

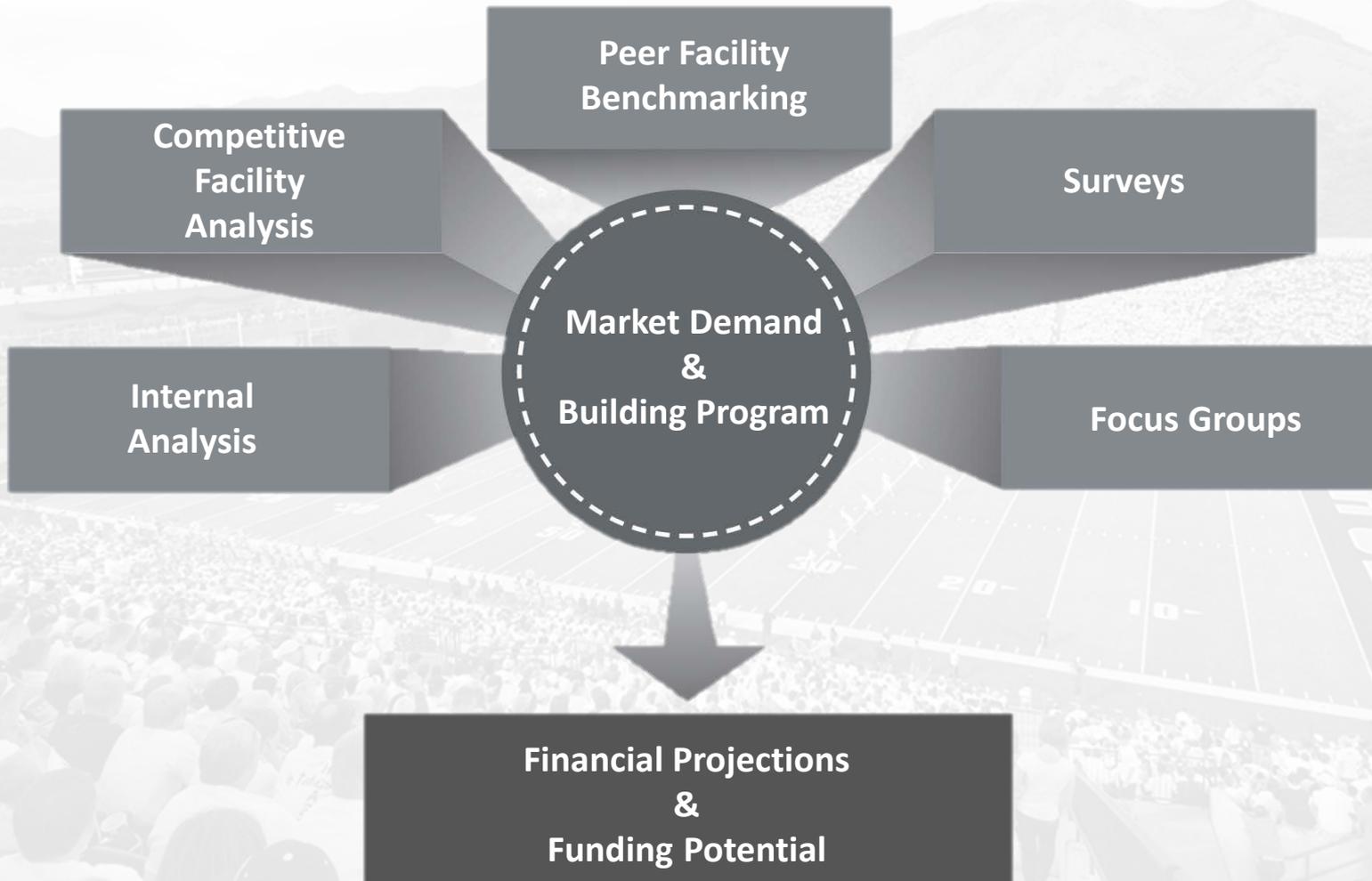


Market & Financial Feasibility Study Renovated Romney Stadium

January 25, 2014

Study Methodology

The purpose of this study is to estimate the premium seating demand and the resulting financial funding potential in a renovated Romney Stadium.



Survey Overview

SURVEY COMPLETION STATISTICS

Group	Population	Surveys Completed	Percentage of Population Participating	Margin of Error
Athletic Donors ⁽¹⁾	1,463	463	32%	3.8%
Football Season Ticket Holders ⁽¹⁾	1,346	350	26%	4.5%
Occasional Football Ticket Buyers ⁽²⁾	2,482	828	33%	2.8%
Other ⁽³⁾	66,368	2,378	4%	2.0%
TOTAL	71,659	4,019	6%	1.5%

(1) Includes Big Blue Foundation donors and 114 Merlin Olsen Fund donors that do not contribute to the BBF.

(2) Consists of football season ticket holders who are not BBF donors.

(3) Consists of occasional football ticket buyers who are not BBF donors or football season ticket holders.

(4) Consists of other university constituents that are not BBF donors or football ticket buyers.

(5) Based on 95% confidence interval.

Note: There were an additional 352 surveys completed using a non-secure link.

A total of 4,019 surveys were completed to provide a basis for determining demand for potential premium seating in a renovated Romney Stadium.

Survey data access:

<http://customintercept.com/V3Beta/login.php>

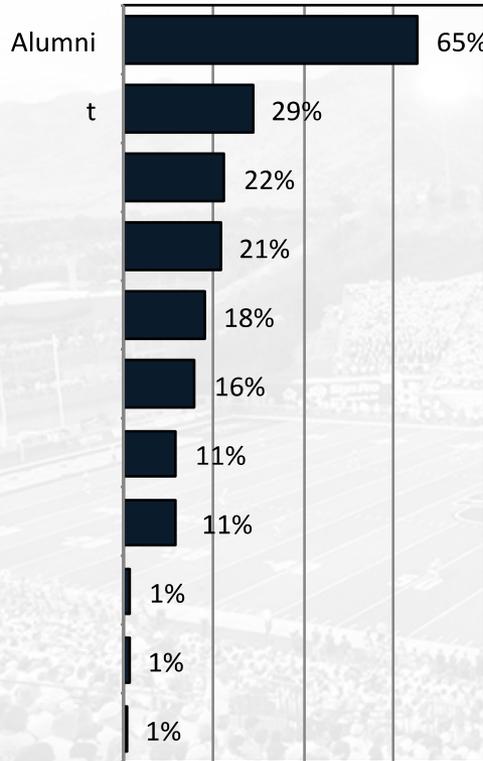
Username: utahstate

Password: romney2013

- Attendance History
- Seat Location
- Stadium Satisfaction
- Attendance Impact
- Premium Seating Interest
- Pricing
- Impact of Capital Seat Gifts
- Lease Terms
- Desired Design Features
- Importance of Amenities
- Donation Cannibalization
- Food & Beverage Preferences
- Demographic Data
- Other Input

Current Status of Survey Respondents

ALL SURVEY RESPONDENTS



SURVEY GROUP DISTRIBUTION

Athletic Donors	
FB Season Ticket Holder	79%
Alumni	79%
University Donor	36%
Faculty/Staff	21%
Recent Graduate	14%
Occasional FB Ticket Buyer	14%
Corporate Sponsor	6%
Current Student	2%

Football Season Ticket Holders	
Alumni	75%
Recent Graduate	33%
Faculty/Staff	19%
University Donor	14%
Current Student	7%
Occasional FB Ticket Buyer	3%
Corporate Sponsor	2%

Occasional Football Ticket Buyers	
Alumni	87%
Recent Graduate	38%
University Donor	18%
Faculty/Staff	17%
Current Student	8%
Corporate Sponsor	1%

Other	
Alumni	53%
Current Student	44%
Recent Graduate	15%
Faculty/Staff	14%
University Donor	4%
Corporate Sponsor	0%

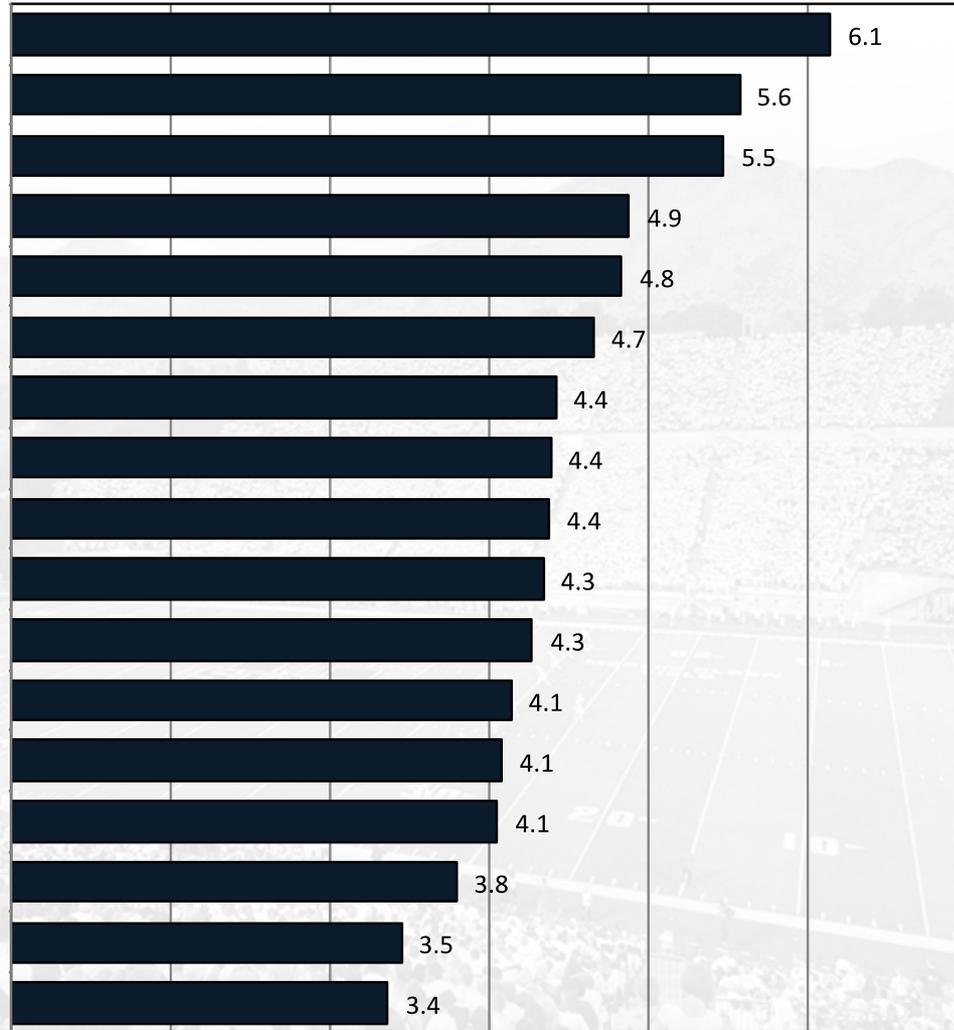
Big Blue Foundation Giving Status

Donor Level	Total Members	Surveys Completed	Percentage Surveyed	Composition Comparison	
				Actual Membership	Surveys Composition
Associate (\$50-\$99)	82	24	29.3%	6.1%	5.3%
Blue (\$100-\$399)	611	149	24.4%	45.3%	33.0%
Silver (\$400-\$799)	251	93	37.1%	18.6%	20.6%
Gold (\$800-\$1,499)	188	84	44.7%	13.9%	18.6%
Diamond (\$1,500-\$3,999)	146	60	41.1%	10.8%	13.3%
Platinum (\$4,000-\$6,999)	35	22	62.9%	2.6%	4.9%
Touchdown (\$7,000 and above)	36	19	52.8%	2.7%	4.2%
TOTAL	1,349	451	33%	100%	100%

***This analysis does not include 114 Merlin Olsen Fund donors who are not also Big Blue Foundation donors, but make annual football-specific donations.**

Romney Stadium Satisfaction

um Location / Setting



Very
Dissatisfied



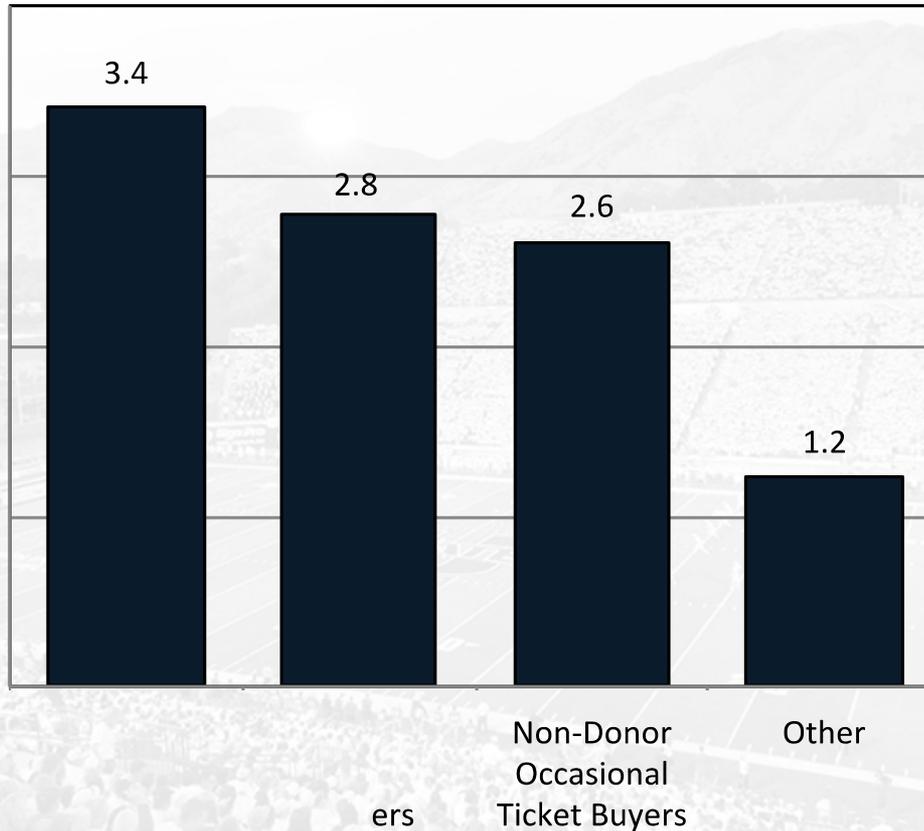
Very
Satisfied

Renovated Stadium Attendance Impact

	Average Games per Season			
	Historical Attendance at Romney Stadium	Anticipated Attendance at Renovated Romney Stadium	Renovated Stadium Increase (Decrease) Attendance	Percentage Increase (Decrease) Attendance
Athletic Donors	4.9	5.2	0.3	6%
Non-Donor Football Season Ticketholder	4.9	5.5	0.6	11%
Non-Donor Occassional Football Ticket Buyer	2.3	3.0	0.7	30%
Other	2.1	2.5	0.4	17%
OVERALL	2.7	3.2	0.4	16%

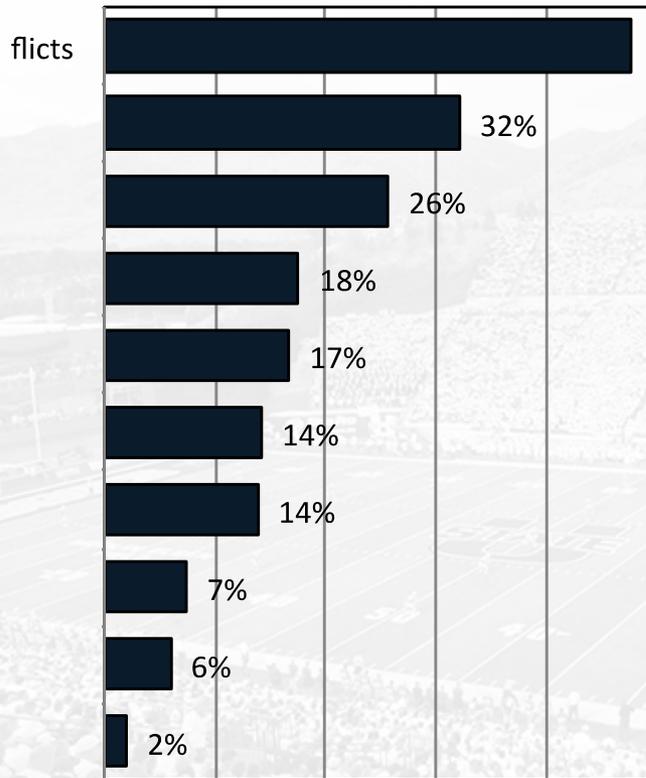
Renovations to Romney Stadium could potentially result in an approximate 16 percent increase in attendance.

Average # of Tickets Purchased Per Game



Overall, survey respondents purchase an average of 2.0 tickets per home game

Why Not Attend More Home Games



SAMPLING OF OTHER REASONS CITED:

- Family obligations / young children
- Friends / family do not have tickets
- Uncomfortable seating
- Weather / too cold during games
- Crowded concourses / dirty restrooms
- Alumnus of different area school
- Purchase tickets to other sports teams
- Lack of alcohol availability
- Physical limitations
- Lack of disabled seating areas
- Limited budget to spend
- Parking difficulties

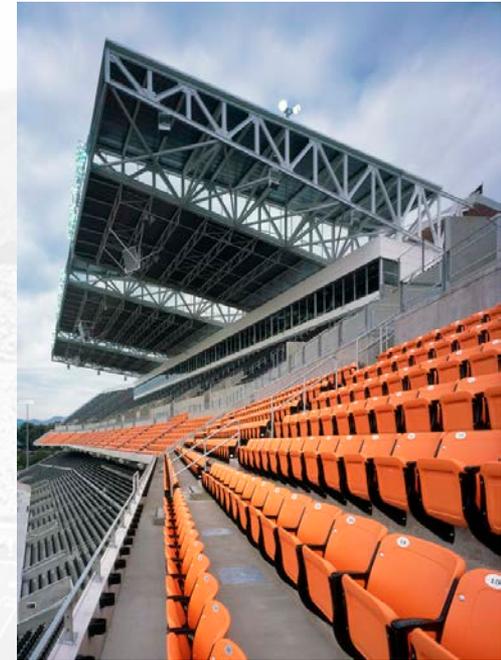
Club Seats

Images Shown to Survey Respondents

- Located along the sideline
- Located outdoors
- Possibly covered by roof overhang
- Wider chair back seat
- More leg room
- Preferred parking
- Access to private lounge
- Private restrooms
- Television monitors
- Upscale food & beverage service
- Required tax-deductible donation
- Multi-year commitment required



Boise State



Oregon State



Wyoming

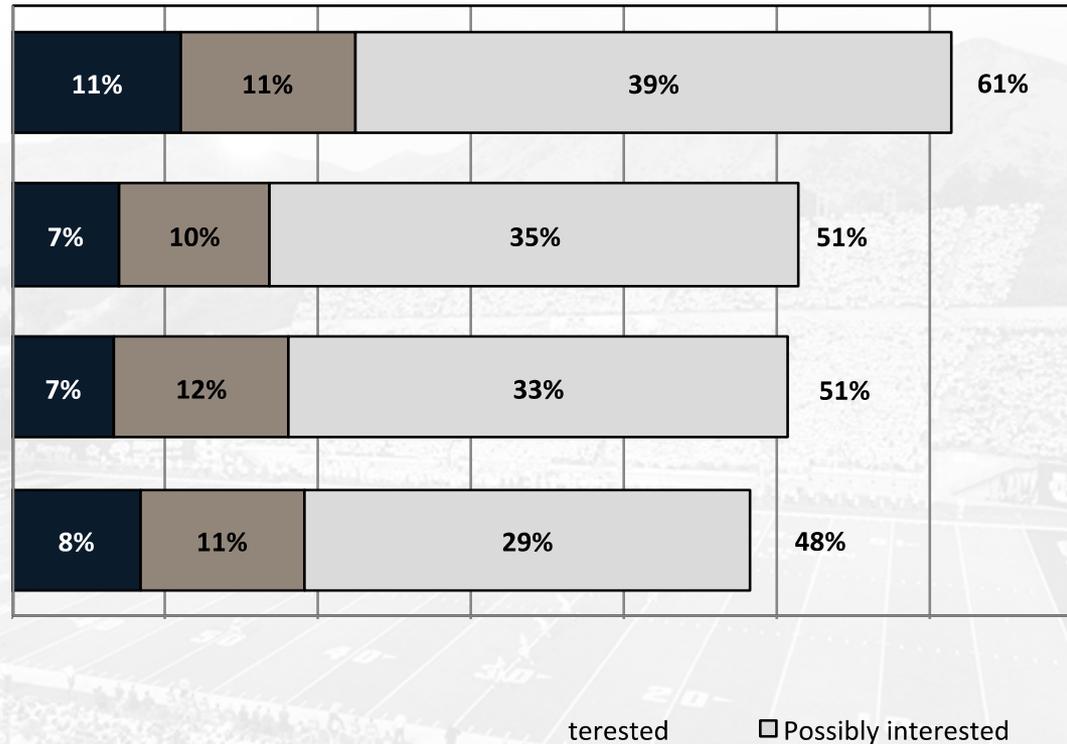


Wyoming



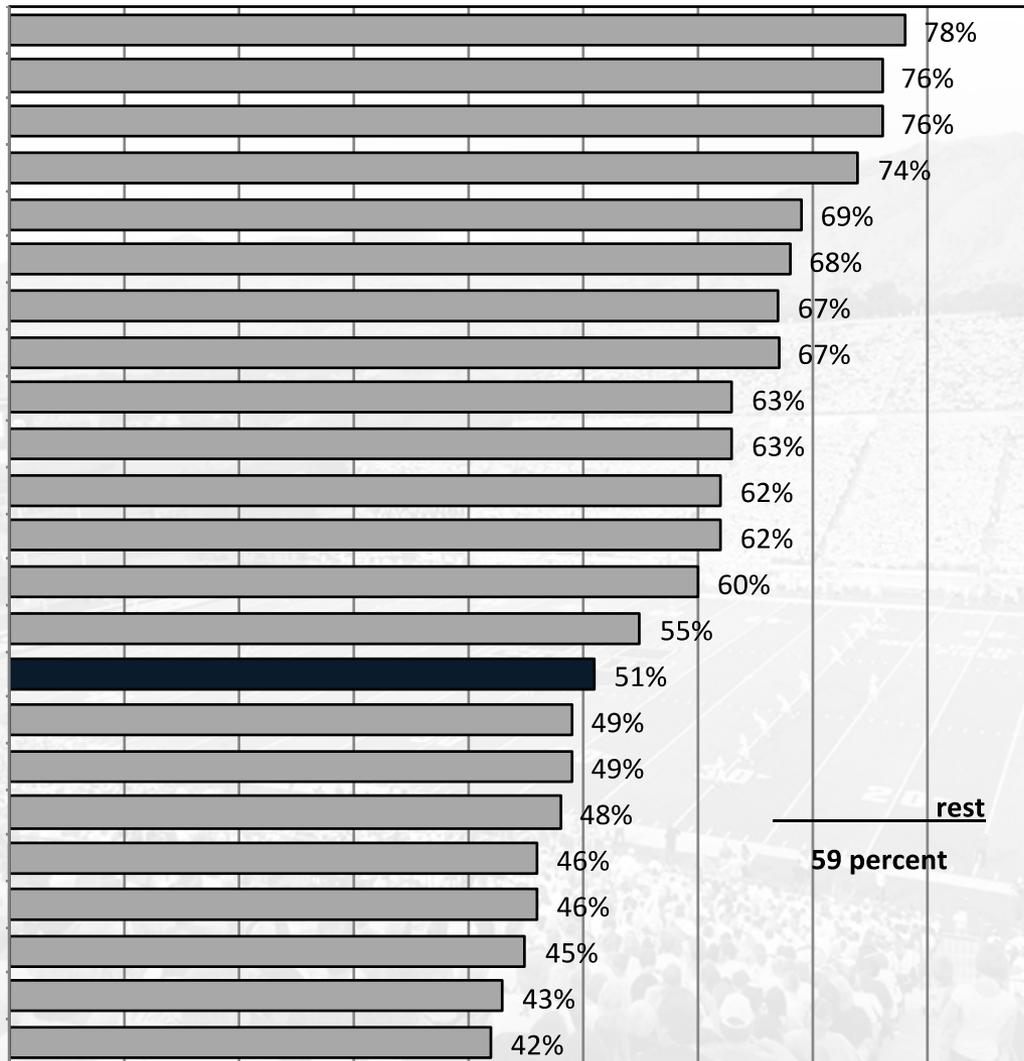
Boise State

Club Seat Initial Interest



Overall, 51 percent of all survey respondents indicated some level of positive interest (definitely, likely or possibly interested) in new club seats based on a description of club seat location and amenities, but before potential prices were introduced.

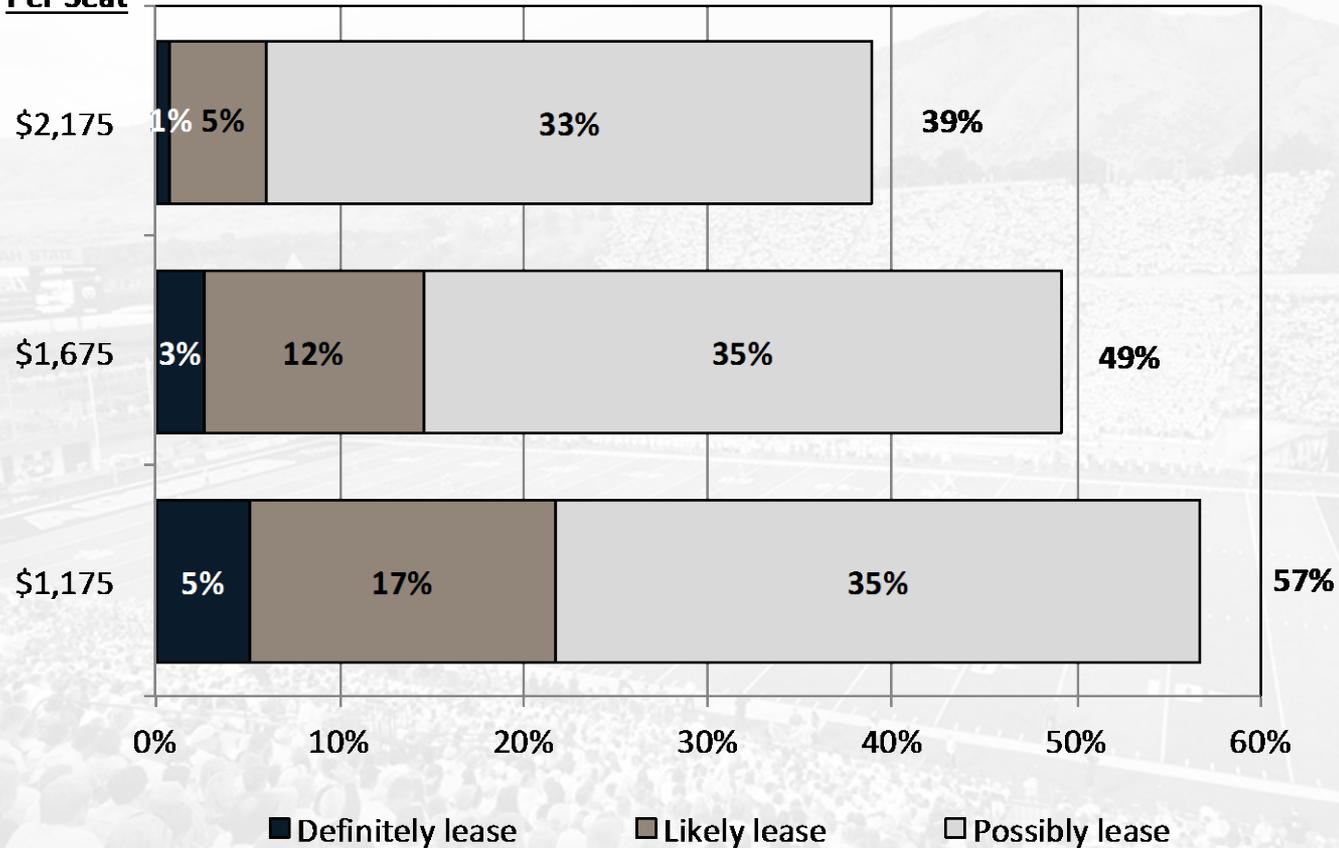
Club Seat Interest Comparison



Interest in club seats at Romney Stadium was the **15th highest** among 23 comparative BCS institutions.

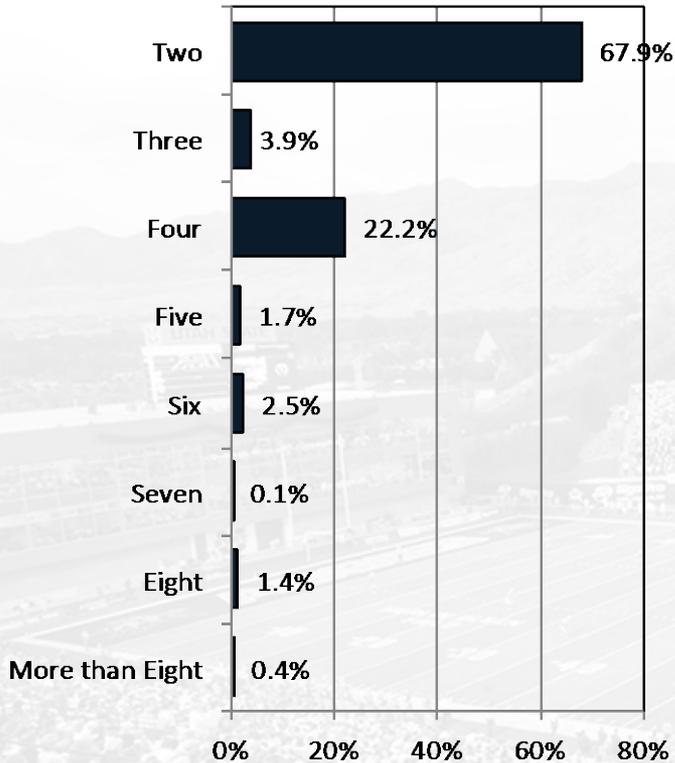
Club Seat Price Sensitivity

**Annual
Cost
Per Seat**



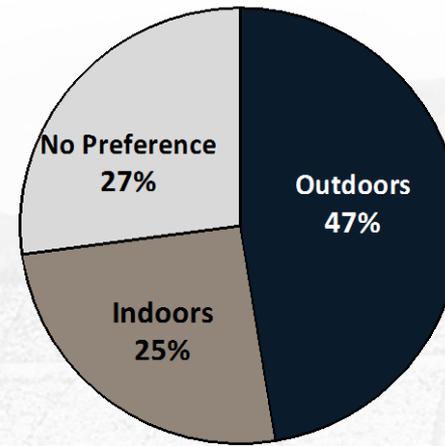
Club Seat Preferences

Club Seats to Lease



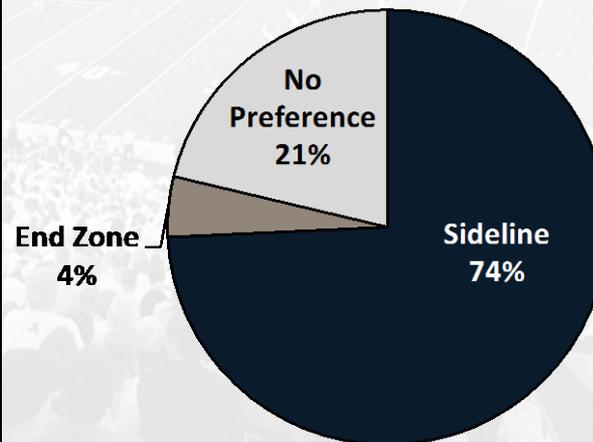
Average # Club Seats to Lease
2.8 seats

Indoor or Outdoor Club Seats



Overall, 74 percent would prefer outdoor club seats compared to 52 percent that prefer indoor club seats.

Sideline or End Zone Location

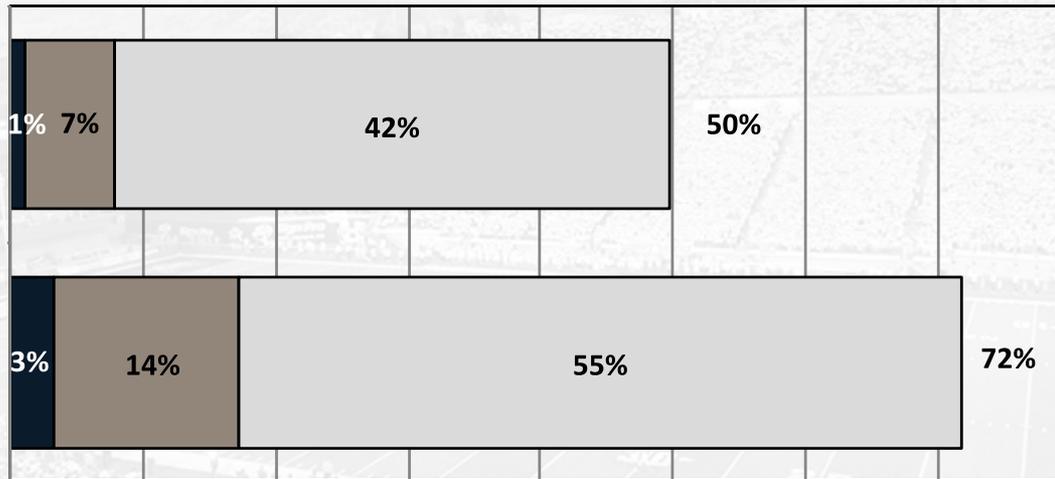


Overall, 95 percent would prefer club seats located along the sideline compared to 25 percent that prefer club seats located in the end zone.

Club Seat Capital Gift

One-Time Capital Seat Gift

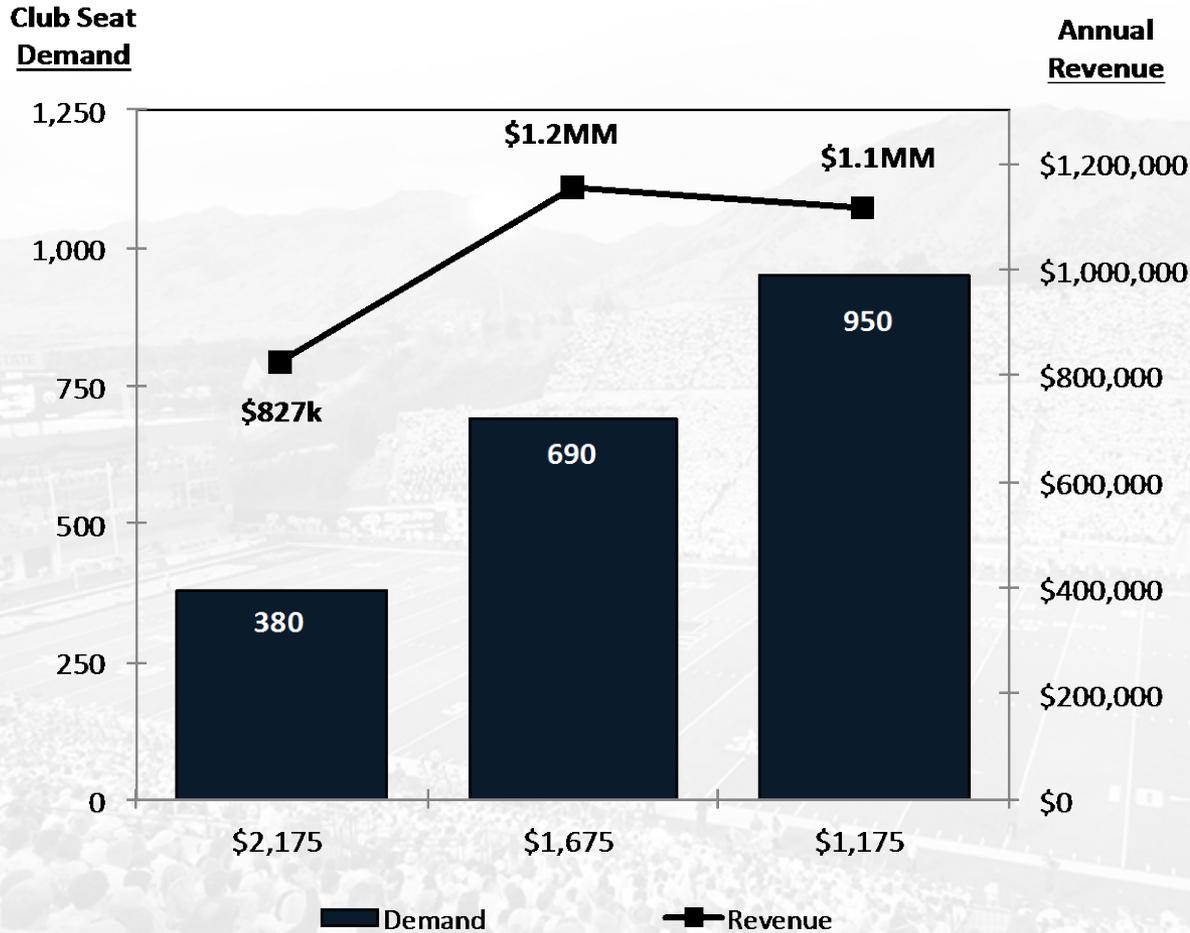
b Seat



Note: Includes only responses of those indicating an interest in purchasing club seats at the annual costs tested.

Note: Capital gift payable over five (5) years.

Club Seat Demand



Notes: Demand is NOT additive across price categories.
Reflects annual donation and season ticket cost.

Loge Boxes

- Located along the sideline
- Located outdoors under cover
- Seat 4 to 8 people
- Chairs on casters or fixed seats
- Dividers between each box
- Includes counter, fridge & TV monitor
- Preferred parking
- Access to private lounge
- Private restrooms
- Upscale food & beverage service
- Ability to share with others
- Required tax-deductible donation
- Multi-year commitment required

Images Shown to Survey Respondents



Minnesota



Oregon State



UCLA



Baylor

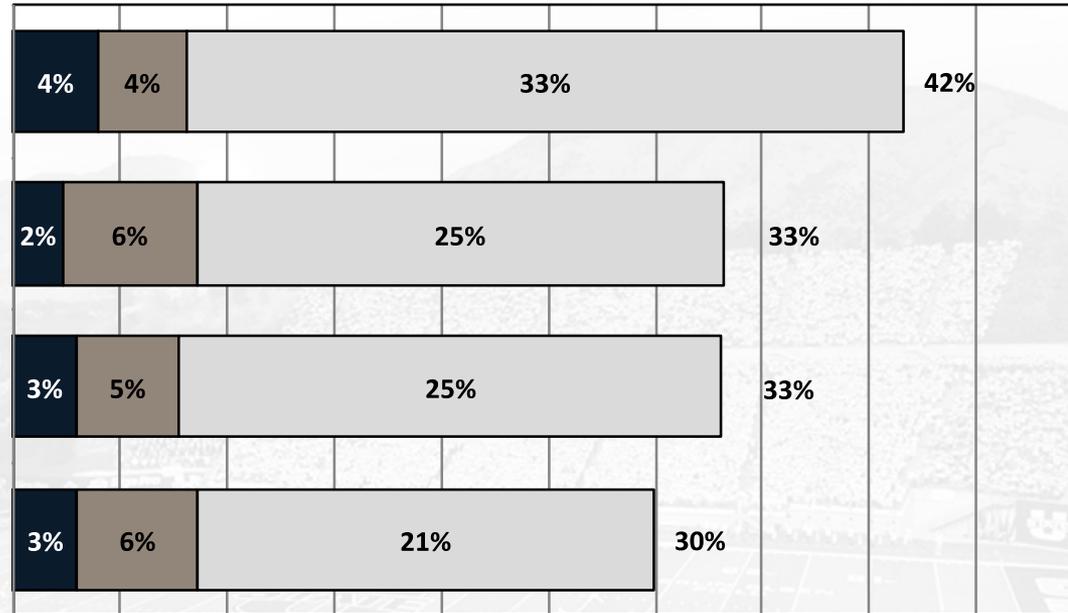


Wyoming



Boise State

Loge Box Initial Interest

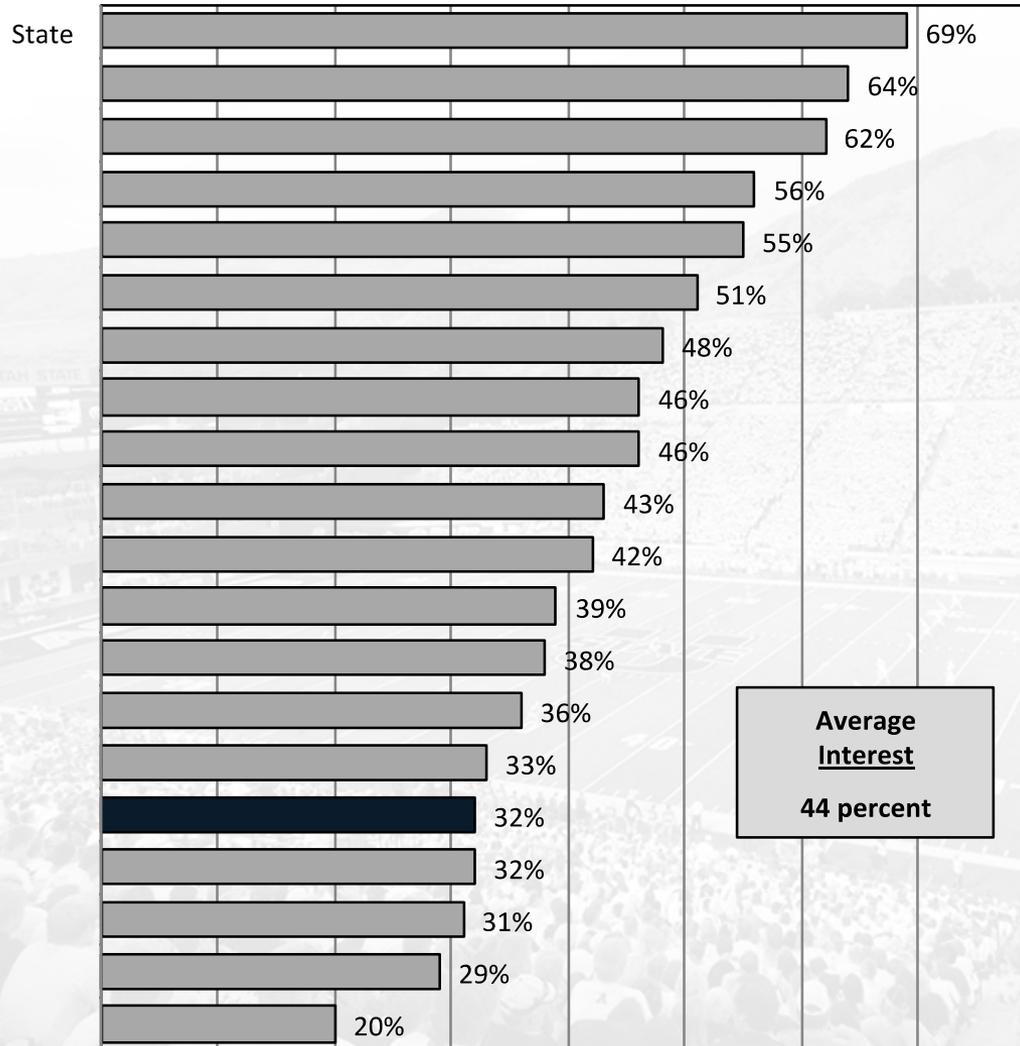


Overall, 32 percent of all survey respondents indicated some level of positive interest (definitely, likely or possibly interested) in a loge box based on a description of loge box location and amenities, but before potential prices were introduced, compared to approximately 51 percent that were interested in the club seat concept.

Loge Box Interest Comparison



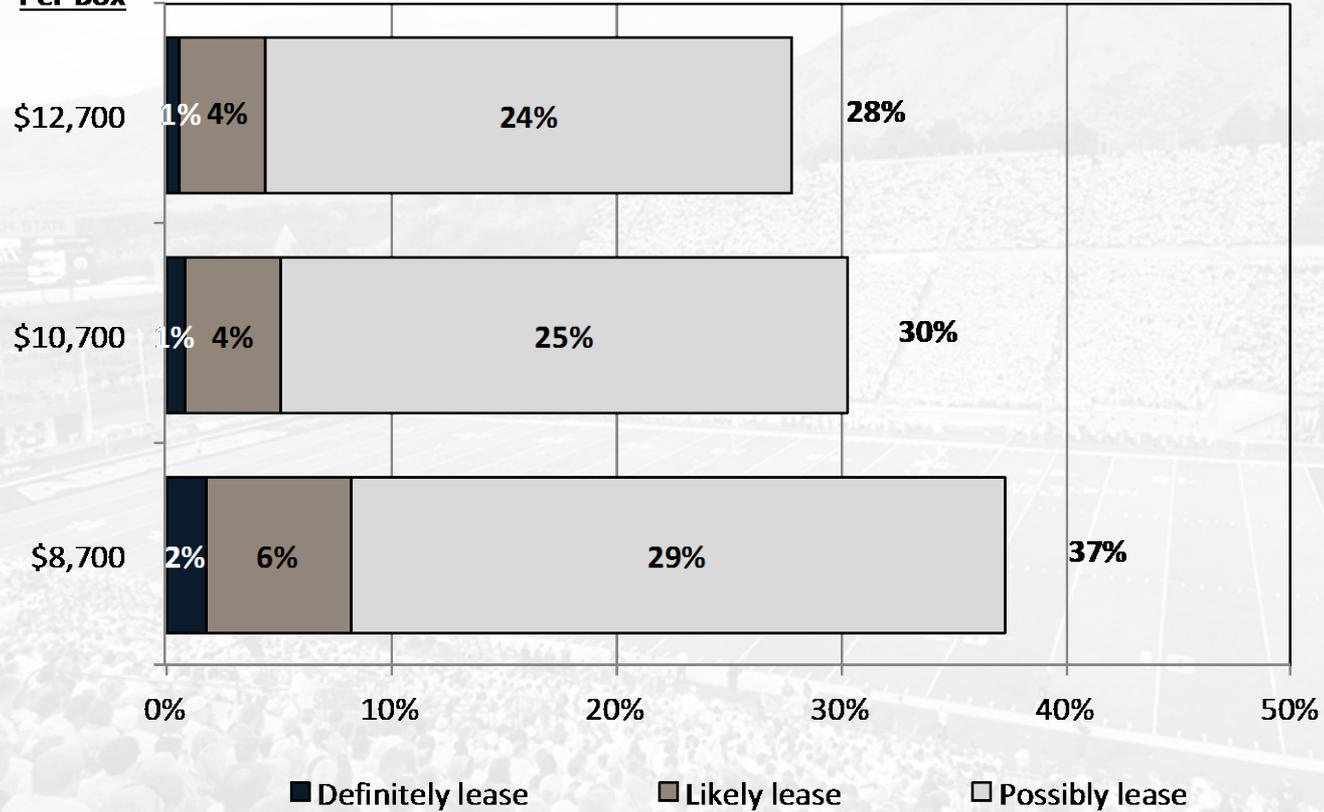
Draft Copy
Subject to
Change



Interest in club seats at Romney Stadium was the **5th lowest** among 20 comparative BCS institutions.

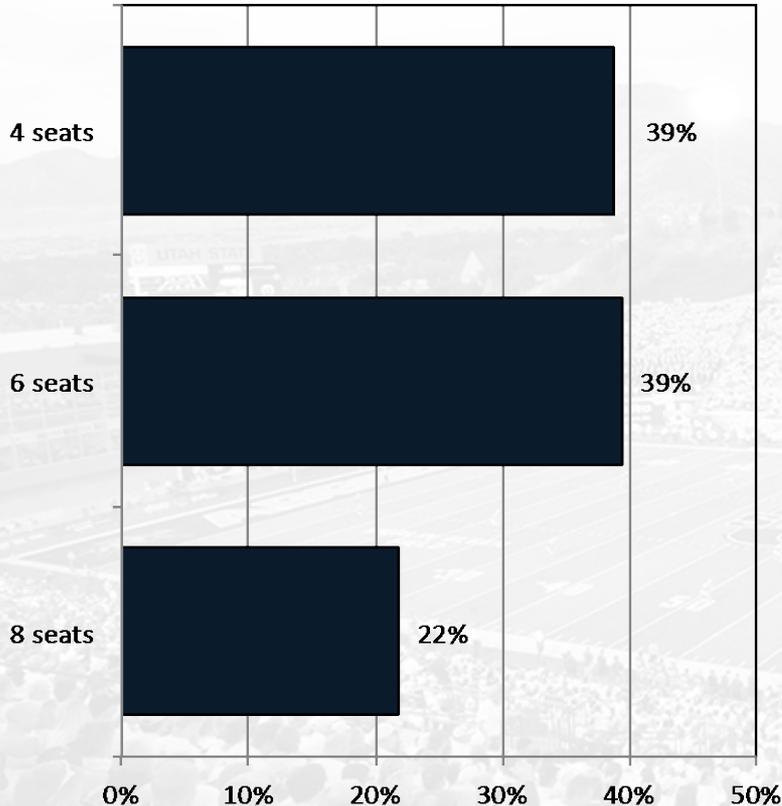
Loge Box Price Sensitivity

**Annual
Cost
Per Box**

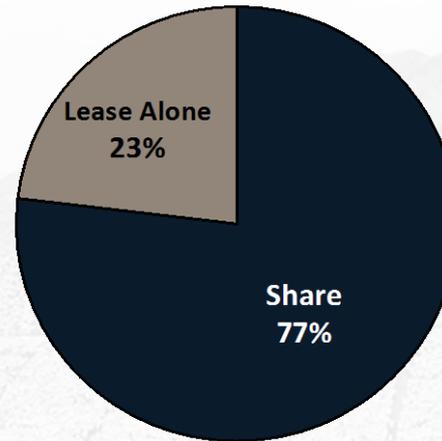


Loge Box Preferences

Preferred Capacity



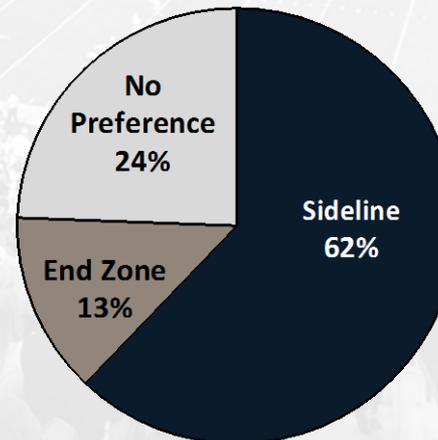
Share or Lease Alone



Average # Seats
in a Shared Box

3.6 seats

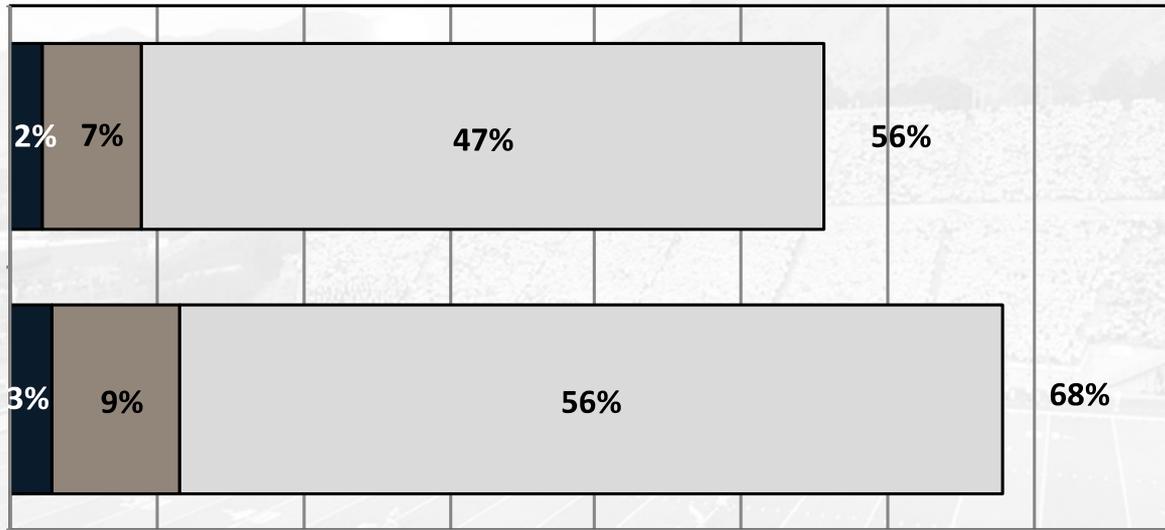
Sideline or End Zone Location



Overall, 86 percent would prefer a loge box located along the sideline compared to 37 percent that prefer a loge box located in the end zone.

Loge Box Capital Gift

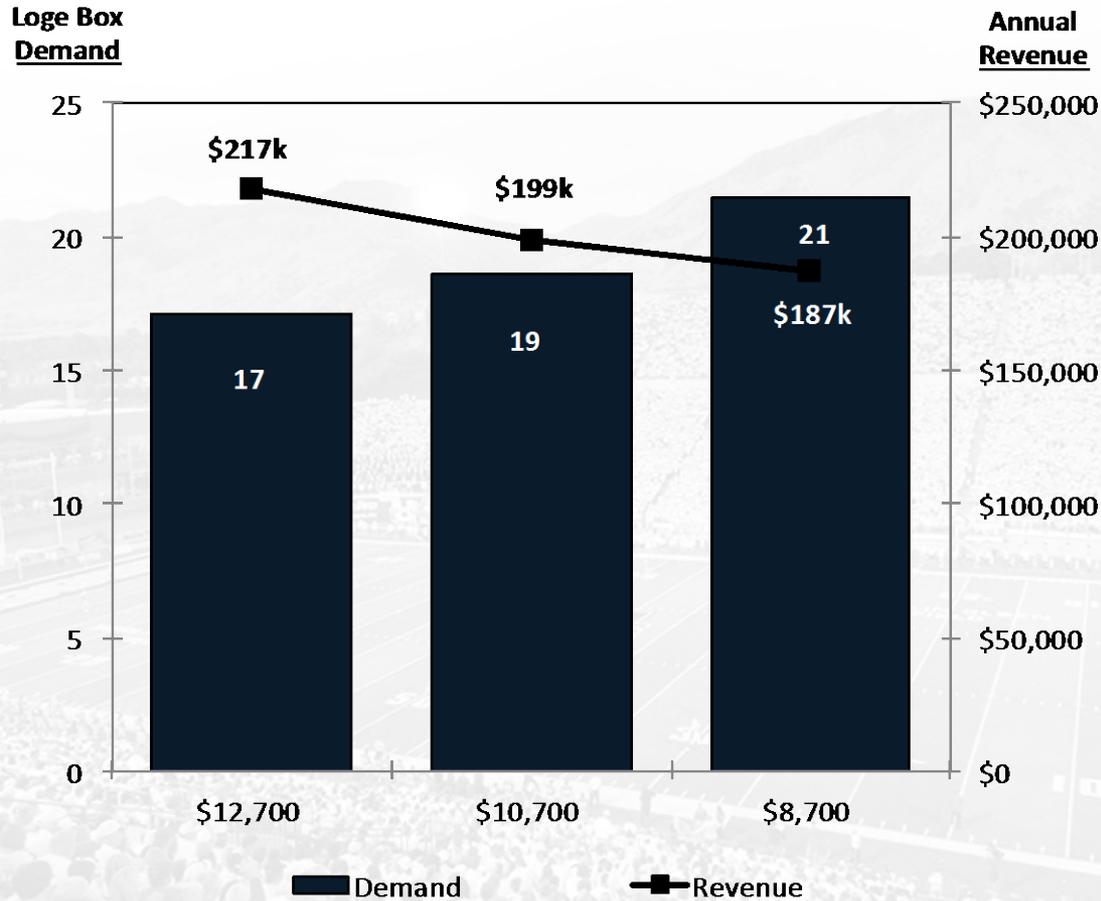
Loge Box



Note: Includes only responses of those indicating an interest in purchasing a loge box and the annual costs tested.

Note: Capital gift payable over five (5) years.

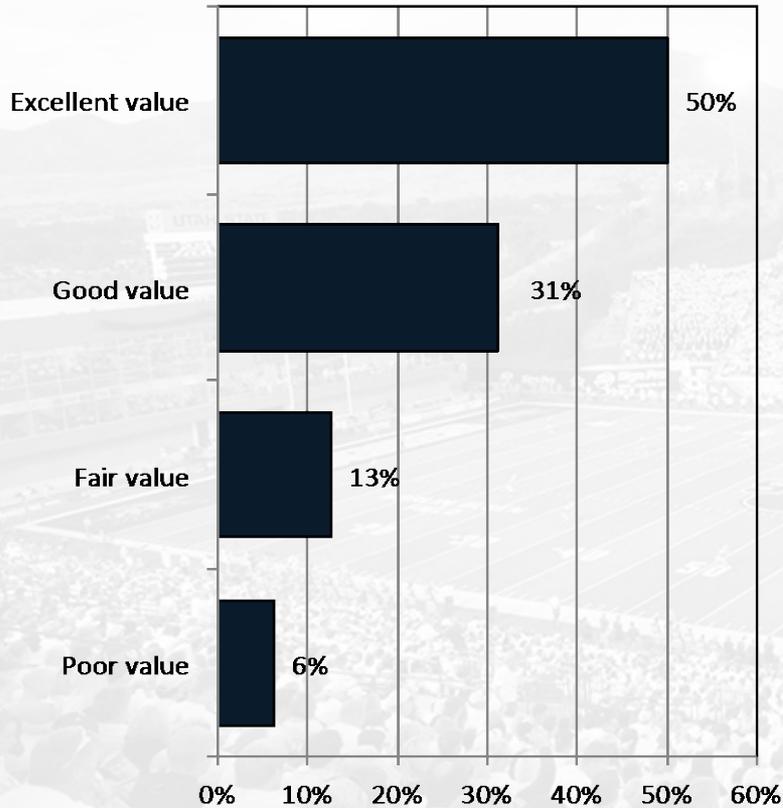
Loge Box Demand



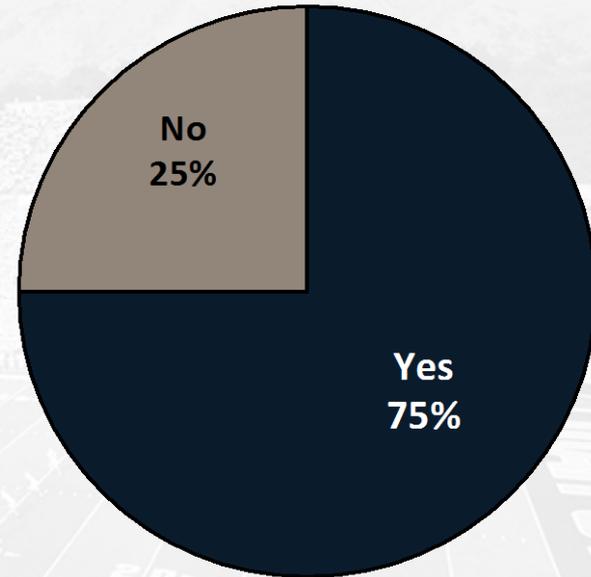
Notes: Demand is NOT additive across price categories.
Assumes each loge box has a capacity of four (4) seats each.
Reflects annual donation and season ticket cost.

Current Luxury Suite Holders

Suite Value

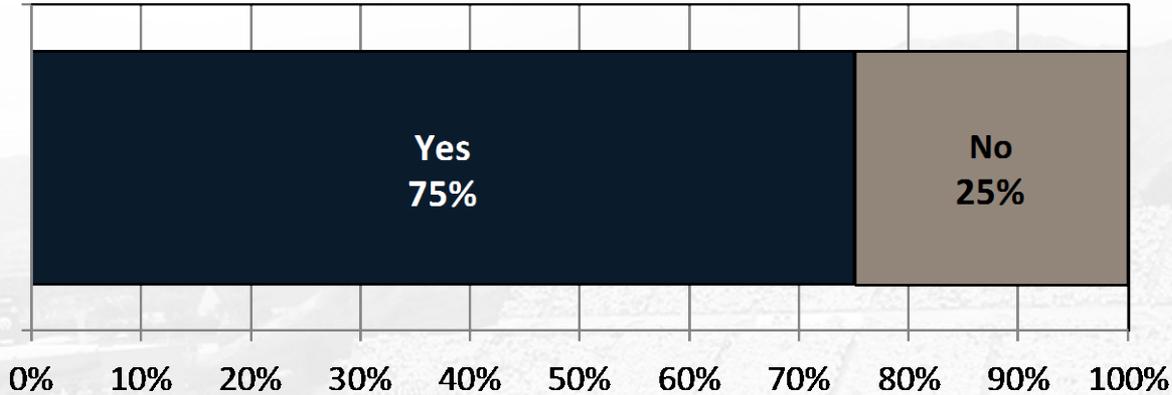


Renewal Intention

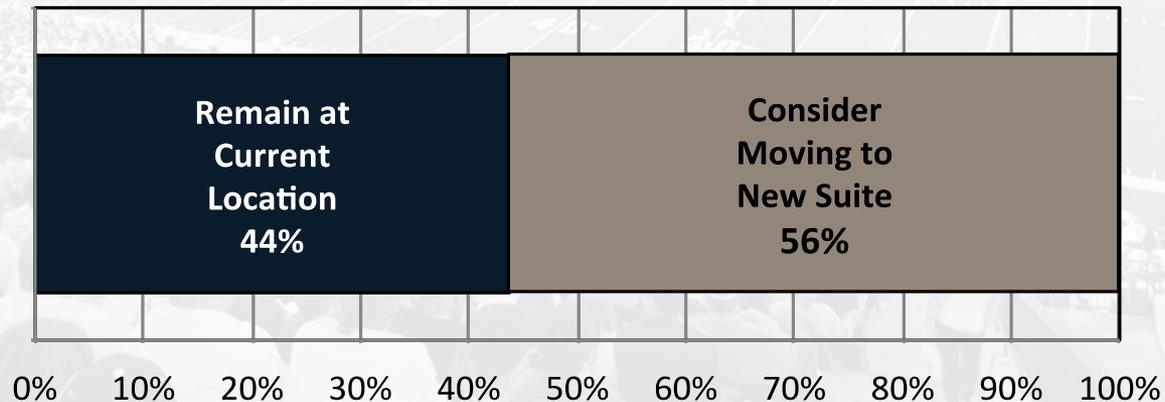


Current Luxury Suite Holders

Consider Leasing New Luxury Suite



Remain at Current Location or Consider Moving to New Luxury Suite



New Luxury Suites

- Located along the sideline
- Capacity for 16 people
- Outdoor seating
- Climate-controlled private area
- Kitchenette with granite countertops
- Preferred parking
- Access to private lounge
- Private restrooms
- Upscale food & beverage service
- Ability to share with others
- Required tax-deductible donation
- Multi-year commitment required

Images Shown to Survey Respondents



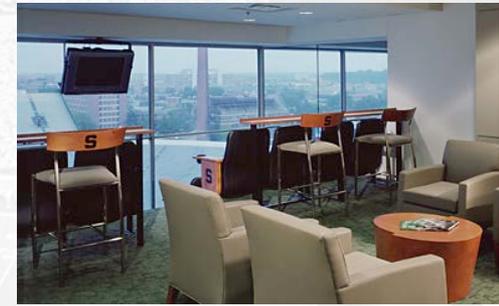
Wyoming



Wyoming



UCLA



Michigan State

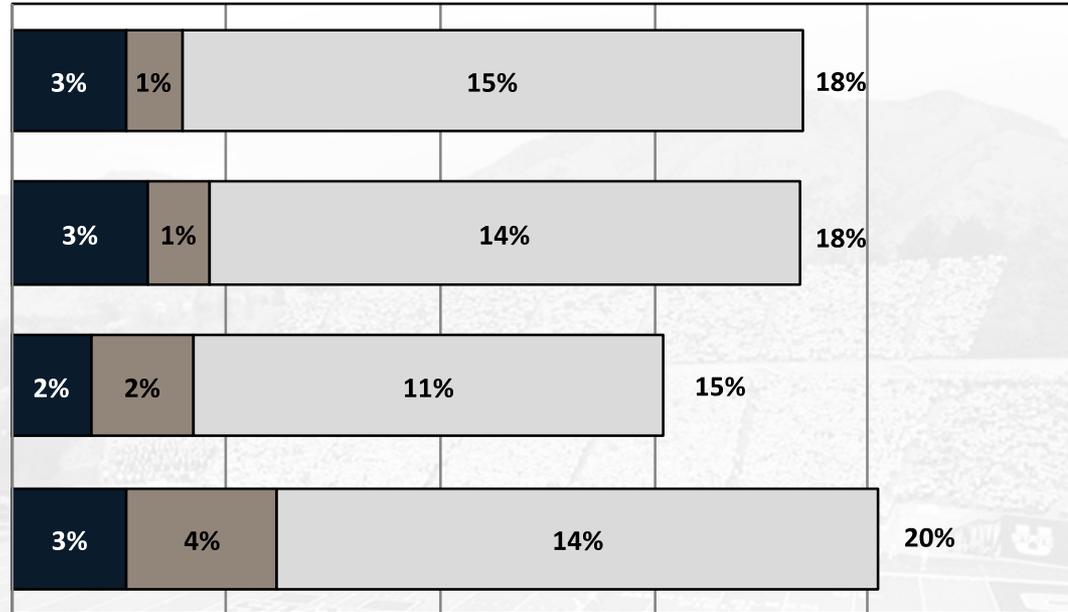


Wyoming



Boise State

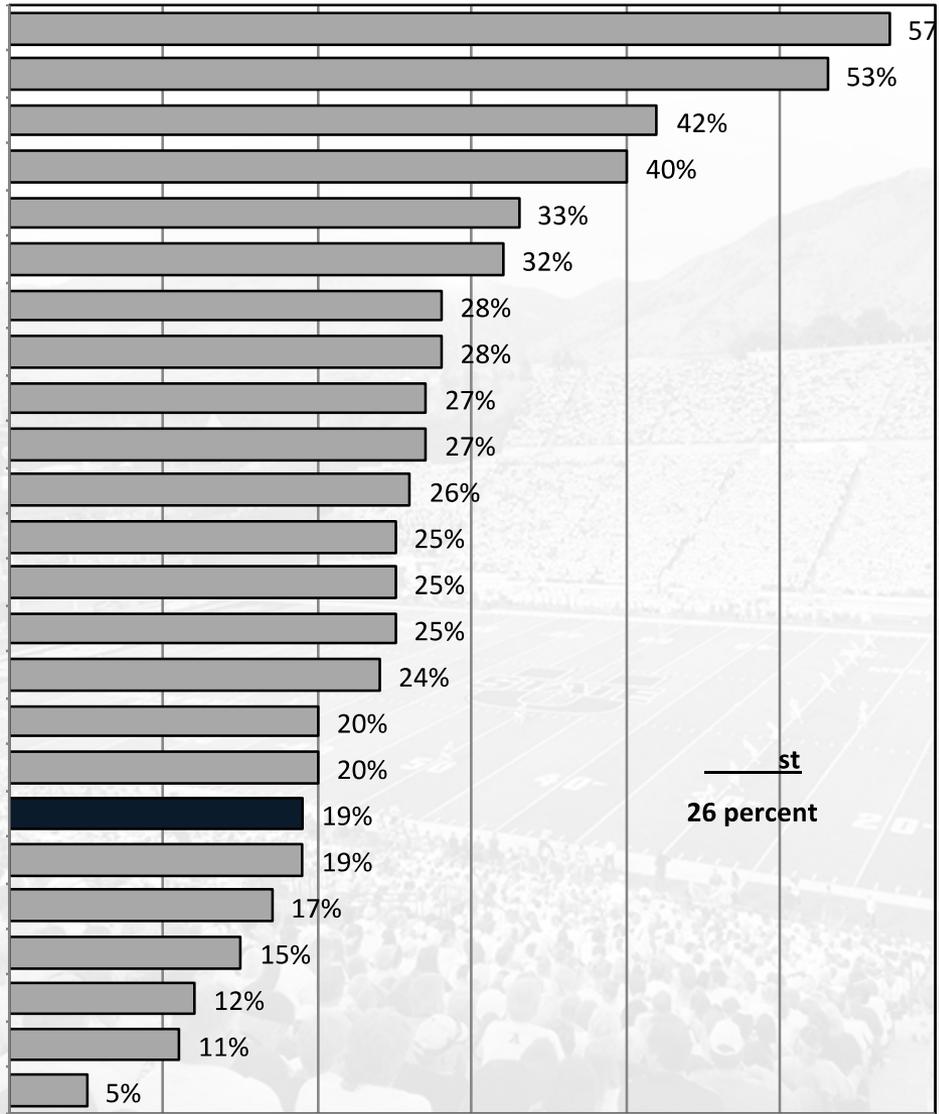
New Luxury Suite Initial Interest



bly interested

Overall, 19 percent of all survey respondents indicated some level of positive interest (definitely, likely or possibly interested) in a luxury suite based on a description of luxury suite location and amenities, but before potential prices were introduced, compared to approximately 51 percent that were interested in the club seat concept and 32 percent that were interested in the loge box concept.

New Luxury Suite Interest Comparison

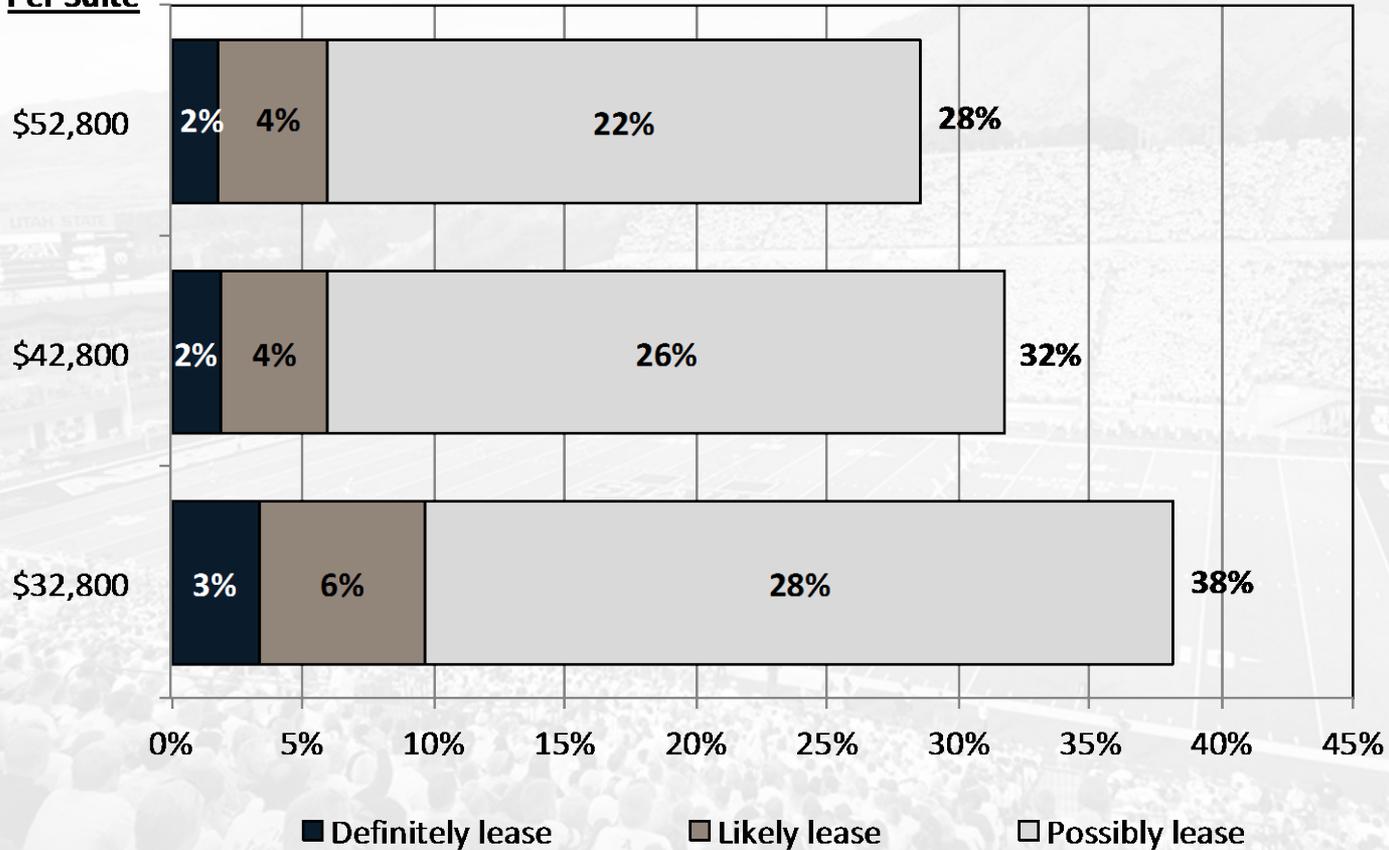


Interest in club seats at Romney Stadium was the **18th highest** among 24 comparative BCS institutions.

18th
26 percent

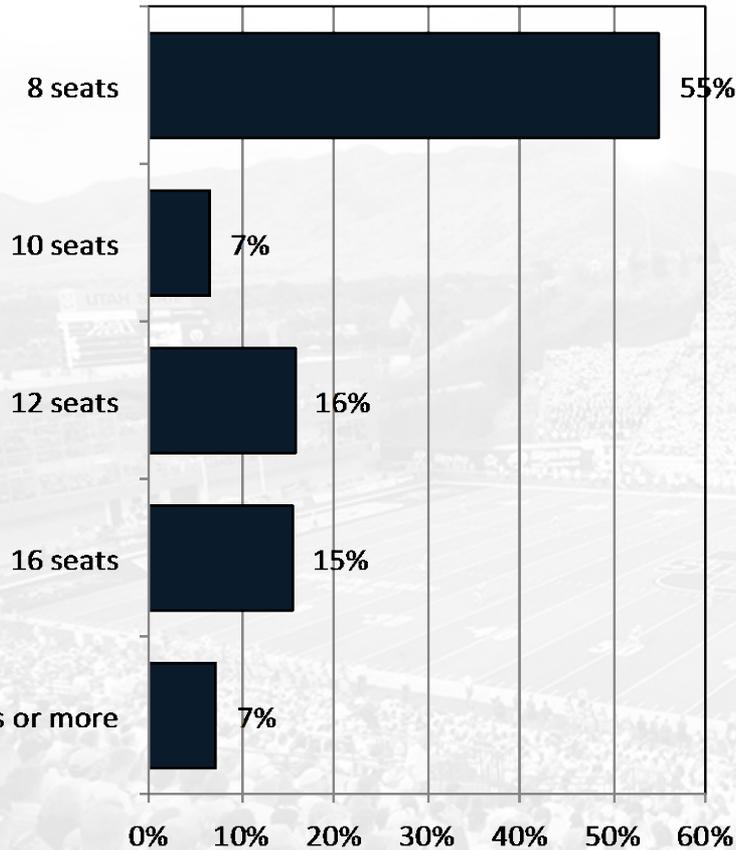
New Luxury Suite Price Sensitivity

**Annual
Cost
Per Suite**

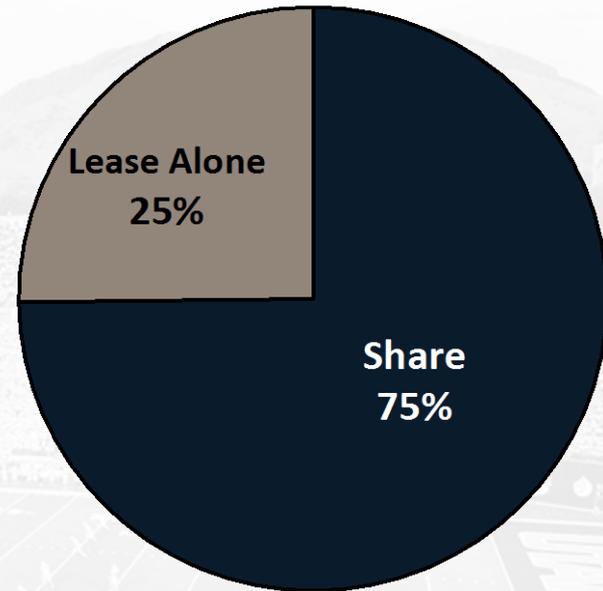


New Luxury Suite Preferences

Preferred Luxury Suite Capacity



Share or Lease Alone

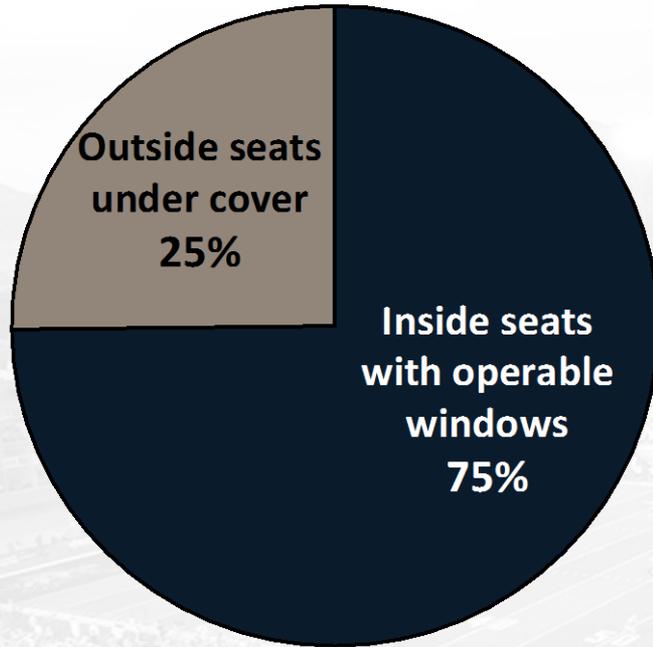


**Average #
Seats in a
Shared Suite**

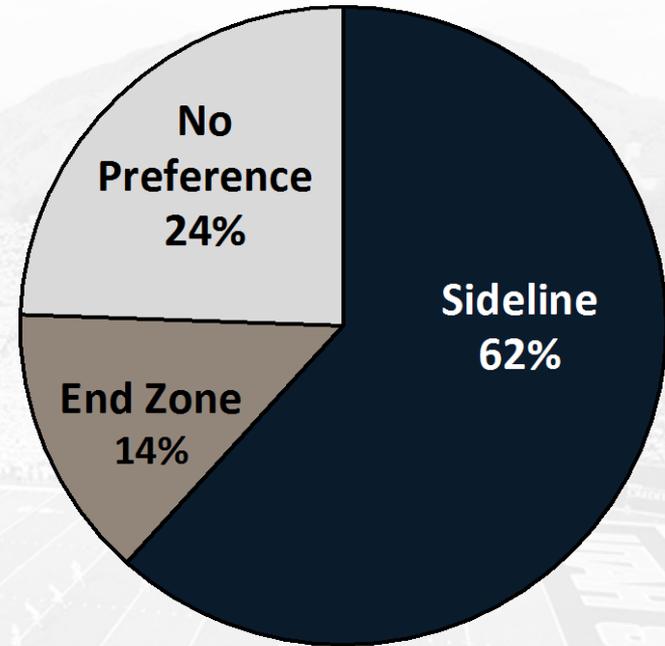
5.3 seats

New Luxury Suite Preferences

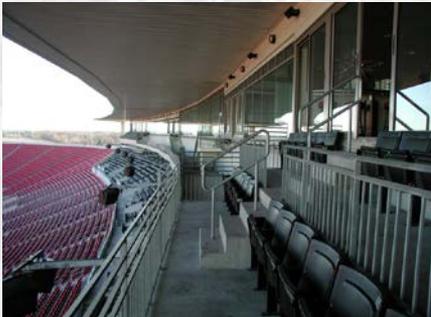
Inside or Outside Suite Seats



Sideline or End Zone Location

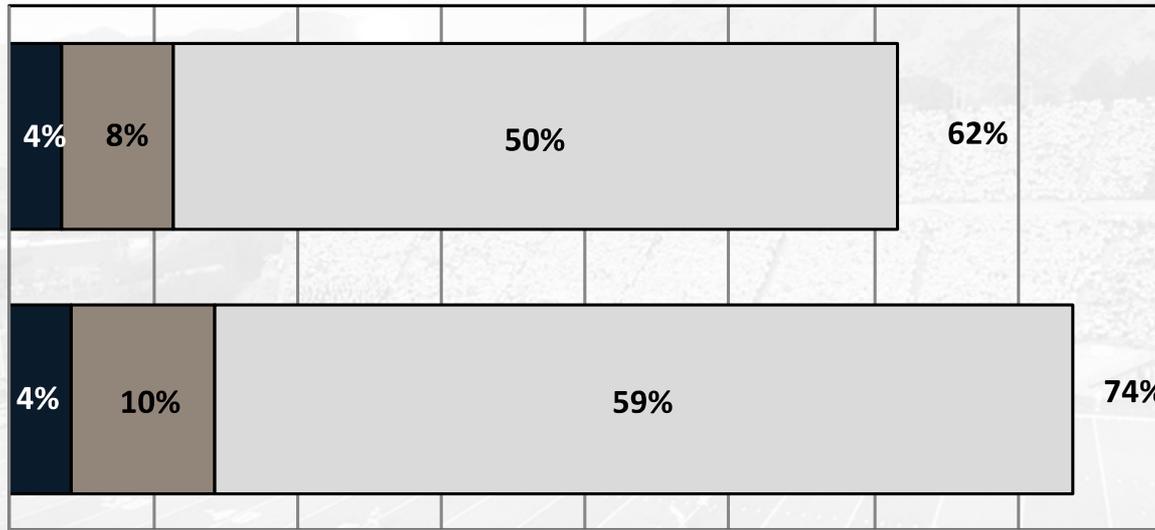


Overall, 86 percent would prefer a luxury suite located along the sideline compared to 38 percent that prefer a luxury suite located in the end zone.



New Luxury Suite Capital Gift

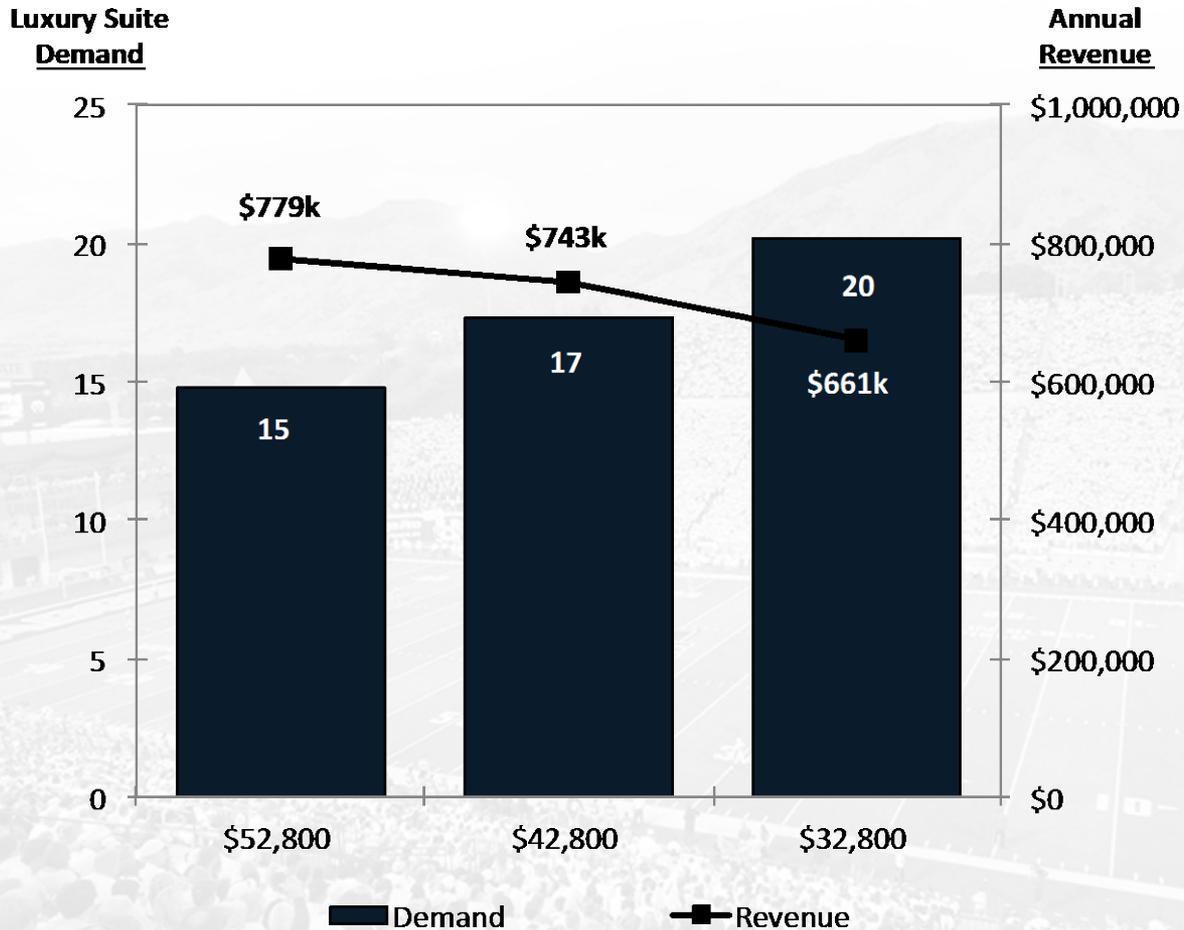
r
Luxury Suite



Note: Includes only responses of those indicating an interest in purchasing a luxury suite and the annual costs tested.

Note: Capital gift payable over five (5) years.

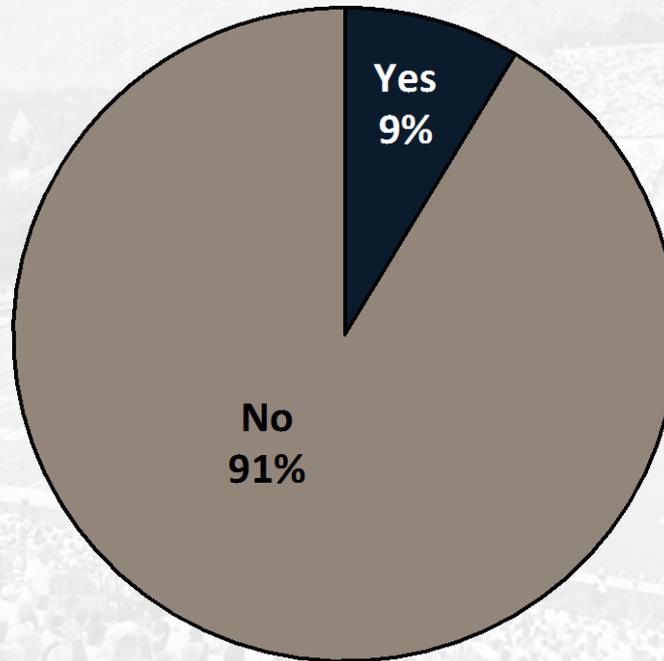
New Luxury Suite Demand



Notes: Demand is NOT additive across price categories.
Assumes a luxury suite capacity of 16 seats in each suite.
Reflects annual donation and season ticket cost.

Existing Suite Interest

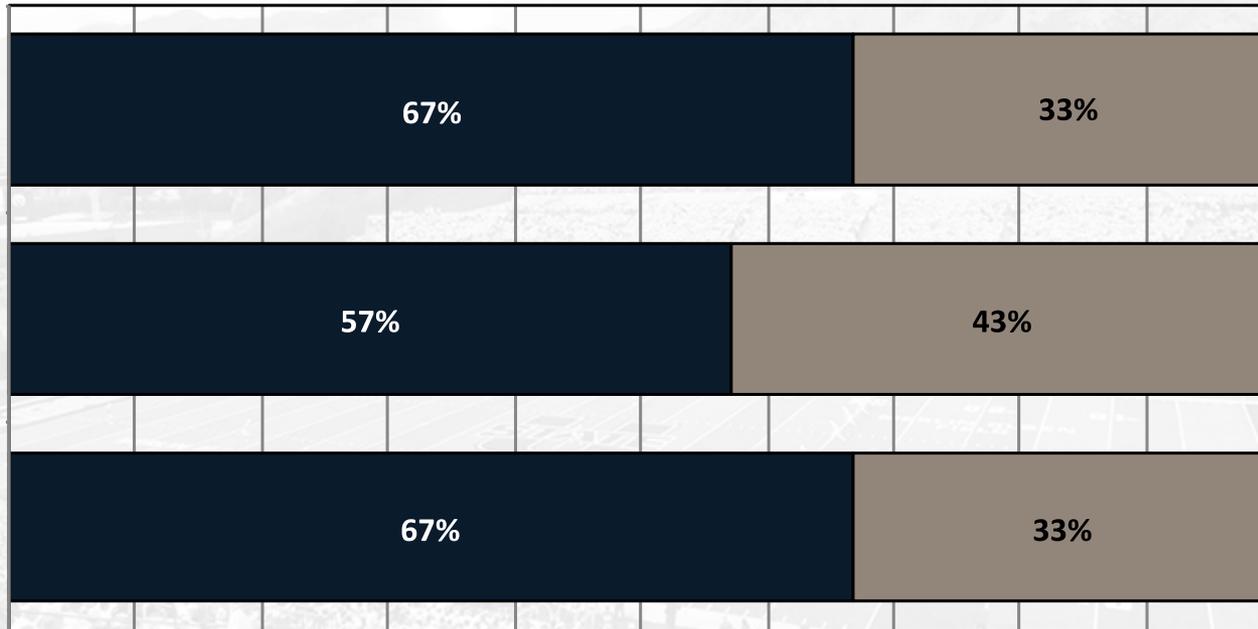
Interest in Existing Suites in the End Zone Should They Become Available



Capital Gift Impact

Impact of Capital Gift on Premium Seat Purchase

Club Seat
Patrons

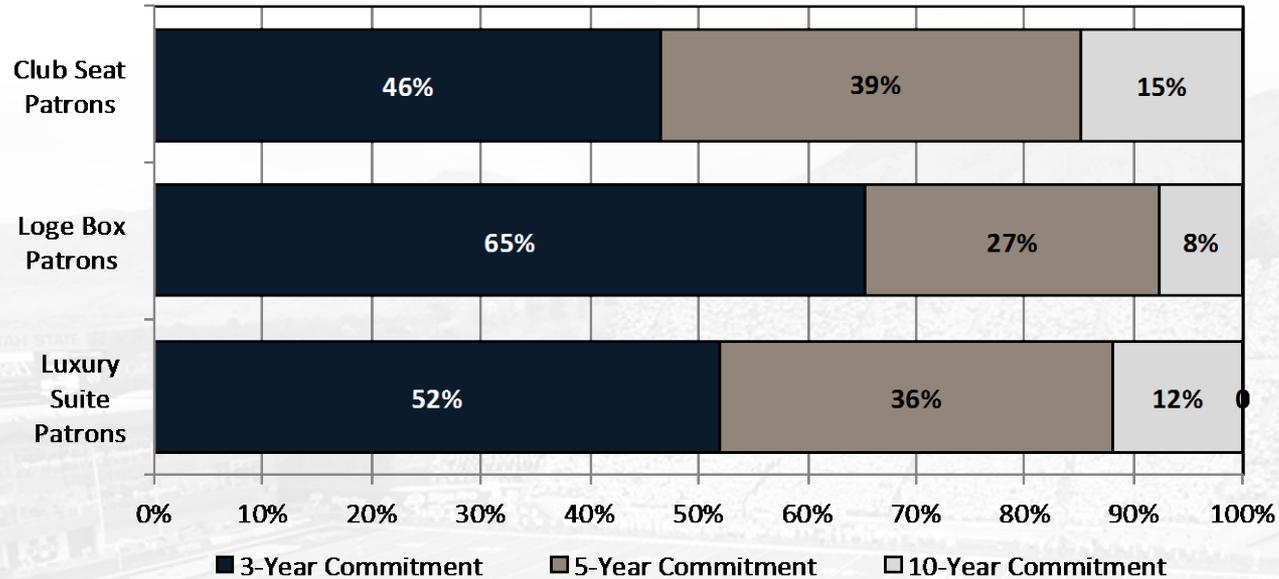


■ Still Purchase

■ Change Seats

Lease Terms

Preferred Lease Terms

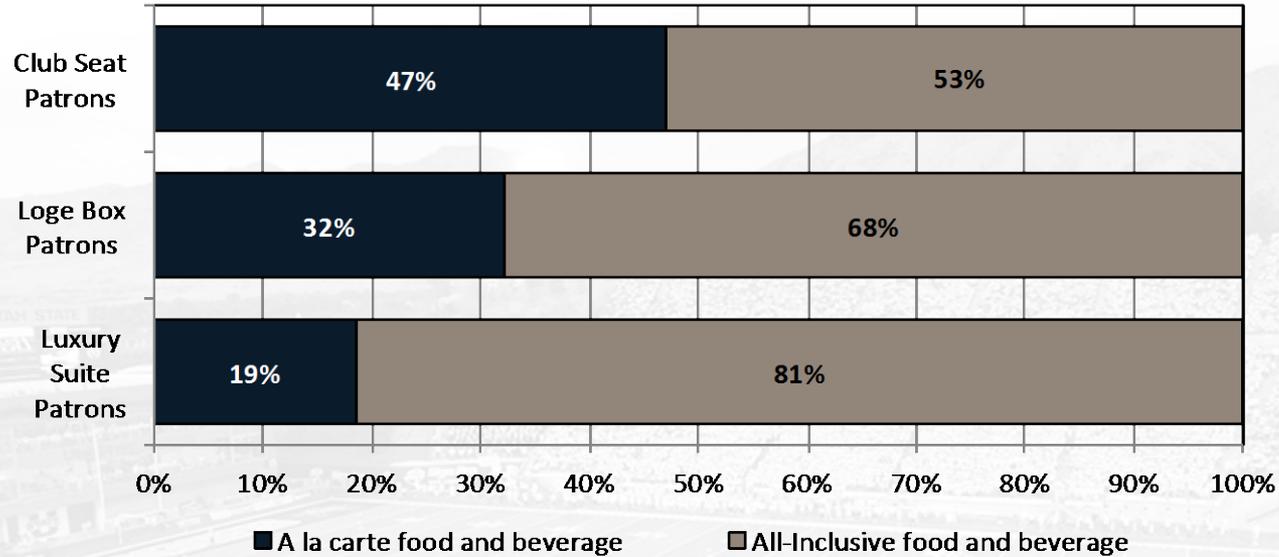


Consider Upfront Lease Payment?

	Club Seat Patrons	Loge Box Patrons	Luxury Suite Patrons
Definitely	10%	15%	24%
Likely	33%	31%	32%
Possibly	42%	50%	40%
No	16%	4%	4%
% That Would Consider	84%	96%	96%

Food & Beverage Preferences

A La Carte or All-Inclusive Food & Beverages



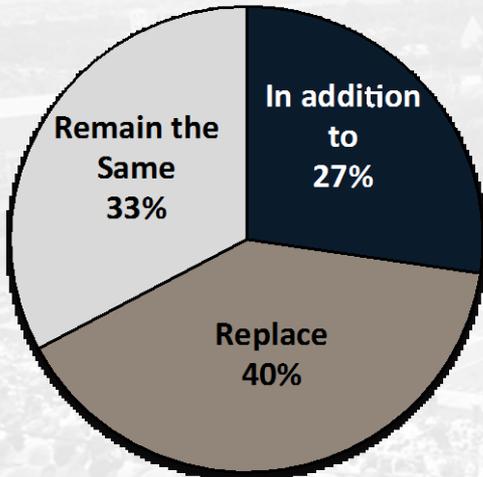
Impact of Required All-Inclusive Food & Beverages

	<u>Club Seat Patrons</u>	<u>Loge Box Patrons</u>	<u>Luxury Suite Patrons</u>
Still Lease	56%	44%	40%
Less Likely to Lease	36%	56%	60%
No Longer Lease	8%	0%	0%

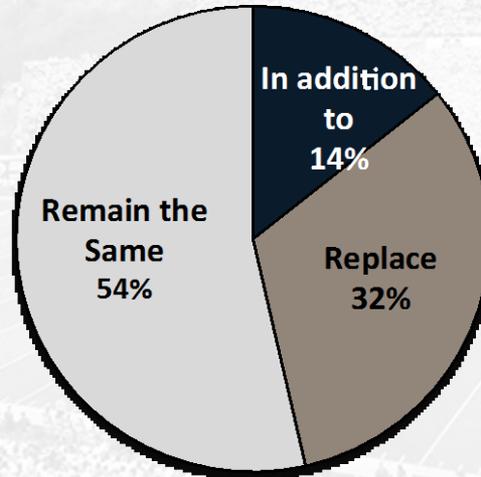
Athletic Donation Impact

Impact of Premium Seat Purchase on Existing Athletic Donations

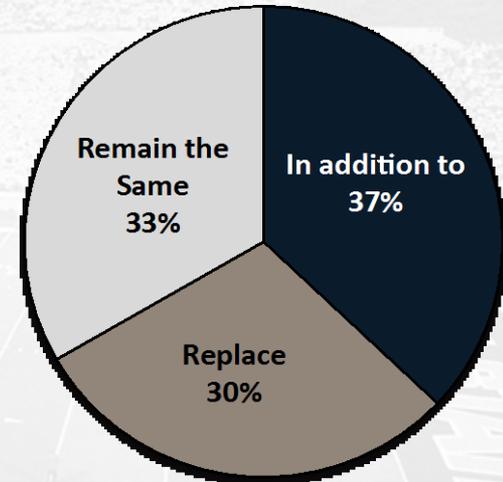
Club Seat Patrons



Loge Box Patrons

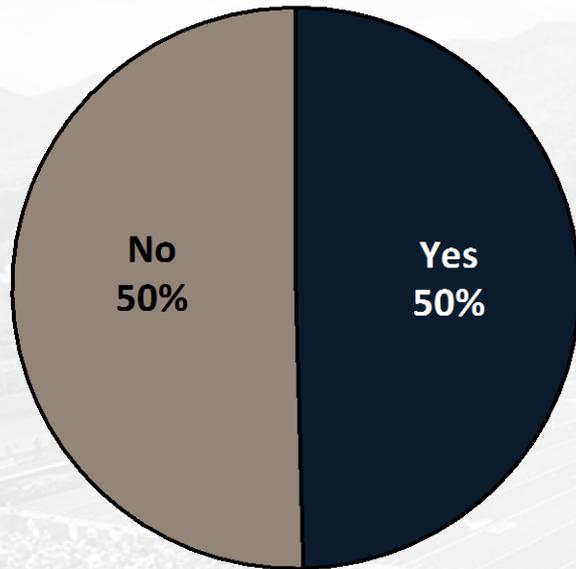


Luxury Suite Patrons

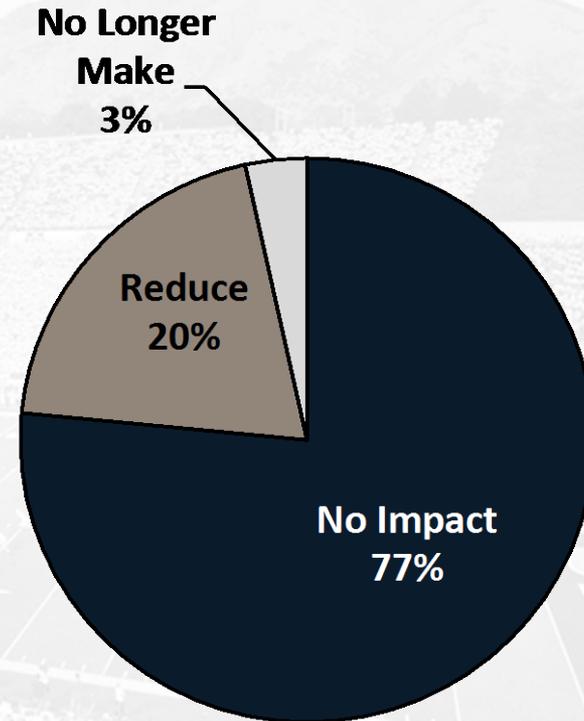


Non-Athletic Donation Impact

Make Non-Athletic Donations



Premium Seating Donation Impact on Non-Athletic Donations



Recommended Program & Financial Impact



Draft Copy
Subject to
Change

Excluding Ticket Revenue

	<u>Inventory</u>	<u>90% Sold</u>	<u>Average Annual Donation</u>	<u>Average Season Ticket Value</u>	<u>Average Total Price</u>	<u>Total Annual Revenue Potential</u>
Luxury Suites	20	18	\$37,200	\$2,800	\$40,000	\$720,000
Loge Boxes	20	18	\$9,300	\$700	\$10,000	\$180,000
Club Seats	700	630	\$1,500	\$175	\$1,675	\$1,055,000
Subtotal - New Premium Seating						\$1,955,000
Food and Beverage, net						\$23,000
Club Lounge Rentals, net						\$50,000
TOTAL INCREMENTAL REVENUE POTENTIAL						\$2,028,000
Less:						
Increased Operating Costs						(\$200,000)
Ticket Value						(\$173,000)
Donation Cannibilization						(\$178,000)
Net Incremental Revenue Available for Project Debt						\$1,477,000
20-Year Project Funding Potential (20-year bonds, 4.6% interest rate)						\$19,047,000
30-Year Project Funding Potential (30-year bonds, 4.6% interest rate)						\$23,778,000



Recommended Program & Financial Impact



Draft Copy
Subject to
Change

Including Ticket Revenue

	<u>Inventory</u>	<u>90% Sold</u>	<u>Average Annual Donation</u>	<u>Average Season Ticket Value</u>	<u>Average Total Price</u>	<u>Total Annual Revenue Potential</u>
Luxury Suites	20	18	\$37,200	\$2,800	\$40,000	\$720,000
Loge Boxes	20	18	\$9,300	\$700	\$10,000	\$180,000
Club Seats	700	630	\$1,500	\$175	\$1,675	\$1,055,000
Subtotal - New Premium Seating						\$1,955,000
Food and Beverage, net						\$23,000
Club Lounge Rentals, net						\$50,000
TOTAL INCREMENTAL REVENUE POTENTIAL						\$2,028,000
Less:						
Increased Operating Costs						(\$200,000)
Donation Cannibalization						(\$178,000)
Net Incremental Revenue Available for Project Debt						\$1,650,000

20-Year Project Funding Potential (20-year bonds, 4.6% interest rate) **\$21,278,000**

30-Year Project Funding Potential (30-year bonds, 4.6% interest rate) **\$26,563,000**



Mountain West Conference Premium Seating



Draft Copy
Subject to
Change

School	Total Seating Capacity	Luxury Suites			Loge Boxes			Club Seats			Total Actual Annual Revenue
		# Suites	% Sold	Average Annual Cost	# Boxes	% Sold	Average Annual Cost	# Seats	% Sold	Average Annual Cost	
Boise State	37,000	38	100%	\$45,000	43	100%	\$12,000	787	100%	\$2,200	\$3,957,000
Utah State (potential)	25,513	28	93%	\$33,000	20	90%	\$10,000	700	90%	\$1,675	\$2,095,000
UNLV	36,800	16	100%	\$41,000	0	n/a	n/a	488	100%	\$2,785	\$2,015,000
New Mexico	39,224	9	100%	\$21,000	0	n/a	n/a	1,597	100%	\$839	\$1,529,000
Wyoming	29,181	12	100%	\$40,000	0	n/a	n/a	256	100%	\$2,500	\$1,120,000
Air Force	52,480	9	100%	\$20,000	0	n/a	n/a	825	100%	\$1,072	\$1,064,000
Colorado State	32,500	12	92%	\$28,000	0	n/a	n/a	427	87%	\$1,500	\$868,000
Fresno State	41,031	22	100%	\$35,000	0	n/a	n/a	0	n/a	n/a	\$770,000
Nevada	29,993	52	100%	\$10,600	0	n/a	n/a	0	n/a	n/a	\$551,000
San Jose State	30,456	12	100%	\$12,000	0	n/a	n/a	0	n/a	n/a	\$144,000
Utah State (current)	25,513	8	100%	\$16,000	0	n/a	n/a	0	n/a	n/a	\$128,000
San Diego State	70,561	8	100%	\$8,400	0	n/a	n/a	0	n/a	n/a	\$67,000
Hawaii	50,000	0	n/a	n/a	0	n/a	n/a	0	n/a	n/a	n/a
Average (excluding Utah State)	40,839	19	99%	\$26,000	43	95%	\$11,000	730	98%	\$1,816	\$1,209,000
Median (excluding Utah State)	37,000	12	100%	\$24,500	43	95%	\$11,000	638	100%	\$1,850	\$966,000



Competitive Facility Analysis

Facility	Location	Seating Capacity	Luxury Suites		Loge Boxes		Club Seats		Total Potential Annual Revenue
			# Suites	Average Annual Price	# Boxes	Average Annual Price	# Seats	Average Annual Price	
EnergySolutions Arena	Salt Lake City, UT	19,911	46	\$96,000	0	n/a	628	\$13,500	\$12,894,000
Romney Stadium (potential)	Logan, UT	25,513	28	\$33,000	20	\$10,000	700	\$1,675	\$2,297,000
Rice-Eccles Stadium	Salt Lake City, UT	45,017	25	\$25,000	0	n/a	450	\$3,010	\$1,980,000
Spring Mobile Ballpark	Salt Lake City, UT	15,411	24	\$20,000	0	n/a	0	n/a	\$480,000
Average (excluding Utah State)		26,780	32	\$47,000	0	--	539	\$8,255	\$5,118,000
Median (excluding Utah State)		19,911	25	\$25,000	0	--	539	\$8,255	\$1,980,000

Source: CSL International research, Revenues from Sports Venues.

Stadium Naming Rights Valuation

Comparable Deals

Venue	Location	Market Population	Year Opened	Seating Capacity	Total Naming Rights Value	Term (Years)	Average Annual Value
InfoCision Stadium	Akron, OH	198,549	2009	27,881	\$10,000,000	20	\$500,000
Alerus Center	Grand Forks, ND	53,456	2001	12,283	\$7,200,000	20	\$360,000
Centennial Bank Stadium	Jonesboro, AR	70,187	1974	30,964	\$5,000,000	15	\$333,333
Houchens Industries Stadium	Bowling Green, KY	60,600	1968	25,000	\$5,000,000	Perpetuity	\$250,000
Movie Gallery Veterans Stadium	Troy, AL	18,264	1950	30,000	\$5,000,000	20	\$250,000
Average		80,211	1980	25,226	\$6,440,000	19	\$338,667

Light bulb needs to be replaced in the KVNU
610 sign on the east concourse

Future Expectations

We believe it is realistic for Utah State to expect a naming rights sponsor to pay \$250K to \$375K for a 15 to 20 year term. This is based on comparable collegiate deals and also the corporate landscape of the Utah market. That being said, it would not be unrealistic for Utah State to ask for a total of \$10M from a philanthropic donor over a 20+ year period to aid in the renovations of the Stadium. Positioning the naming rights agreement as a “must have” for the project to come to fruition may create some urgency in the marketplace and allow a local company to be seen as a white knight in the community. The two different scenarios for corporate and philanthropic naming rights are detailed below.

Scenario 1:

Corporate

Aggressive: \$7.5M over 20 years

Conservative: \$3.75M over 15 years

Scenario 2:

Philanthropy

Aggressive: \$10M over 20+ years

Conservative: \$5M over 20 years