

Contact: Joan Racki

**IOWA STATE UNIVERSITY – JACK TRICE STADIUM SCOREBOARD AND  
SOUND SYSTEM - PURCHASE AND FINANCING**

**Action Requested:** Consider:

1. Iowa State University's request to proceed with the purchase of a new video scoreboard and sound system for Jack Trice Stadium from Daktronics, Inc., at a cost of up to \$4,000,000, subject to completion of satisfactory negotiations with the firm.
2. Authorization for the University to enter into a financing agreement for the purchase, subject to necessary approvals by the Board Office.

**Executive Summary:** Iowa State University wishes to replace and relocate the Jack Trice Stadium video scoreboard/sound system purchased in 2002. Included would be the installation of an enhanced video scoreboard and sound system, the required support structure, and necessary infrastructure improvements to support the operation of the new video scoreboard/sound system. In addition to serving patrons of intercollegiate football, the new system would greatly enhance the experience that the University makes available to the Iowa Games, Shrine Game, Special Olympics and other outside users.

The football stadium video scoreboard/sound system is currently located in the south end zone. In many areas of the stadium, it is extremely difficult to understand the audio output of the sound system. The technology of the video scoreboard has operational limitations with regard to new graphic interfaces. The University proposes to install a new video scoreboard/sound system at the stadium's north end to be integrated with the Richard O. Jacobson Building. Future stadium plans include bowling in the south end zone and adding an upper deck, which would require removal of the south end zone video scoreboard/sound system. Although this phase is not currently scheduled, proceeding with the scoreboard relocation in advance would allow the south end zone phase to be completed between football seasons instead of a more costly split construction period over two football seasons.

The University currently operates Daktronics video scoreboards in both Jack Trice Stadium and Hilton Coliseum. Both facilities utilize an intricately integrated, single production studio located in Hilton Coliseum. Daktronics has provided the video scoreboard staffing and support services for all Department of Athletics' events at Jack Trice Stadium and Hilton Coliseum since 2008.

Due to the firm's experience with these facilities and the necessary integration of new and existing systems, the University wishes to contract with Daktronics for design, fabrication and installation services. The University reports that it is not economically or logistically feasible to incorporate a second video scoreboard/sound system production company and that it is essential that the new system be designed and constructed in a manner that compliments the existing video/sound infrastructure to avoid the costs of a second set of systems. Daktronics is a leading national firm in providing video scoreboard and sound systems. Subject to completing satisfactory negotiations, the acquisition would be a sole source acquisition.

The University plans to finance the purchase of the video scoreboard and sound system, the cost of which would not exceed \$4,000,000. Based upon an estimated taxable interest rate of 6.5% and a ten-year financing period, the annual payments would be approximately \$556,400. (The financing would be taxable since the display of advertising would be considered to be a "private business use.") According to federal requirements, no more than 10% of the proceeds of a tax-exempt financing can be used for private activity purposes.) Funding for the payments would come from contractually guaranteed funds received from the amended Athletics Department's multi-media marketing rights agreement with Learfield Communications, Inc., dated June 11, 2010. The University reports that the incremental rights fees it will receive are sufficient to pay the debt service. No general university support or increased student fees would be used as a revenue source for financing this project or to fund operating and maintenance costs.

The Board Office will be involved in the review and approval of the agreement with Daktronics, Inc. and the associated financing.