



# COLORADO STATE UNIVERSITY SYSTEM

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## MEDIA RELEASE

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### **New CSU stadium outperforms revenue forecast: expected to bring in \$13.1 million in first season**

The new football stadium at Colorado State University generated strong results in its first season and is expected to have net revenue of \$13.1 million by the end of the fiscal year in June. That amount is more than enough to cover the bond payment and provide a surplus, and is \$3.2 million more than the net revenue that was forecast during planning for the stadium.

The CSU end-of-season Income Statement forecast was part of a report to the CSU System Board of Governors by Tony Frank, President of CSU and Chancellor of the CSU System, at the board's February meeting. The statement takes into account revenue and expenses to date as well as anticipated amounts through the remainder of the 2017-18 fiscal year.

"This is extremely gratifying to have recorded such strong financial performance during the first season in our new multipurpose stadium," said Lynn Johnson, CSU System Chief Financial Officer. "The University committed from the very start that the stadium would not rely on any tuition or state funding and this report shows that our model performed better than we even expected."

#### **Income Statement forecast for FY2017-18, ending June 30**

**Total Revenue \$15.54 million**

(36 percent, or \$4.14 million, higher than original forecast)

**Total Expenses \$2.38 million**

(69 percent, or \$973,000, higher than original forecast)

**Net Income \$13.16 million (32 percent, or \$3.17 million, higher than original forecast)**

High demand for premium seating – including suites, loge boxes, and indoor and outdoor club seats – resulted in donation revenue of \$3.4 million, 86 percent higher than forecast. Premium seating areas and priority seats – which both require donations – sold out well before opening kickoff, with premium areas selling out in October 2016, nearly a year before the stadium opened.

Prior to construction, as project leaders saw the signs of higher demand for premium seating, priority seating was swapped out for the higher yielding premium seating options. As a result of these seating option improvements, the Income Statement reflects an overall increase in seat donations of more than \$858,000, or over 23 percent higher than the forecast. This shift in seating inventory will continue to benefit stadium operations for many years.

"Much of overall stadium revenue is locked in for several years to come because premium seat donations, advertising and sponsorship agreements, and naming rights all come with multiple-year commitments," said Director of Athletics Joe Parker. "This financial performance, and the long-term stability gained through these multi-year commitments, is the result of planning and hard work by people across campus, and by the deep support from our fans who really showed that bringing football back to campus was the right thing to do, for the financial strength of the stadium and because of the experience Rams fans have on game days."

The new 41,000 capacity multipurpose stadium opened in August with the first kickoff in the 2017 college football season. The \$220 million project is financed by investors and donors and does not rely on any funding from tuition or state funding. Bond payments will be made from stadium revenues and private donations.

For the season, the Rams set an all-time attendance record with a total of 192,369 fans and a per-game average of 32,062. Season ticket sales also reached an all-time high of 15,477, a 40 percent increase from the 2016 total of 11,054.

The overall higher-than-forecast level of activity at the stadium also required greater spending in areas such as supplies, operating and professional services, and repairs and maintenance. Additionally, to ensure an exceptional fan experience in the inaugural season, game day expenses such as bus transportation, custodial services, additional security and other items, totaled \$1.3 million compared to the \$480,000 that was forecast prior to construction. Feedback from fans indicates that the additional investment to ensure an exceptional inaugural season was successful, and now steps are now being taken to identify ways to manage those costs in the future.

The Income Statement forecast compares revenues and expenses to pre-construction financial projections for the financial performance of the facility. The original projections were conducted by leading sports consulting firm Convention, Sports & Leisure International (CSL) as part of the overall analysis to determine the financial feasibility of the stadium project. The presentation of the financial figures to the CSU System Board of Governors is the first in a series of annual reports that will continue as the University repays the revenue bonds that were used to finance the project.

"The stadium did everything we hoped it would and more during this first season, including financial results that show the power of our investment," said Rico Munn, chair of the CSU System Board of Governors. "We'll continue to manage this important asset carefully to ensure continued success moving forward. "

[Click to see the complete Income Statement forecast and the Variance Analysis.](#)