



BOARD OF TRUSTEES

Executive Action Summary

Committee Name: Budget & Finance

Date: December 13, 2024

Agenda Item: Spartan Stadium Improvements

Information

Review

Action

Resolution:

BE IT RESOLVED that the Board of Trustees hereby approves the following actions related to Spartan Stadium:

1. Authorizations to Plan and Proceed for the replacement of videoboards
2. An Authorization to Proceed for West Tower renovations - 4th, 7th, and 8th floors
3. An Authorization to Plan for the future modernization of Spartan Stadium

Recommendation:

The Trustee Committee on Budget and Finance recommends that the Board of Trustees approves the following actions related to Spartan Stadium:

1. Authorizations to Plan and Proceed for the replacement of videoboards, with a project budget of \$10.0 million.
2. An Authorization to Proceed for renovations to the 4th, 7th, and 8th floors of the West Tower, with a project budget of \$18.0 million.
3. An Authorization to Plan for the future modernization of the stadium.

Prior Action by BOT:

The Board of Trustees authorized planning for future capital improvements to the West Tower at its December 17, 2021, meeting.

Responsible Officers:

Alan Haller, Vice President and Director of Intercollegiate Athletics

Lisa Frace, Senior Vice President, Chief Financial Officer, and Treasurer

Dan Bollman, Vice President for Strategic Infrastructure Planning and Facilities

Barb Kranz, Assistant Provost, Institutional Space Planning and Management

Summary:

1. Replacement of videoboards

The videoboards at Spartan Stadium are critical to gameday operations and area primary revenue generator for corporate sponsorships. The existing videoboards were installed in 2011 and are two years beyond their anticipated life cycle. The videoboards have the potential to fail before or during the 2025 football season. The procurement of materials needs to begin in January 2025 for installation to be completed ahead of the fall 2025 football season. Construction is expected to begin January 2025 and be completed by August 2025.

2. West Tower 4th, 7th and 8th floor renovations

The Spartan Stadium suites and club spaces on the 4th, 7th, and 8th floors of the West Tower will be renovated to provide a modern venue for the university to host events, donors and dignitaries and generate revenue. The existing suites in these areas have not been updated since they were first built in 2004, over twenty years ago. Updates to the spaces will enhance outdated technology, provide modern ADA-compliant restroom facilities, and include updates to seating, flooring and concessions. With Board authorization, construction will begin January 2025 and is anticipated to be completed by August 2025. This will be coordinated with the proposed planning for the stadium modernization project as a visible first step in the future vision for Spartan Stadium.

3. Spartan Stadium modernization

Spartan Stadium is at the heart of campus and is a primary crossroads for thousands of Spartans each day and is a marquee location for state and community members who visit MSU. The planning for the Spartan Stadium modernization seeks to enhance the fan experience, improve safety and security, and bring Spartan Stadium facilities on par with peers. Modernization upgrades are anticipated to include:

- Structural, architectural, and building systems upgrades and repairs
- Enhanced safety and security measures
- Bowl seating and ADA improvements
- Improved concourses and concessions
- Additional and upgraded restrooms and personal health and wellness spaces

The planning process will also allow for the exploration of other potential partnership opportunities that could support and elevate academic, research and outreach functions aligning with the MSU 2030 Strategic Plan. The work aligns with the administration seeking authorization to proceed for the West Tower 4th, 7th, and 8th floors, as well as renovations to the 2nd and 3rd floors in the tower for University Advancement which the board, separately, authorized planning for in June 2024. These initial steps are integrated with the overall planning vision for the stadium's improvement.

In anticipation of the Spartan Stadium modernization the Central Services Building, situated a few yards east of the stadium, will be demolished. This is consistent with Vision 2050: An Integrated Facilities and Land Use Plan for MSU. The planning process for this project will include the development of temporary and permanent space and facility locations for the following programs: College of Agriculture and Natural Resources/School of Planning Design and Construction teaching

and research laboratories, MSU Museum active collections space, and campus Transportation Services.

This project is anticipated to be implemented with a phased approach which will be informed by the planning process.

Background Information:

Spartan Stadium is the home of Michigan State University Football and is an important venue for hosting university donors, dignitaries, and events. The stadium opened in 1923 and has undergone routine maintenance and improvements over the years to maintain the game day experience for fans. Without a long-term, comprehensive modernization plan, deferred maintenance needs within the stadium continue to grow.

Recent studies have found MSU facilities deficient compared to peers in the Power 4 conferences. The stadium's infrastructure needs investment to enhance the gameday experience for the MSU community, align with code requirements, and enhance overall safety and security. The proposed actions also focus on increased revenue generation opportunities through businesses, sponsorships, and donors.

Source of Funds:

Planning for the replacement of the videoboards in the stadium will incur costs for design consultants and cost estimating. Planning costs are estimated at \$375,000 and are based on 7% of the pre-planning budget estimate. A budget has been established at \$10.0M financed with an internal loan to be repaid from naming rights revenue, sponsorship revenue, and/or gifts.

The renovation of the 4th, 7th, and 8th floors of the West Tower will be funded with an internal loan to be repaid by a combination of naming rights revenue, sponsorship revenue, and/or gifts.

Planning for the stadium modernization project is not expected to exceed 7- 8% of the total amount of the stadium modernization's construction costs for the phases of the project brought to the board for Authorizations to Proceed. A comprehensive business plan is in development that will identify the specific funding sources to support the debt service needed to complete the project. The planning phase of the project is anticipated to be funded with debt financing supported by future revenues to be generated by revitalization through sponsorships, naming rights, gifts and game day revenues. The administration will bring forward funding plans for individual project phases at the time each phase is brought to the board for request for an Authorization to Proceed.

Resource Impact:

Modern videoboards in athletic venues are an important source of revenue generation through corporate sponsorships. The replacement of the existing videoboards will also ensure continuity of the fan experience as the videoboards cannot be repaired and must be replaced every ten years.

Improvements to the suites in the West Tower may lead to potential increased revenue generation opportunities. The Athletics department is working through the business plan to determine if increased market value is achievable and sustainable.

Future stadium modernization will result in improved business, sponsorship and donor participation opportunities and capital renewal cost avoidance with the demolition of Central Services.

Spartan Stadium – Video Board Replacement

Alan Haller– VP & Director of
Intercollegiate Athletics



