Art:

This note conveys the actions taken by the Senate Committee on Finance and Planning on September 23 with respect to stadium principles. You were at the meeting, so you are aware of the nature of the discussion.

SCFP accepted and endorsed the September 9 draft entitled "Guiding Principles for the Possible Development of an On-Campus Stadium" that the administration has prepared, with modest amendments.

In the third paragraph, SCFP would prefer that the wording of the second sentence be revised as follows: "The University will limit financial or other risks to the University budget and its academic programs."

SCFP would also like to see, somewhere in the "Guiding Principles," a slightly-amended version of President Bruininks' statement in his memo to you and to Professor Martin: "The long-term aspiration and goal is to develop greater self-sufficiency and less state subsidy in the Athletics budget." It is not clear that this statement fits into the stadium principles document but we believe it needs to hold a central place in the discussions about the finances of a new stadium.

SCFP believes that there needs to be extensive consultation with students about the possibility of student fee support for a stadium. We note that there are subsets of students, some of which may have differing views about the desirability of student support; the undergraduates, for example, may feel differently from the graduate and professional students.

Finally, SCFP believes that all discussions of a stadium should continue to take place in the context of the words carved on the facade of Northrop Auditorium: "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." How will an on-campus football stadium help the University carry out the mission as those phrases describe it?

I would appreciate it if you would carry these sentiments to the Advisory Committee on Athletics. I trust that ACA will take whatever actions it deems appropriate and then the SCFP

comments, plus the ACA comments, will be brought to the Faculty Consultative Committee on Thursday.

I hope this is helpful.

Cordially,

Chuck Campbell, Chair
Senate Committee on Finance and Planning

Minutes*

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

Present: Charles Campbell (chair), Calvin Alexander, Brittany 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: 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.

* These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate or Twin Cities Campus Assembly; none of the comments, conclusions, or actions reported in these minutes represents the views of, nor are they binding on, the Senate or Assembly, the Administration, or the Board of Regents.

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