

UNIVERSITY OF ARKANSAS DEPARTMENT OF ATHLETICS



**Donald W. Reynolds Razorback Stadium
North End Zone Addition and Stadium Renovation**

Project Update as of January 2018

EXECUTIVE SUMMARY



The Donald W. Reynolds Razorback Stadium Project is on schedule and on budget. The project has been funded at \$160M through proceeds of a bond issue, gift commitments from new suites and loge boxes, and Athletic Department revenues.

The Athletic Department completed the \$120M bond issue in October 2016. This is the only bond issue for the project. Bond proceeds are being spent over a two-year period, and will generate an additional \$600K in net investment earnings. The department saved over \$11M by issuing bonds in October 2016, before rates began rising; and saved over \$40M by amortizing bonds over 20 years as opposed to 30 years.

The Razorback Foundation has signed agreements for 6 Founder's Suites, 32 North End Zone Suites, and 63 North End Zone Loge Boxes. These agreements have generated gift commitments of \$41.5M. Commitments are being paid over periods up to seven years, with \$29.4M being received towards project funding, and \$12.1M being received over the next five years towards funding debt service.

The Athletic Department funded \$5M in FY16 and \$5M in FY17. The department began selling new North End Zone club seats in September, which will generate additional revenue for FY2019 and beyond towards funding debt service.

Due to the success in securing commitments for the new suites and loge boxes, and the overall solid financial position of the Athletic Department, Razorback Foundation reserves will not be used for the stadium project as originally planned.

PREMIUM SEATING COMMITMENTS



Current Status of New Premium Seating Commitments

Founders Suites	6 of 6
North End Legends Suites	16 of 16
North End Victory Suites	10 of 10
North End Level Two Suites	6 of 6
North End Loge Boxes	63 of 70 (began June 2017)
North End Club Seats	627 deposits (began Sept 2017)

CONSTRUCTION UPDATE



The stadium project remains on schedule for completion in advance of the first home football game on September 1, 2018.

Construction work in the north addition continues to progress well and on schedule. Current work includes roofing installation, waterproofing, interior metal framing, mechanical work, and steel work at the stair towers and new seating bowl.

Immediately following the last home football game in November, the contractor began work in the existing stadium. Current work includes demolition in the existing suites and club areas. Existing stadium furniture was removed and donated to campus units, with remaining items disposed through a public surplus sale.

The guaranteed maximum price (GMP) with the contractor remains at \$132M.

Live updates can be seen at <https://app.oxblue.com/open/universityofarkansas>

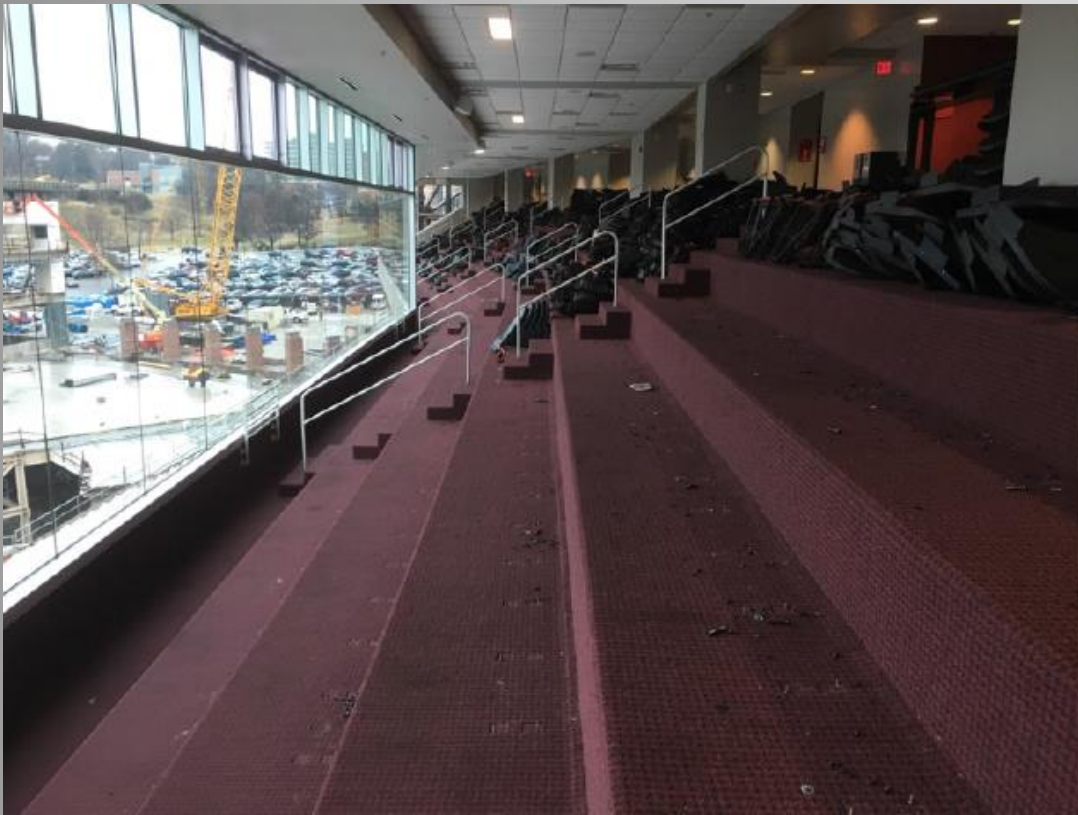
CONSTRUCTION UPDATE



CONSTRUCTION UPDATE



CONSTRUCTION UPDATE



PROJECT BUDGET UPDATE



The stadium project budget remains at \$160M. Through December 31, 2017, \$63.4M has been paid for project costs. The project team meets weekly to review cost events, and is committed to keeping project costs at \$160M.

Current Project Budget

\$132.0M	Guaranteed Maximum Price (GMP) for Construction
\$ 1.0M	Campus Utility Infrastructure Work
\$ 11.0M	Architect, Engineer, Professional Service Fees
\$ 1.0M	Campus Facilities Project Management Fee
\$.8M	Campus Remote Utility Fee and Other Project Costs
\$ 7.0M	FF&E Budget
\$ 5.0M	Graphics Budget
<u>\$ 2.2M</u>	Contingency Budget
\$160.0M	

PROJECT FUNDING PLAN UPDATE



Gift commitments of \$41.5M have been secured for new suites and loge boxes. Commitments have exceeded the \$40M fundraising goal for the project. Foundation members were provided options for payment plans up to 7 years, with \$29.4M being received towards project funding, and \$12.1M being received over the next five years towards funding debt service.

The Athletic Department funded \$5M in FY16 and \$5M in FY17. Due to the success in securing commitments for the new suites and loge boxes, and the overall solid financial position of the Athletic Department, Razorback Foundation reserves will not be used for the stadium project as originally planned.

<u>Funding Plan</u>	<u>Update</u>	
\$120.0M	\$120.0M	Bond Proceeds (completed Oct 2016)
	\$.6M	Net Investment Earnings on Bond Proceeds
\$ 20.0M	\$ 29.4M	Gift Commitments (\$41.5M total commitments)
\$ 10.0M	\$ 10.0M	Athletic Funding (completed FY16-FY17)
<u>\$ 10.0M</u>	<u>\$ 0M</u>	Razorback Foundation Reserves
\$160.0M	\$160.0M	

SUITE/LOGE GIFT COMMITMENTS



Total Gift Commitments

\$41.5M

Payments

Project Funding

Debt Service Funding*

FY17

\$12.1M

FY18

\$14.4M

FY19

\$ 2.9M

\$ 2.4M

FY20

\$ 3.0M

FY21

\$ 2.7M

FY22

\$ 2.0M

FY23

\$ 2.0M

\$29.4M

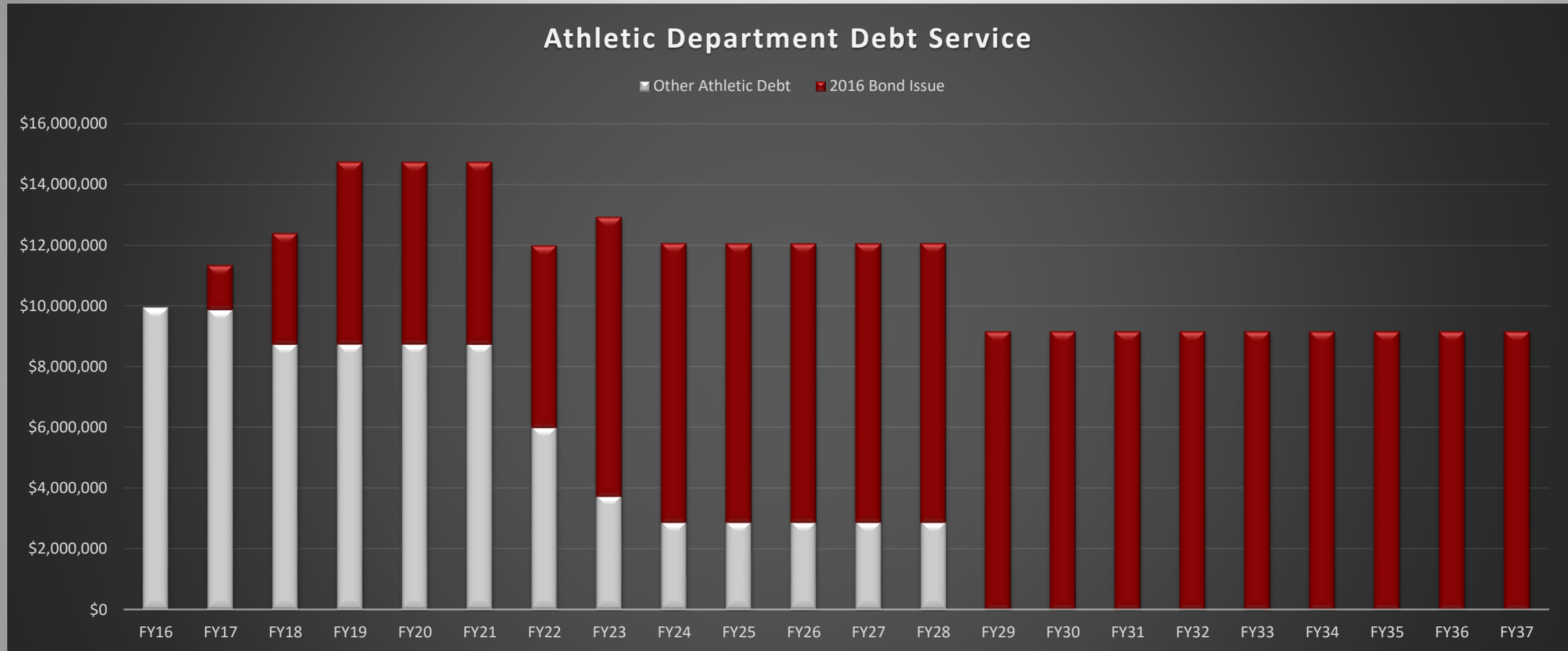
\$12.1M

*Athletic Department will generate additional funding towards debt service from new club seating in the NEZ, and football ticket sales revenue.

ATHLETIC DEPT DEBT SERVICE



The department structured the new debt service around retirement of existing Athletic debt. Athletic revenues are currently above, and projected to remain well above, the required debt service ratios.



NORTH END ZONE ADDITION



Donald W. Reynolds Razorback Stadium

Fly-Through Animation Stadium Project

<http://razorbacks.ustudiopages.com/UPRfEKsCJKbr>

NORTH END ZONE ADDITION



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