

## Capital Project Stage Gate II: Reser Stadium Videoboard

### BACKGROUND

The Reser Stadium Videoboard project was originally assumed to not reach the \$5M cost threshold for Board review. Current pricing of the major components now indicate that the project cost will be \$5.9M. The following information is provided for the Board’s consideration of advancing this project to the construction phase pursuant to the [Approval of Capital Projects policy](#).

### PROJECT SUMMARY

 <p>EXISTING RESER STADIUM VIDEOBOARD</p>	<b>Square feet</b>	<b>N/A</b>
	<b>Estimated project budget</b>	<b>\$5,900,000</b>
	Internal Loan Retired by AD Operations	\$4,741,250
	Gifts	\$688,750
	AD Funds	\$470,000
	<b>Deferred maintenance reduction</b>	<b>N/A</b>
	<b>Carbon reduction</b>	<b>N/A</b>
	<b>Estimated project completion</b>	<b>Summer 2022</b>
	<b>Location</b>	<b>Reser Stadium</b>

The current videoboard at Reser Stadium was installed in 2007. Changes in technology have made the board difficult to maintain, as replacement components are no longer available to support the videoboard. Under this project, a new, state-of-the-art videoboard would be purchased and installed for use during the 2022 football season. The videoboard is in a location not affected by the coming West Grandstands project.

The proposed videoboard will be of a quality befitting the renovation of Reser Stadium. The planned LED videoboard is larger (40’ x 150’) than the existing board (30’ x 150’), will have a clearer picture and greater programming capabilities resulting in an enhanced fan experience. In addition to the videoboard itself, the project includes enhanced structural support for the board, a new LED ribbon board (3’ x 160’) on Valley Football Center, new game clocks, a new content management system and processing equipment, and the possibility of a ribbon board (approximately 3’ x 418’) on the newly renovated west bowl in 2023.

**ADVANCING OSU'S STRATEGIC GOALS**

<p><b>Goal 1 Preeminence in Research, Scholarship and Innovation</b></p>	<p><b>Goal 2 Transformative Education That is Accessible to All Learners</b></p>	<p><b>Goal 3 Significant and Visible Impact in Oregon and Beyond</b></p>	<p><b>Goal 4 A Culture of Belonging, Collaboration and Innovation</b></p>
<p>Reser Stadium is OSU's "front porch" through which the university can showcase not only athletic prowess, but also tell the story of OSU's prowess in research, scholarship, and innovation. The videoboard is a major component of telling that story.</p>	<p>Fan experience is vital for a successful football program that generates revenue that funds a substantial share of the costs of OSU's other athletics programs, providing opportunities for the university's diverse student-athlete population outside of football.</p>	<p>Reser Stadium is one of OSU's most visible environments. Modern amenities are important to convey a sense of pride and professionalism.</p>	<p>Reser Stadium hosts OSU's graduation and many other events apart from football. The videoboard will help welcome university guests.</p>

**IDENTIFICATION OF RISKS AND MITIGATION STRATEGIES**

The following risks have been identified for the project. Given these risks, the owner and design contingencies have been set at 10% and 10%, respectively.

<p><b>Risks</b></p>	<p><b>Likelihood</b></p>	<p><b>Severity</b></p>	<p><b>Consequences</b></p>	<p><b>Mitigation Strategy</b></p>
<p><i>Labor and materials availability</i></p>	<p>Medium</p>	<p>Medium</p>	<p>Availability of resources presents risk to cost, schedule, and possible scope, especially given potential impacts of the COVID-19 pandemic.</p>	<p>This risk is mitigated by the contingencies stated above through contractual language that allows COVID-related schedule changes without incurring additional costs.</p>
<p><i>COVID-19 effects</i></p>	<p>Low</p>	<p>Low</p>	<p>Construction delays due to possible disruption to supply chain, construction inefficiencies from worker availability, and physical distancing requirements.</p>	<p>OSU is working with contractors on physical distancing practices during construction. OSU project managers, designers, and the contractor will make extra efforts to mitigate supply chain</p>

				disruptions by being flexible with alternate materials and schedule.
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**PROJECT COST AND FINANCE PROFILE**

Attachment 1 provides the construction financing profile that supports the planning, design and construction phase of the project. A pro forma is not included as the project is not utilizing revenue financing.

**RECOMMENDATION**

Staff recommend that the Board approve the total capital budget of \$5.9M for the Reser Stadium Videoboard Project and advancement to the construction phase.

**Attachment 1:** Showing the construction financing profile that supports the planning, design and construction phase of the project.

<b>Reser Stadium Videoboard Project - Summary Financing Profile</b>						
	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>Total</b>
<b>Sources</b>						
Athletics - Operations	\$470,000	\$2,400,000	\$400,000	\$340,000	\$2,000,000	\$5,610,000
Gifts (net of OSUF fee)	\$688,750	\$0	\$0	\$0	\$0	\$688,750
Internal Bank (Athletics repayment)	\$4,741,250	(2,400,000)	(400,000)	(340,000)	(2,000,000)	(398,750)
<b>Total Sources</b>	\$5,900,000	\$0	\$0	\$0	\$0	\$5,900,000
<b>Uses</b>						
Planning, design and construction	(5,900,000)	-	-	-	-	(5,900,000)
<b>Total Uses</b>	(5,900,000)	-	-	-	-	(5,900,000)
<b>Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Assumptions:

Internal Bank interest (3.5%) is estimated to be \$398,750