



UNC Charlotte Football Feasibility Committee
Recommendation to the Chancellor
February 15, 2008

Executive Summary

In early 2007, Chancellor Phil Dubois commissioned a Committee to gather and review available data and make a recommendation on the feasibility of implementing a football program at the University of North Carolina at Charlotte ("UNC Charlotte"). The UNC Charlotte Football Feasibility Committee was made up of citizens knowledgeable about the University and region, supported by professional consultants and advisors who understand the national landscape for NCAA football, the dynamics of the regional sports and entertainment market and fundraising potential at UNC Charlotte. The Committee membership included:

- Mac Everett, Committee Chair - Former UNC Charlotte Board of Trustees Chairman and retired banking executive
- Johnson L. Atkinson - Current UNC Charlotte student
- Jeff Beaver - Executive Director of the Charlotte Regional Sports Commission
- Ike Grainger - Former Chair of UNC Charlotte's Athletic Foundation and Vice President of Shelco, Inc.
- Bill Hensley - Public Relations Executive
- Jeff Leak - UNC Charlotte Associate Professor of English
- Bob Morgan - President of the Charlotte Chamber of Commerce
- Joe Price¹ - UNC Charlotte Alumnus and Chief Financial Officer for Bank of America
- Mary Ann Rouse - UNC Charlotte Alumna and Vice President of Financial Services for Carolinas HealthCare System
- Carl Scheer - Special Consultant for the Charlotte Checkers and advisor to other major sports organizations
- Krista Tillman - Chair of University of North Carolina's PACE (President's Advisory Committee on Efficiency and Effectiveness), past Chair of UNC Wilmington Board of Trustees, retired telecommunications executive, and community leader

Along with Committee members, UNC Charlotte staff also attended meetings and contributed greatly to the work of the Committee. These staff members include:

- David Broome - Legal Counsel
- Judy Rose - Athletic Director
- Darin Spease - Senior Associate Athletic Director

¹ Joe Price was appointed, but later stepped down to serve on the UNC Charlotte Board of Trustees. He is recognized in this list because of his contribution to the process prior to his appointment.

Committee Assumptions

Before entering the assessment process, it was agreed that the Committee would analyze all data in the context of the following *assumptions*:

- Any decision on football will be permanent.
- Any decision on football must protect and, if possible, strengthen the national positioning of men's basketball for post-season play and contribute to the further strengthening of women's basketball and all other athletic programs.
- Notwithstanding the intangible benefits of football, any plan must be based upon a sound business analysis of likely costs and potential revenues.
- Any strategy for competition in football will require a conference affiliation of some kind.
- Any decision to add football will include a commitment to satisfy at least one of the three prongs for testing compliance with the gender equity requirements of Title IX.
- Any strategy to meet requirements of Title IX will not include elimination of any of the existing sports for men.

The Recommendation

After analyzing the available data, the **Committee voted unanimously** on Friday, December 21, 2007, **to recommend the addition of men's football**. In accordance with Title IX, this addition requires an expansion of the women's athletic program.

This recommendation by the Feasibility Committee is being made to the Chancellor for his review and recommendation to the UNC Charlotte Board of Trustees. The Committee acknowledges its singular role to study football and recognizes the Chancellor's responsibility to consider this recommendation in the context of many other initiatives within the University's Master Plan.

Recommendation Process

The Committee arrived at its recommendation after having consulted with experts in the college athletic field and reviewing significant data gathered from various sources. After a thorough evaluation of the data, the Committee explored two scenarios, "The Impact of Not Adding a Football Program" and "The Impact of Adding a Football Program."

Scenario 1: The Impact of Not Adding a Football Program

In making a recommendation to add a football program, the Committee considered the possible ramifications of not adding a program.

- Conference expansion associated with the potential for playoff games in football and television contracts negotiations have placed I-AAA basketball programs in jeopardy. Schools participating in the Football Bowl Conference (Division I-A) have stronger conference and non-conference competition. Schools without football have much greater difficulty scheduling quality opponents. There is concern that the NCAA could, at some point, revise the existing post-season tournament structure to benefit the I-A schools.
- The University is continuously looking for ways to connect to alumni and potential applicants. Many applicants and alumni are drawn to universities with football teams in search of the excitement of attending games and other related activities.
- In order to increase long-term support for the University, it is imperative that UNC Charlotte create a compelling reason for alumni to remain connected to the University, something that will tie them emotionally and financially.
- The projected growth of the University demands continued academic excellence as UNC Charlotte establishes a national reputation. Without the addition of football, the athletic program will be unable to reach its potential to match the academic reputation of excellence. This will limit both the recruitment of prospective student athletes and the scheduling of quality opponents in all sports.
- The leadership of UNC Charlotte has set a priority to connect the University more closely with the Charlotte region. The lack of a football program decreases the opportunity to create a campus event that will bring the community to the campus.

Scenario 2: The Impact of Adding a Football Program

The Committee identified several tangible and intangible results and/or reasons to add a football program:

- The opportunity for UNC Charlotte to be a member of a strong, competitive, nationally respected conference hinges on the addition of Division I-A football. This will both protect and position men's basketball and other athletic programs in regard to NCAA post-season competition and increased national exposure for the University. Adding football fulfills the assumption provided by the Chancellor requiring the recommendation to protect the national presence of men's basketball.

- The addition of football helps provide a “traditional” or “complete” college experience that enhances student and faculty recruitment. Nationally, football has become an important element in what constituents expect to be offered at a major university.
- The addition of football could positively impact the public perception of UNC Charlotte. A common thread from student and alumni feedback was the need for the University to be appreciated for its high-quality offerings. Consistently, it was expressed that football would help increase the public perception that UNC Charlotte is a great institution.
- Football provides a means of increasing ties to alumni, thus increasing potential financial support. Football games provide a social gathering opportunity for alumni, their family and friends, tying them more closely to the University.
- The addition of football supports a stronger connection to the Charlotte community; football provides an opportunity for the community to come to campus. Many Charlotteans believe that the distance between Uptown and UNC Charlotte’s campus is the “longest 10 miles” in town. There are discussions of extending the light rail to the UNC Charlotte campus, which would facilitate bringing fans to home games.
- According to the most recent data, 85,000 people moved to Charlotte’s metropolitan statistical area and 50,000 people moved to Mecklenburg County in 2007. UNC Charlotte projects 35,000 students enrolled by 2020. The Committee believes that a major university in a thriving metropolitan area should play major college football.
- A Division I-A football program increases school spirit and pride among students and alumni. Football captures the competitive spirit of America in business, academics and sports.
- The addition of football can be a significant element in the branding of the University. Further, successful Division I-A and competitive play at higher levels attracts national attention.
- As a complement to football, the Committee feels strongly that the addition of a marching band adds to school spirit and the recruitment of gifted student musicians to the University.

Conference Realignment and Division Standing

The Committee believes that Division I-A play is required to realize the desired results of adding a football program as a permanent decision. Further, the University needs to establish a relationship with a major conference that will build momentum and excitement.

Division I-A schools are the major collegiate athletic powers, with larger budgets, more elaborate facilities, and higher numbers of athletic scholarships. This level was once called the “University” division of the NCAA in contrast to the “College” division; this terminology was replaced with the current numeric (I, II, III) divisions in 1973.

Division I was further subdivided into Division I-A (the principal football schools) and Division I-AA in 1978. Subsequently the term “Division I-AAA” was added to delineate Division I schools which do not field a football program.

UNC Charlotte is currently in Division I-AAA, and is a member of the Atlantic 10 Conference with schools such as George Washington University, Temple, Xavier, Dayton, La Salle, Massachusetts, Richmond, and Rhode Island. Conference affiliation benefits teams by establishing pre-set schedules for competition and possible automatic qualification to the NCAA Tournament. A major conference provides opportunities for better scheduling, greater financial opportunities, and the ability to recruit athletes who can compete at the highest levels of collegiate athletics. The Committee believes that adding a successful football program supports the potential for major conference membership.

The future of men’s basketball is also connected to the question of whether to add football. Presently, basketball tournament championships are open to all Division I programs. Future basketball tournament play may mirror current football play, limiting teams to play only within their specific division.

The Cost of Football

Earlier conversations about expenses and revenues used averages and broader estimated figures representing a “moment in time.” Prior to completing this report, the Committee has been able to determine more accurate estimates for implementing football. The Committee felt it appropriate to use as close to an actual cost as possible for this report. Included in the Appendix are tables reflecting revenues and expenses for an eight-year period that represents the development of a Division I-A football program.

The following table highlights expense projections for the first year of Division I-AA play and first year of Division I-A play:

The Cost of Adding Football:

	2012 Year 1 Div I-AA	2016 Year 1 Div I-A
FOOTBALL EXPENSES		
Financial Aid	\$1,279,840	\$2,288,166
Coaches	1,409,100	1,712,770
Permanent Staff	800,955	973,566
Team Travel	480,000	583,443
Recruiting	210,000	255,256
Equipment	210,000	255,256
Game Guarantees	300,000	364,652
Preseason/Game Operations	243,750	296,280
Stadium/Playing Facilities	196,000	238,239
Training Room/Ins	175,000	212,714
Other Expenses	410,250	487,024
Student Staff	20,000	24,310
Other Administrative Expansion	738,771	897,981
Marching Band	250,000	303,877
Sub-Total:	\$ 6,723,666	\$8,893,534
TITLE IX EXPENSES		
Title IX (Sports)	\$ 577,239	\$2,057,621
Title IX (Administrative Expansion)	276,330	389,683
Title IX (Other Expenses)	162,000	196,912
Sub-Total:	\$1,015,569	\$2,644,216
Total Projected Expenses	\$7,739,235	\$11,537,750

There will be additional expenses not reflected in the above budget. These include the normal embedded costs of adding a program such as additional security as well as cost increases for human resources, accounting and other personnel due to additional students and staff. The financial impact to University administration was not considered in the costs reviewed by the Committee.

Projected Revenue

Currently revenue for athletic programs at UNC Charlotte is \$10.1 million. Of this, \$1.1 million is secured through annual gifts to the Athletic Foundation. Supporting a football program and additional Title IX women's programs would necessitate the University doubling its current athletic revenue. The Committee recommends the implementation of a football student fee beginning in 2009-10 with increases for the next four years. This would provide an initial funding pool before the program begins play in 2012.

Potential Football Revenues: (\$300 fee increase model)

	2012 Year 1 Div 1-AA	2016 Year 1 Div 1-A
Student Fees	\$6,390,000	\$8,350,528
Game Guarantees	1,500,000	1,823,259
Ticket Purchases	562,500	683,722
Corp/Community Support	1,000,000	1,215,506
Total	\$9,452,500	\$12,073,015

Student Fees - (66% of estimated revenue)

As with most schools, a majority of the revenue to support a football program is derived from student fees. The Committee recommends a fee sufficient to fund the cost of football. A \$120 fee would be introduced in 2009-10 with an annual increase of \$60 through 2012. The Committee also recommends that the fee be kept as low as possible through aggressive programs to raise support from other sources.

Projected Student Fee Revenue:

	Football Fee	Revenue Projection
2009	\$120	\$2,360,000
2010	\$180	\$3,660,000
2011	\$240	\$5,000,000
2012-1st Year Div 1-AA	\$300	\$6,390,000

The current University of North Carolina (“UNC”) fee cap must be considered when recommending an increase in student fees. In an effort to keep higher education costs affordable for all students, UNC limits the ability of institutions to increase student fees by more than 6.5% annually. UNC General Administration encourages increases significantly lower. Debt service fees, primarily used for capital construction projects, have been excluded from the fee cap.

The UNC Charlotte Chancellor and Trustees continuously analyze internal fee requests in consideration of the University’s Master Plan. The Chancellor’s fee increase request is submitted to the UNC General Administration for consideration one year prior to the proposed increase (i.e., the 2008-09 fee increase request was submitted in December, 2007). While a formal process of appealing the limitations established by the cap does not exist, special situations requiring an increase larger than the cap may be submitted to the UNC General Administration for consideration. **In order to create a student fee for football, there would need to be an exception to the fee cap.**

Game Guarantees - (17% of estimated revenue)

A game guarantee is the amount of money contractually agreed upon for a team to play at another team’s home game. Typical guarantees currently range from \$250,000 at some mid-level Division I-A programs to \$1 million at some high-level major Division I-A programs. The figure in the budget represents three game guarantees of \$500,000 or two at \$750,000 during a season.

Corporate and Community Support - (11% of estimated revenue)

Currently, the Athletic Foundation generates \$1.1 million in corporate and community support. The \$1 million of additional estimated revenue for football reflects \$850,000 in new donor support and \$150,000 in new corporate support. The Committee feels it is possible to generate a significant amount of new support due to the expressed interest in football. Donors, primarily alumni, have suggested they would increase or begin to support the University with the addition of a football program.

Private Sports Consulting, Inc. was contracted to interview key community and corporate leaders to gauge potential support if the University decided to add a football program. The report indicated that a “well-marketed, intensive campaign... could be reasonably successful...” Due to the preemptive nature of this inquiry, several unanswered questions such as timing, location, amenities and cost made it difficult for interviewees to provide concrete support. Interviews also expressed that alumni support would need to drive any effort.

Ticket Sales - (6% of estimated revenue)

The figure used in this proposed budget represents the sale of 7,500 tickets for five home games at a price of \$15 per ticket. The average ticket price for a college game is higher (Appalachian State University tickets for a regular game are \$20 while University of Tennessee Knoxville tickets sell for \$50). This figure also allows for 4,000-5,000 seats for students which are “free” tickets since they pay student fees. The figure also does not include any revenue for premium seating.

Several of the schools studied used price points and marketing of ticket sales to accomplish different goals. The Committee suggests that maintaining lower ticket prices may attract larger audiences given the more expensive price points for the professional venues available in the Charlotte region. UNC Charlotte football games could be marketed as a “family outing” to attract ticket buyers.

Cost/Revenue Summary

	2012 Year 1 Div I-AA	2016 Year 1 Div I-A
FOOTBALL EXPENSES		
Financial Aid	\$1,279,840	\$2,288,166
Coaches	1,409,100	1,712,770
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PROJECTED REVENUE		
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Capital Needs

The Committee suggests further review of an option to play initial games at a renovated Memorial Stadium in downtown Charlotte. This cost savings option could delay the need for a new stadium on campus requiring a potential capital investment of \$60-75 million and creates a partnership with local government and the community. The central location may also draw the Charlotte community to initial games.

The Committee recommends the eventual addition of a new stadium to the UNC Charlotte campus. The on-campus stadium would bring the community to the University, forging a stronger bond and increasing interest in the school's resources. Cost estimates range from \$60-75 million for a 30,000-seat stadium. However, the University of Central Florida recently completed a 45,301-seat

stadium with 822 club seats and 24 luxury suites for \$55 million. Stadium costs fluctuate according to site and design.

The UNC Charlotte Facilities Management Staff has participated in some preliminary discussions about potential football stadium sites. These sites will be discussed as the Campus Master Plan evolves.

The Committee also learned that \$20-30 million of auxiliary capital expenditures will be required outside of the on-campus stadium. These expenses include practice fields, offices, weight rooms, training and rehab facilities, academic support, and other facilities. Once a decision is made, an implementation plan would better address phasing in these additional facilities. These expenditures will require significant funding. The Committee leaves the timing and funding decisions to the University leadership as a part of the implementation plan.

Other Considerations

Adding a football program affects other aspects of the University and community.

- The successful implementation of a football program will require the support of departments other than athletics to meet the increased demands of additional athletes, staff, and the introduction of the public onto campus.
- Charlotte's support of the Meineke Car Care Bowl is a prime example of the strength of Charlotte's support for major collegiate football.
- Quantifiable considerations include revenues and expenses; qualitative considerations such as school spirit, the overall college experience and more prominent identity strengthen the recommendation to add a football program.
- 80% of UNC Charlotte alumni initially remain in the Charlotte area after graduation, but have few "reasons" to visit campus.

Recommendations for Successful Implementation

As a part of this recommendation, the Committee deemed the following necessary steps to the future success of the football program:

- Execute a **strategically orchestrated** implementation of the football program. Experts and survey participants (especially the provosts and athletic directors) expressed the need for leadership to be cautious when implementing a new football program. Lessons learned at other universities include the negative impact of incomplete planning, poor decision-making and short-term solutions for long-term problems.

- Assign **leadership** qualified to succeed in such an ambitious undertaking. Various schools have used coaches, alumni and community leaders on an implementation team to create an appropriate identity for their football programs.
- Develop an **appropriate funding** model. The Committee recognizes the high cost of football. Strategic use of resources will aid in keeping student fees as low as possible.
- Implement a **public relations/marketing** strategy immediately. Building a fan base for a football program begins now. Using current media interest to lay a positive foundation in the minds of the public will help with future ticket sales and support.
- Build a program to compete in **Division I-A**. To satisfy the reasons why the Committee recommended the addition of football, the leadership must implement football decisions that will support Division I-A play as soon as the opportunity is available.
- Use the addition of a football program to create a stronger **community connection**. Football provides alumni and members of the community a reason to come to campus. These campus visits allow the University to highlight accomplishments and resources that might have otherwise gone unnoticed.
- Establish a more prominent **institutional identity** using the increased community support and media attention that a football program will bring.

Process Design

UNC Charlotte engaged The Lee Institute beginning in March 2007 to design and facilitate the recommendation process. Four distinct phases of this project can be identified as:

- Phase I: Decision-Making Parameters – Initial meetings addressed how the Committee would interact and defined assumptions.
- Phase II: Data Collection – During the summer, experts presented data to the Committee. Grant Teaff, Executive Director of the American Football Coaches Association, presented information about national college football and the role of conference affiliation. Paul Griffin, Georgia Tech’s Senior Associate Athletic Director, made a presentation about football programs and facility requirements. UNC Charlotte staff also provided growth projections, financials and current athletic program information. Provosts and Athletic Directors of the University of Alabama at Birmingham, University of South Alabama and University of South Florida were surveyed to gain further perspectives about implementing a football program.
- Phase III: Community Input – Three forums provided opportunities for alumni, faculty, staff and students to address the two scenarios. The Student Government Association facilitated an on-campus

student survey prior to the Community Input Phase (computer screens placed around campus allowed students to vote about adding football and paying additional fees). The results of the student survey were presented to the Committee.

Phase IV: Recommendation - The Committee analyzed the data collected against the assumptions to form a recommendation.