

**SOUTH DAKOTA BOARD OF REGENTS**

**Budget and Finance**

**AGENDA ITEM: 7 – R**

**DATE: October 4-6, 2016**

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**SUBJECT: USD Sports Performance Enhancement Facility Funding Update**

The USD Sports Performance Enhancement Facility (inclusive of the Sanford Coyote Sports Center, Lillibridge Track Complex and First Bank & Trust Soccer Complex) is nearly complete. The most recent action taken by the USD Sports Performance Enhancement Facility Building Committee was May of 2015 and brought to the Board of Regents June 2015 meeting as a Building Committee report item.

The table below reflects the project cost and fund sources approved at the May 2015 USD Sports Performance Enhancement Facility Building Committee meeting.

		Arena	Track/Soccer Complex	TOTAL
Project Costs		\$48,954,605	\$9,555,818	\$58,510,423
Funding				
	Donated Funds			
	Bond Proceeds-debt service retired with private gifts, corporate sponsorships and facility rentals	\$22,700,000		\$22,700,000
	Interest earned on Bond Proceeds			\$0
	USD Foundation Gifts and Corporate Giving	\$20,754,605	\$9,255,818	\$30,010,423
	Administrative Overhead	\$2,100,000		\$2,100,000
	Athletics Revenues	\$3,400,000	\$300,000	\$3,700,000
Total Funding		\$48,954,605	\$9,555,818	\$58,510,423

While final invoices are pending, USD anticipates the final total project costs will be less than the table above in large part due to rebidding the track/soccer complex building and preserving contingency throughout the project. The funding for the project has been adjusted. The Sanford Coyote Sports Center fundraising and corporate sponsorships have exceeded prior forecasts; however, the Lillibridge Track Complex and First Bank & Trust Soccer Complex giving have been more challenging. As a result, USD athletic program revenues will be utilized to a greater extent and also replace the earlier approved USD administrative overhead. A summary update of the anticipated costs and fund sources is illustrated in the following table:

(Continued)

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**INFORMATIONAL ITEM**

USD Sports Performance Enhancement Facility Update

October 4-6, 2016

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		Aug-16		
		Arena	Track/Soccer Complex	TOTAL
Project Costs		\$46,407,016	\$8,855,818	\$55,262,834
Funding				
Donated Funds				
	Bond Proceeds-debt service retired with private gifts, corporate sponsorships and facility rentals	\$22,700,000		\$22,700,000
	Interest earned on Bond Proceeds	\$326,753		\$326,753
	USD Foundation Gifts and Corporate Giving	\$ 21,348,299	\$ 5,687,783	\$27,036,082
	Administrative Overhead			\$0
	Athletics Revenues	\$2,031,964	\$ 3,168,036	\$5,200,000
Total Funding		\$46,407,016	\$8,855,818	\$55,262,834

Beyond the change in donated funds, the major change from July 2015 to August 2016 is the elimination of the administrative overhead funds from the Arena project in the amount of \$2,100,000 and an increase in athletic revenues to the two projects in the amount of \$1,500,000. The total commitment of university funds has actually decreased by \$600,000 since July 2015.

**Recap of Funding Changes for USD Sports Performance Enhancement Facility**

	July 15 <u>Total</u>	August 2016 <u>Total</u>	<u>Change</u>
<b>Project Costs</b>	\$58,510,423	\$55,262,834	<b>(\$3,247,589)</b>
<b>Funding</b>			
Donated Funds			
Bond Proceeds	\$22,700,000	\$22,700,000	\$0
Interest Earnings	\$0	\$326,753	\$326,753
USD Foundation Gifts and Corporate Giving	\$30,010,423	\$27,036,082	<b>(\$2,974,341)</b>
Administrative Overhead	\$2,100,000	\$0	<b>(\$2,100,000)</b>
Athletic Revenues	<u>\$3,700,000</u>	<u>\$5,200,000</u>	<u>\$1,500,000</u>
<b>Totals</b>	\$58,510,423	\$55,262,835	<b>(\$3,247,588)</b>