

Appalachian State University

Kidd Brewer Stadium East Stands Expansion

Summary of Events

- ASU has won three straight NCAA Football Championship Series Championships!
- ASU's football stadium, Kidd Brewer Stadium, has a seating capacity of 16,650.
- Average attendance at home games in 2006 season was 22,589.
- Average attendance at home games in 2007 season was 27,140.
- The increase in attendance resulted in a profound need for additional seating, restrooms and concessions.
- ASU Board of Trustees voted in September 2007 to ask our architect to study the feasibility of increasing seating capacity and restrooms on east side of Kidd Brewer Stadium.
- The study concluded that 4,400 seats should be added to the east stands. Additional concessions should also be added to the east side, and restroom capacity should be added to both the east side and the south end zone. The estimated cost of the project is \$8.3 million.
- ASU Board of Trustees approved the plan in December 2007 with the goal of completing the project by the beginning of the 2008 football season.
- **Problem:** The \$8.3 million project would cause ASU to exceed its \$35.8 million construction authority on Athletics projects (ASU is also constructing a new Field House on the west side of Kidd Brewer Stadium at a total cost of \$35 million).
- Since additional construction authority must be approved by the General Assembly, and the legislature is not convening until May 2008, the project would not be completed by fall 2008 as requested by the ASU Board of Trustees.
- **Solution:** Enter into a lease agreement with the Appalachian State University Foundation, Inc. The process works as follows:
 - ASU asked the Board of Directors of the ASU Foundation, Inc. to enter into the lease arrangement (approved by the Foundation Board on January 24, 2008).
 - ASU asked the UNC Board of Governors ("BOG") to authorize a lease with the ASU Foundation and include increased construction authority on ASU athletics projects in its self-liquidating capital project request (approved by the Board of Governors on February 8, 2008).
 - On February 21, 2008, the State Property Office issued a "right of entry" letter to the ASU Foundation, allowing them to enter the construction site and begin work, pending approvals by the State Construction Office and the Department of Insurance.
 - ASU asked the Council of State to approve the ground lease (approved by the Council of State on April 1, 2008).
 - The Foundation would lease the construction site from the University.
 - The Foundation obtains interim financing to fund the project.
 - ASU will ask the General Assembly to increase the construction authority on athletics projects in the self-liquidating capital project request submitted by the BOG.
 - Upon approval by the General Assembly to increase construction authority, ASU would reimburse the Foundation for the cost of improvements, up to \$8.3 million.
 - The ASU revenue streams to finance the project include an \$18 student fee, gate receipts, marketing revenues and donations. ASU would use the revenue streams to support an issuance of debt to finance the project.
- The solution allows construction to commence sooner than previously expected and the project may be completed prior to the first home football game on September 6, 2008.
- Many agencies have worked with ASU in a cooperative and understanding spirit to make the project happen, including UNC President Erskine Bowles and his staff, the UNC Board of Governors, the Council of State, the State Property Office, the Department of Insurance, the State Construction Office and legislative staff.

