



Mackay Stadium Club and Seat Renovation Business Plan

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University of Nevada, Reno



Prepared for the University of Nevada, Reno
Department of Intercollegiate Athletics
University Administration

Mackay Stadium LLC

Roger Bergmann, Chris Aramini, Rick Reviglio, and Butch Anderson

Prepared by:

The Nevada Small Business Development Center

Cory Podnar - First Lead

Trevor Anderson - Second Lead

Jake Carrico - Financials

Joel Burke - Market Research and Financials

Heyden Enochson - Marketing and Graphic Design

The Center for Regional Studies

Brian Bonnenfant - Demographic Research

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College of Business
University of Nevada, Reno



Center For Regional Studies
College of Business
University of Nevada, Reno

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Executive Overview

Mackay Stadium Club and Seat Renovation

The Wolf Pack's entrance into the Mountain West Conference (MW) represents growth for the University of Nevada, Reno Athletics Department and a new precedence of competition that must be met. The University has increasingly been focused on its image over the past decade with new buildings and renovations that have effectively established a new face for the university. No other venue in Northern Nevada can boast having such a large community rallying point as Mackay Stadium; and in 2013, this facility hosted 150,000 fans. However, it is time, once again, to renovate Mackay Stadium and bring it up to par with the rest of the campus and its MW partners.



Opened in 1967, Mackay Stadium's most recent seating renovations occurred in the early 90's and included the expansion of its seating capacity to 30,000 and the installation of skybox suites. Relevant research shows that Mackay Stadium lags far behind peer universities in the MW in terms of premium seating options, fan experience and ADA and safety standards. If Nevada wishes to continue to grow its success on the field as well as in revenue it must address these issues. This project will convert Mackay Stadium into a venue that better serves its patrons by increasing fan experience, attracting more fans and students, and recruiting better talent.

A feasibility study was commissioned in September of 2012 to gauge community interest in making stadium improvements and to more accurately identify what fans might be able – and willing – to financially support. The study, including a comprehensive fan survey in which there were over 2,600 responses, revealed there was significant interest in supporting such stadium improvements, thus compelling the University to pursue this project.

In its current condition, Mackay Stadium provides fans only two extreme options: metal bleacher seating or, for those fortunate few, skyboxes (of which there is a current waiting list of 50). Therefore, the Nevada Athletics Department is proposing to undertake a renovation project to give Mackay Stadium the facelift it needs and to provide fans with more seating options, including more premium and mid-level seating options and amenities. The renovation will also address a few other areas in dire need of improvement including providing greatly improved ADA accessibility, and additional restroom facilities, thus significantly enhancing the Wolf Pack fan's game day experience. Currently the stadium is unsafe, at best, as its staircases are out of code, too narrow and void of handrails and its ADA seating is not easily accessible.

Additionally, the project will include the construction of a stadium club, which will be located on the west side of the stadium with convenient access from the West Stadium Parking Garage. This new club area will overlook the field and offer premium food and beverage options on game day and will also be marketed year-round as an event and meeting hall facility. There will also be naming opportunities tied to the Stadium Club, providing athletics with an additional source of income.

Funding for this project will come from a group of local businessmen who will accept all risk and loan approximately \$10 million to the University amortized over 15 years at approximately 3.5% (subject to change). This plan lays out the details of the project with supporting information to show the viability and success of undertaking the project.



Project Description

Mackay Stadium Club and Seat Renovation

The University of Nevada, Reno Athletics Department will receive a \$10 million loan from a group of community businessmen for the sole purpose of renovating Mackay Stadium. The scope of this project includes building more premium seating options, remodeling East side boxes, upgrading select sections from aluminum bench seating to plastic chair backs, and building a multi-use club area (Stadium Club) for premium members, and increased restroom facilities. These renovations will increase the attractiveness of the stadium to its higher end clientele and raise the overall image of the stadium and the University.

The loan from the group of businessmen will be amortized over 15 years at a 3.5% interest rate (subject to change). These individuals are heavily involved with the local community and avid contributors to Nevada Athletics. They will garner loans from area banks accepting all risk and form an LLC entity to guide the partnership. There will be no financial recourse to the University or Nevada System of Higher Education (NSHE). Wolf Pack Athletics will use the increased revenue from the sale of renovated seats in order to make payments to the LLC to repay the loan.

Renovations

The overall renovation project consists of:

Chair Back Seating

- 1) Removing aluminum bleachers from seven sections, widening the aisles, and adding handrails
- 2) Installing over 4,100 chair back seats which will feature individual armrests, cup holders and improved leg space (five sections on the West Side and two sections on the East Side).
- 3) Relocation and expansion of ADA seating that will be located at the base of each side of the stadium.

Loge Boxes

Part of the renovation project includes the installation of approximately 30 loge boxes with 4 seats each. These four-person outdoor suites will be covered, and each will have a TV, outdoor heating elements, and will be located on the west side concourse.

Club Seats

Two rows of approximately 200 theater style club seats will sit directly below the loge boxes. These high comfort seats will feature extra padding, additional leg space, and extra amenities for fans. Fans located in the Club and Loge sections will have access to the Stadium Club.

East Side Suite Remodel

The east side suites are outdated and in need of upgrades. The square footage of these boxes is inadequate in their current condition. This project will double their size and capacity by converting them to patio suites allowing approximately 24 indoor/outdoor seats.

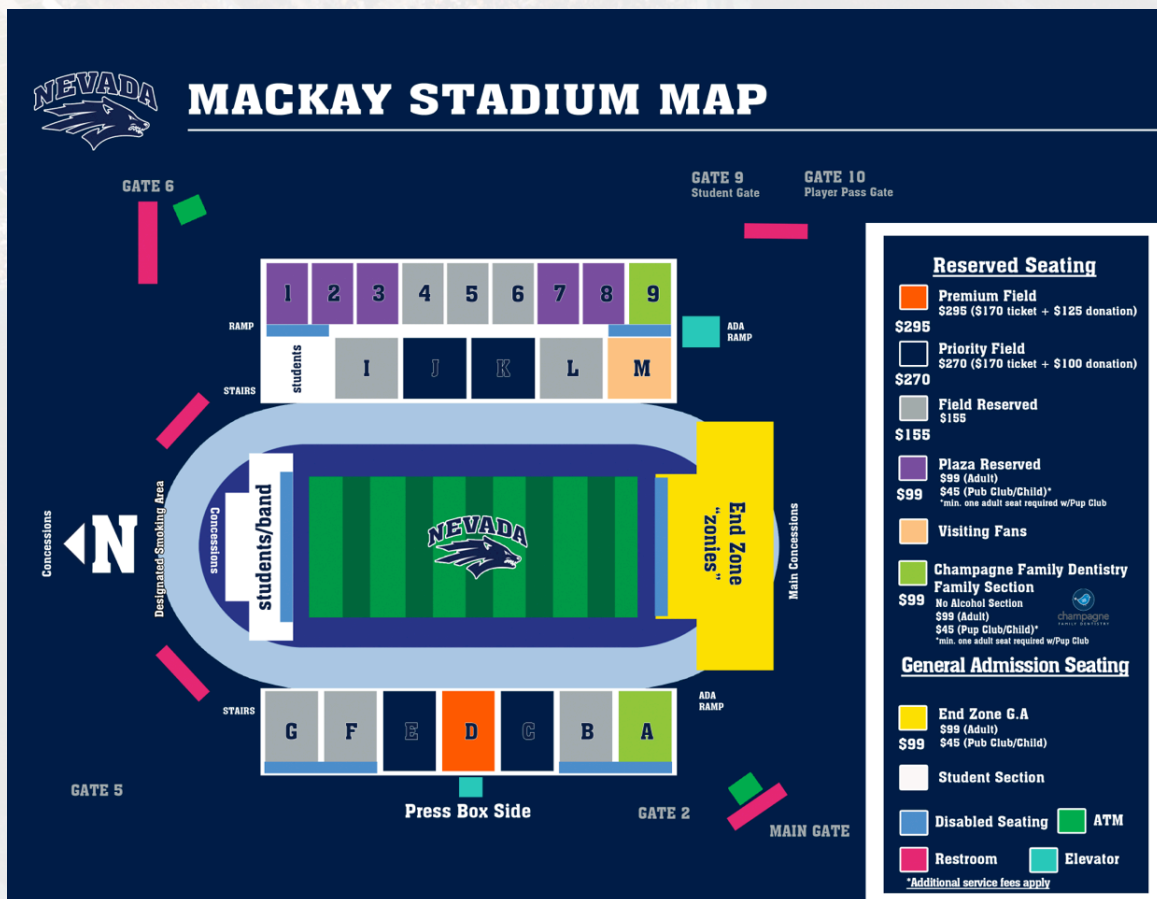
Additional Permanent Restroom Facilities

Major complaints from fans include the wait time incurred at restrooms and the amount of facilities available. This project will address this issue with the addition of more permanent restroom facilities.

Stadium Club

The 8,000 square foot Stadium Club will service two roles throughout the year. It will serve as an indoor area for patron use during game days and special events (concerts, etc.) as well a meeting hall that can be used year-round. During game days, suite holders and club-level seat owners will have the option to go indoors and have an area to eat, drink and mingle with other Wolf Pack fans. The area will have a bar and seating area for premium ticket holders to enjoy, providing an exclusive area that offers a spacious and comfortable lounge area to both socialize and watch the game. This represents an exceptional value add for potential ticket purchasers in premium sections, thus generating more revenue. They no longer have to worry about the weather conditions impacting their ability to enjoy the game. This eliminates a substantial risk of purchasing season tickets and adds new amenities to the value of the purchase.

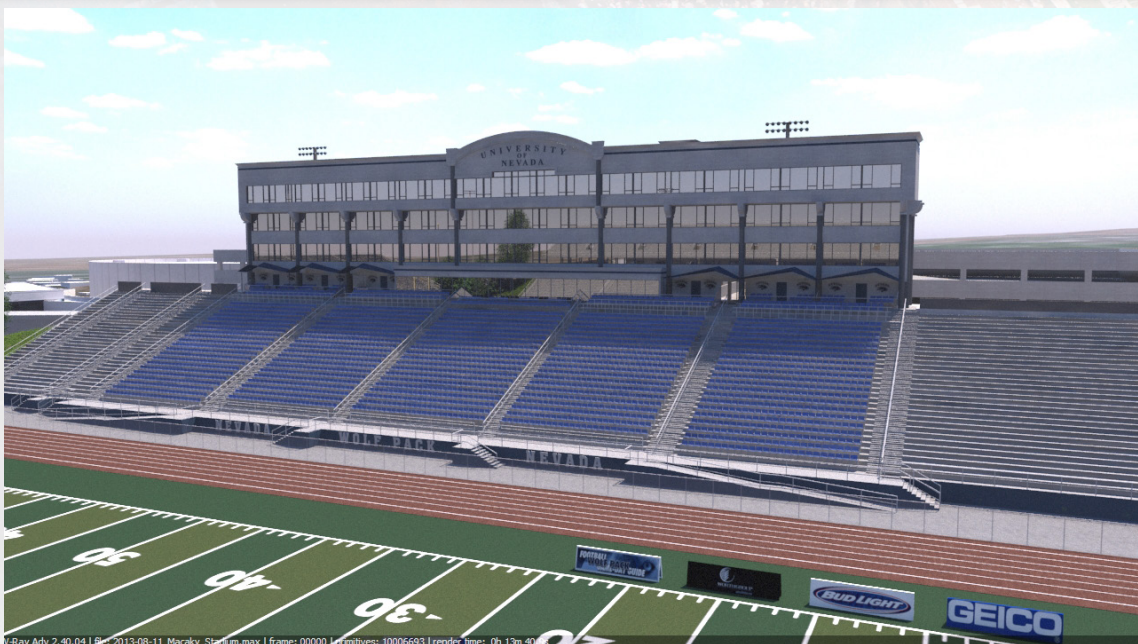
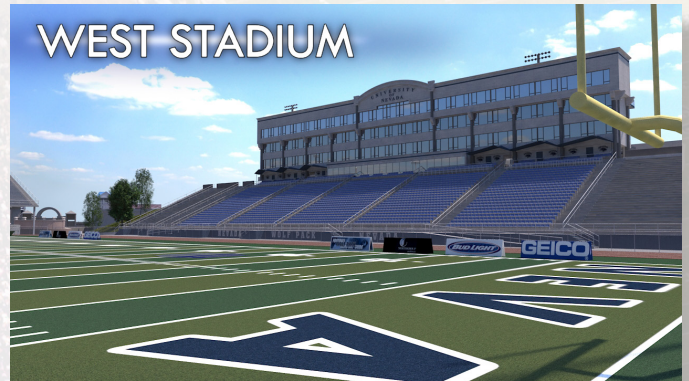
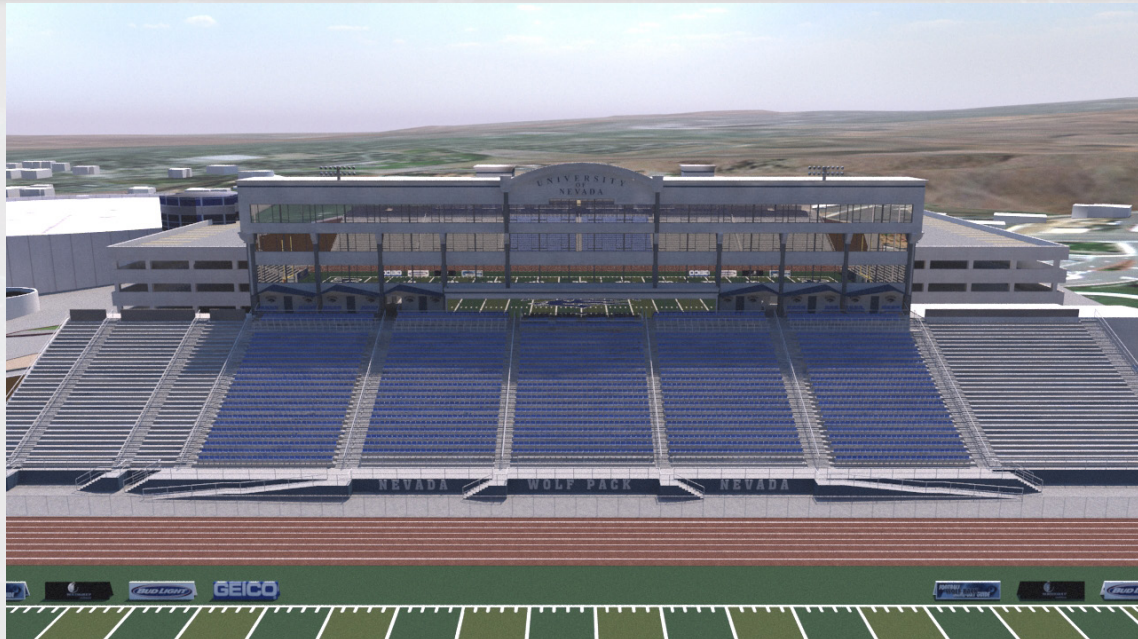
Beyond game days and special events, the stadium club serves as a meeting hall rental and an additional source of revenue. Branded along with the Wolf Pack, this area will be marketed to individuals and organizations that seek an area to hold meetings and events. Catering and other options will be available as value add-ons to the rental. The major benefit to renting this facility is that it serves as a revenue stream throughout the year with minimal operating costs. The area can also be used as a marketing tool to generate interest in the renovated seating areas and the additional benefits that they provide. Finally, the Stadium Club has the potential to serve as the home for Wolf Pack student-athletes' Training Table program, enhancing their nutrition options while also being a valuable recruiting tool for the Nevada coaches. In serving as such, the Stadium Club will allow the University to better train and develop its student-athletes, a need that is currently unmet and vital to the recruitment and development of quality student-athletes.





Proposed Stadium Renderings

Mackay Stadium Club and Seat Renovation



V-Ray Adv 2.40.04 | 08-11-2013-08-11 Mackay Stadium.max | frame: 00000 | materials: 10006693 | render time: 0h 13m 40s



EAST STADIUM





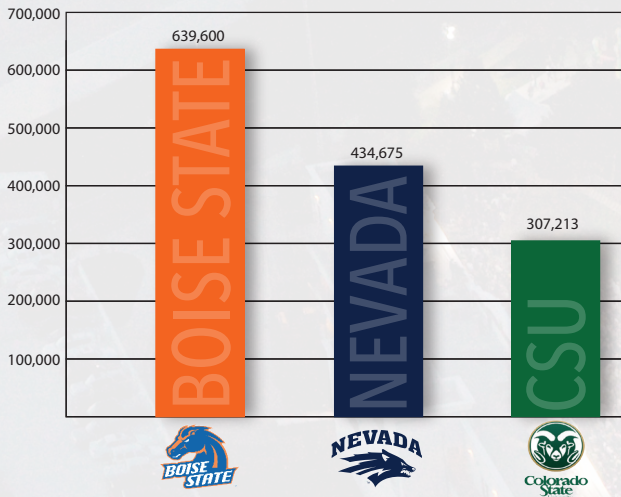
Market Research

Mackay Stadium Club and Seat Renovation

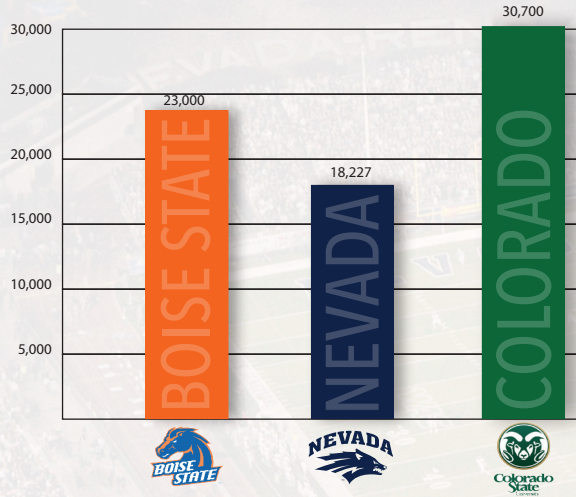
Comparative Analyses

Relevant statistics were gathered from Nevada, Boise State, and Colorado State for the purpose of this comparative analysis. Boise State University (BSU) and Colorado State University (CSU) were chosen based on the population in their respective metropolitan areas being the closest populations to Nevada in the Mountain West Conference. The graphs below compare the metro and student populations of each school.

Metro Area Populations

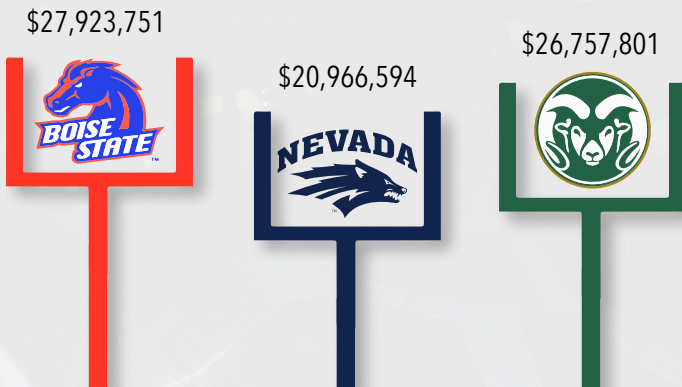


Student Population

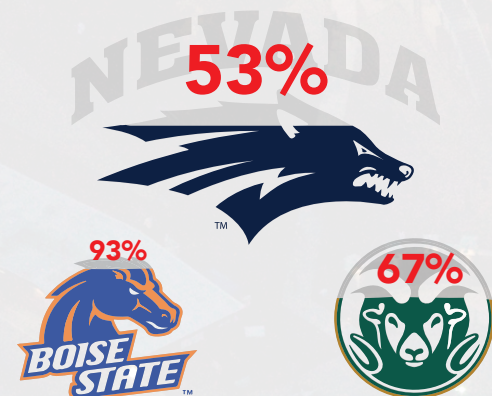


Key athletic statistics show that Nevada’s athletic budget is comparatively low and among the bottom three in the Mountain West Conference only above San Jose State and Utah State. Nevada also has the lowest attendance values in the conference. A survey from Legends’ “Mackay Stadium Renovation Study” reports on “Why No More Interest in Wolf Pack Football” where respondents weighed in on their reluctance in going to more games. Their responses relevant to this study include: seat comfort (Ranked 3rd at 24%), weather conditions (Ranked 8th at 17%), lack of quality fan amenities (Ranked 9th at 14%), and lack of premium amenities (Ranked 12th at 3%). The Mackay Stadium Renovation Project aims to address these facility limitations to create more desire for game attendance.

Athletics Budgets

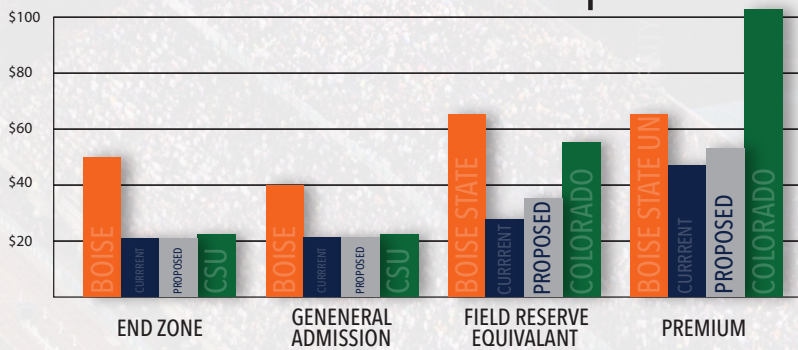


Attendance as a % Capacity



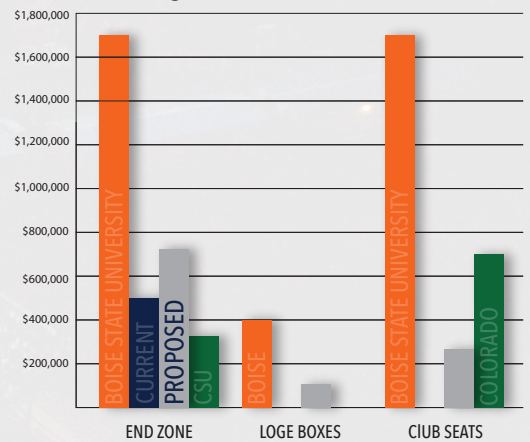
CSU and Boise State garner higher ticket pricing when compared to Nevada. Boise has a 92% average attendance rating due to their success in the conference and can command higher prices due to this demand. CSU comes close to Nevada, but still boasts higher overall ticket prices. They also have club level seating that brings in an additional \$868,000 in annual ticket revenues over 427 club seats. Like Nevada, Boise and CSU give free tickets to students for each game. CSU releases 10,000 tickets and Boise releases 5,000, while Nevada releases 3,500. However, all CSU and Boise state students pay athletics fees to offset these costs.

Individual Ticket Price Comparison



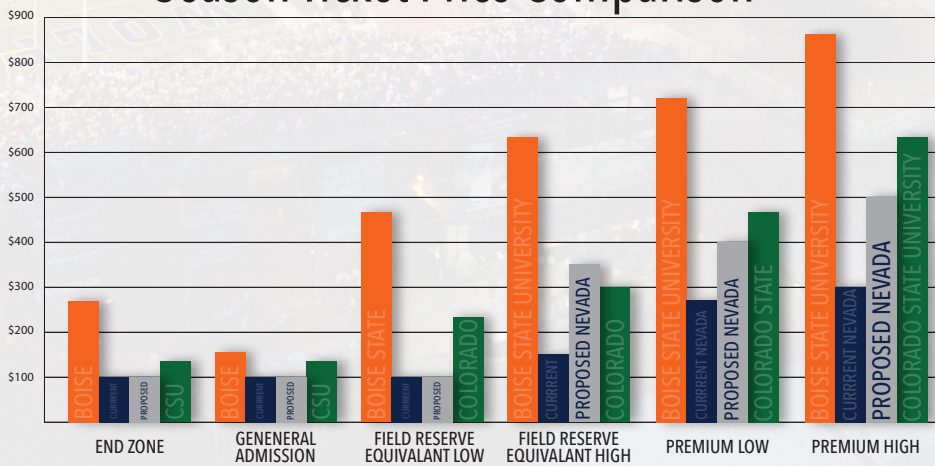
\$49	\$40	\$65	\$65
\$21 CURRENT	\$21 CURRENT	\$27 CURRENT	\$51 CURRENT
\$21 PROPOSED	\$21 PROPOSED	\$33 PROPOSED	\$54 PROPOSED
\$22	\$22	\$55	\$105

Annual Revenue of Suites, Loges, and Club Seats



\$1,710,000	\$516,200	\$1,731,400
\$551,200	\$-	\$-
\$739,476	\$96,000	\$220,800
\$336,000	\$-	\$640,500

Season Ticket Price Comparison



\$283	\$155	\$465	\$630	\$715	\$865
\$99 CURRENT	\$99 CURRENT	\$99 CURRENT	\$155 CURRENT	\$270 CURRENT	\$295 CURRENT
\$99 PROPOSED	\$99 PROPOSED	\$99 PROPOSED	\$350 PROPOSED	\$400 PROPOSED	\$500 PROPOSED
\$130	\$130	\$224	\$299	\$475	\$625

Total Revenue of Suites, Loges, and Club Seats

\$3,957,400



Proposed
 Current
 \$551,200
 \$1,056,276



\$976,500



Primary Objective

Mackay Stadium Club and Seat Renovation

Increasing the available budget for Athletics is a primary objective. By increasing the attractiveness of the football program, Nevada could create a pull strategy, attracting more talent and students to the school while increasing game day attendance. This can also be an effective strategy for motivating Reno's corporate base to get more involved in ad campaigns and sponsorships. The proposed renovation of Mackay Stadium will help bring the stadium up to par with other stadiums in the conference and give more attractive options and value adds to its premium clientele.

The shift from aluminum bench seating to a polymer chair back justifies a price increase while increasing demand. This area becomes more attractive because individual seats offer the benefit of a defined wider space rather than a portion of a bench. This type of seating also blocks cold temperature conduction from the aluminum stands to the person. Arm rests and cup holders increase the fan's experience and overall comfort rises with improved leg space and backrests to sit back and enjoy the game. The increased participation in these areas will be key in earning additional revenues for the athletics department.

Boise State's Stueckle Sky Center is a good representation of what the Stadium Club is going to be. The features this center offers are similar to what is being considered for the Stadium Club. The pricing model that Boise uses for this center can be used as a good basis for comparison.

Stueckle Double R Ranch Club

Base Rental (350 Occupants)

Community

Full Room Sun-Wed

\$2,900

Thurs-Sat

\$3,300

Non-Profit

\$2,320

\$2,640



Breakfast \$11

Lunch \$15

Dinner \$27



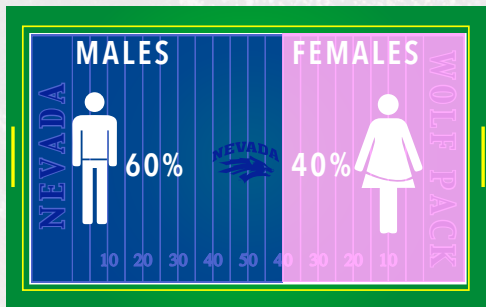


Target Market

Mackay Stadium Club and Seat Renovation

National statistics show that majority of college football attendees are white males ages 18-54. The upgraded sections of Mackay stadium will represent premium pricing where incomes above \$40k will be more likely to purchase season tickets in these sections. Renovations will yield multiple seat types over multiple sections and will have varying price points. Estimated target income levels for each price point have been determined and combined with area population statistics to yield size of market. These numbers are shown in the visual representation below.

College Sports Attendee Profile

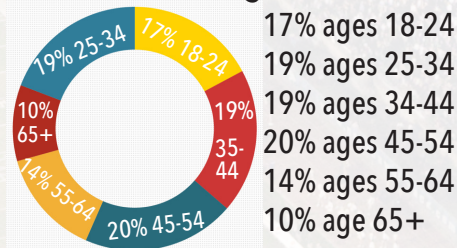


41%
HS Grad

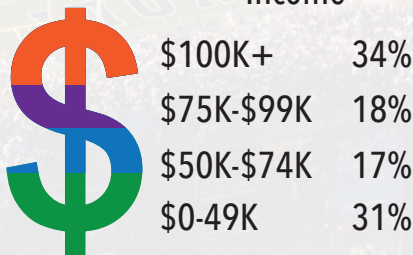
54%
Some College



Ages



Income



Secondary Competition

Primary competition for the Wolf Pack is non-existent in the Reno area, but secondary alternatives are still present. The most prominent alternative for fans is to watch the game from home or a bar. These are potential game attendees, who prefer the amenities that other places offer. Hunting, fishing, shooting, skiing, snowboarding and numerous other outdoor activities are prominent in this area and also pose as secondary competition to Wolf Pack home games. Other secondary competition includes going to movies, shopping, and any other activity that diverts spending away from Wolf Pack home games.



Stadium Club as a Meeting Hall

Mackay Stadium Club and Seat Renovation

Competitive Analysis

The Stadium Club will serve as an additional source of revenue for non-game days throughout the year. Listed below is the market research related to meeting and conference rooms in the area. Based on this research, four comparable venues were selected and their price points are listed below. While gaming properties have been included in the competitive analyses, it is not the intention to compete directly with these types of venues. The marketing plan is to identify and pursue those meetings and events where there is a preference for non-gaming associated venues.

J.A. Nugget (450 Occupants)

Full Room

Commercial	\$450
Catering	
Breakfast	\$18
Lunch	\$20
Dinner	\$35
Snacks	\$10
Staffing	
Cocktail Waitress	\$20/hr
AV Tech	\$40/hr
AV Equipment	
LCD Support Pack	\$100
LCD DLX Sup Pack	\$125
TV Pack	\$150
Overhead Pack	\$125
Stage Light Pack	\$100
Party Light Pack	\$250
Mic Hand-held	\$30
Mic Wireless	\$125

Grand Sierra (400 Occupants)

Full Room

Commercial	\$300
Breakfast	\$13
Lunch	\$36
Dinner	\$40
Snacks	\$10

Reno Ballroom (300 Occupants)

Commercial

Breakfast	\$20
Lunch	\$22
Dinner	\$32

Full Room

\$200

Joe Crowley Ballroom (300 Occupants)

Commercial

Breakfast	\$20
Lunch	\$22
Dinner	\$32

Full Room

\$3718

Target Markets

Nevada Alumni: Individuals that seek a venue that is connected to the university and is branded with the Wolf Pack.

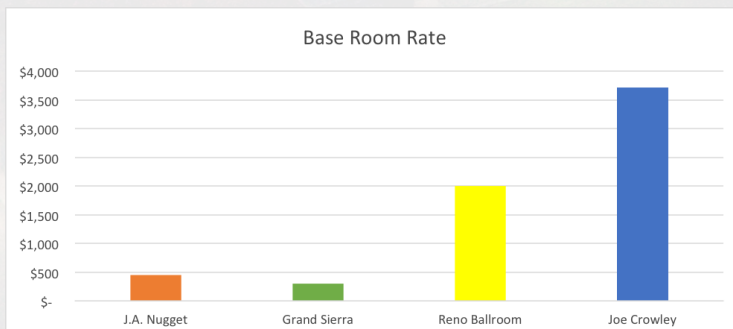
Sports Enthusiasts: Individuals who enjoy Wolf Pack athletics and seek a venue that overlooks Mackay Stadium.

General Venue Renters: These individuals or organizations seek a venue that has ample space, equipment and catering at a competitive prices.

University Sponsored Events: In addition to use by Nevada Athletics, the venue may also be used by various campus units and/ or other departments of UNR for special events such as fundraisers, team events and Alumni activities.

Pricing Structure

Shown below is a graphic representation of the Stadium Club's price point as compared to the four selected venues. Catering prices are averaged for the stadium club and comparable price points for the other venues were chosen and represented. Base room rates were selected by size as compared to the Stadium Club's capacity. As we can see, catering rates are competitive with the local market. Base room rates are significantly higher than two of the four comparable venues. This is due to the fact that the Casino venues can afford to take a loss on the room rental fee due to the revenue generated from hotel room sales, catering fees, and incidental gaming revenue. The stadium club will not incur these revenues and therefore makes up the difference in rental fees.





SWOT Analysis

Mackay Stadium Club and Seat Renovation

Strengths

Strong Alumni Support

Nevada has a strong local alumni base that supports the university and its projects through donations and participation.

Management

The project has strong management for the Stadium Club operations due to experience garnered from managing Lawlor Events Center.

Uniqueness of Venue

The stadium club offers a one-of-a-kind venue that may be able to generate strong interest.

Weaknesses

Unpredictability

It is difficult to predict the sales of both the stadium club and the newly renovated seats due to uncertain market conditions.

Opportunities

Higher Quality Offerings

By upgrading the seating sections, Mackay stadium can offer higher quality seats at an increased price.

New Offerings for Customers

Both the seating renovations and the stadium club will provide new offerings for existing and new customers.

Enhanced Image

The seating renovations and stadium club will enhance the image of Mackay stadium and increase its reputation as a top-tier stadium in the conference.

Threats

Competition (Stadium Club)

There is extensive competition in the area for conference rooms and meeting halls. The large casinos dominate this space and a new entrant will have difficulty establishing market share.

Poor Ticket Sales (Seating Renovations)

Poor ticket sales for the new seating sections pose a serious threat to the project. Profitability hinges on high demand for these new sections and if that demand is lower than predicted, sales will suffer accordingly.



Critical Risks

Mackay Stadium Club and Seat Renovation

Competition (Stadium Club Venue)

There are many local competitors in the market, most of which are large casinos or hotels. These competitors have advantages in 3 key areas that could pose a serious risk to this venture.

Funding

These organizations typically have large marketing and sales budgets for their venues. With this resource at their disposal they can afford a sales team to drive sales and revenue. Their marketing budget is often extensive and they can saturate the market with advertising. Nevada Athletics will not have the benefit of these resources and it may pose a serious risk to the success of the project.

Experience

The competition typically has extensive experience in the area of venue marketing and sales. They know the market and how to attract customers. The athletics department is a new entrant to this area and may struggle to capture customers.

Lodging and Entertainment

The local hotels and casinos all have accommodations as an additional offering for its venue customers. Due to this they appeal to the non-local market and benefit highly from conference and meeting sales. Nevada does not offer these accommodations and non-local customers would have to go back and forth from the venue. This also applies to entertainment and food. Non-local customers can eat, sleep and play all in one venue. UNR cannot compete in this area. Due to the revenue garnered from lodging, entertainment and food, local hotels and competitors can afford to offer low, competitive pricing for the venue and break even or even lose money on the venue rental. The ability to do this can pose a risk to the project because UNR cannot afford to offer the lowest price to this market.

Branding Challenge (Stadium Club Venue)

The key to this project's success will be in differentiating itself from the local competition. This will be accomplished through proper branding. If this is unsuccessful, the project could get lost in the competition and suffer from low bookings and sales. Although the venue offers substantial means of differentiation, the threat of competition is strong enough to warrant consideration.

Steep Drop in Ticket Sales (Seating Renovations)

The projections for revenue from the newly renovated seating sections are based on current ticket sales and are expected to remain the same or increase over time. If for some unforeseen reason ticket sales see a steep drop, the project becomes unviable. The market appears to be amply receptive of upgraded seats and the renovation should result in increased revenue. However, if the economy turns downward and expendable income decreases in our area, ticket sales could suffer directly. Mackay Stadium has weathered unfavorable economic conditions in the past and should be able to handle any unexpected economic events in the future, but the risk remains and is thus highlighted in this study.



Marketing

Mackay Stadium Club and Seat Renovation

A project of this scope will require a tremendous amount of pro-active messaging that features a comprehensive communications effort so that current and prospective Wolf Pack fans have a solid understanding of the project and its impact/opportunities. Outlined below are the elements that we will use to communicate and promote the renovation project to our current, previous and potential customer base in order to generate as much buzz as possible and drive sales in an effective manner while also dispelling any misconceptions that may exist prior, during and after the campaign. We will also feature both a 'quiet' and 'public' phase to maximize outreach.

Prior to the public rollout in June 2014, we will meet extensively with sample groups of donors, season ticket-holders and key influencers to present the project to them in advance of developing our final messaging. Doing so will allow us to practice our pitch and to identify potential problems with our messaging and to know what questions we can anticipate. We should use this opportunity to shape our messaging based on the feedback we receive.

Campaign Elements

Once the public communications phase begins, athletics will incorporate the following elements to be used to communicate and promote the Renovation Project in an effort to create excitement and ultimately drive sales.

Brochures and Direct Mail Experience

Athletics will design a brochure piece that highlights the project and price points and will be sent directly to both current and previous ticket purchasers. Additionally, these brochures would be used for:

- Use in sales meetings with customers
- Leave behind at events, meetings, ect.

The bulk of the brochure will contain primarily static pages, but there will be a few change pages so that they can be adapted to cater to specific sales efforts to:

- Corporate Clients
- Each individual section (i.e. section D, section C, Eastside Suites, ect)

Additional direct mail pieces may be utilized as well and will be sent to additional zip codes starting with 89511 and moving down the list accordingly.

Print Advertising

A print advertisement highlighting the new seating renovations, price points and features will be created for use in local newspapers. Depending on funding, additional local magazines and print media may be included.

Paid Media/Broadcast Advertising

Both television and radio spots will be created highlighting the new seating renovations and its benefits, driving fans to call or visit the website for more information. These ads will run on 2-3 local networks depending on available funds.

Website

Athletics will construct a website dedicated to the renovation. This website should include:

- Animated drawings/fly-throughs of the renovated stadium
- In depth looks at what the new sections/suites will look like
- Video interviews with key people talking about the importance of the renovation
- Pricing information
- Opportunity to sign up to purchase
- Pricing tool, allowing fans to see what their seats will cost

Digital and Online Advertising

Digital ads will be created for use in various online media outlets dedicated to promoting the renovation project and driving fans to the website in order to inform them of the project. These ads would include:

- Email
- Social Media (Facebook, Twitter, Instagram)
- Purchased ads on Facebook
- Ads/pieces for use on the MW Network
- Potential Retargeting Campaign across numerous sites

Earned Media Placements

Local media will be utilized to help create interest around this project and to help us effectively communicate OUR message in a positive manner to the community. We must be transparent in these efforts and will communicate via the following:

- Press Conference announcing the project (President, AD, LLC, Banking Partners)
- Press Release announcing the project
- Group Informational interview with the media in which we will go in-depth into how the seating process will work, share how we arrived at pricing, etc.
- Schedule key personnel to do appearances on local TV and Radio throughout the campaign.

Key Influencers

Set meetings with groups of major influencers within the community. The purpose of these meetings will be to inform these influencers of our messaging so that they can help communicate the message, generate excitement and answer questions (or squash negative buzz). Groups included in these meetings will be:

- AAUN
- Business Leaders Group
- Athletic Department Staff
- Key Campus Constituents
- Ambassadors
- Chamber of Commerce
- EDAWN
- RSCVA

Speaking Engagements

The Athletics Director, Sr. Associate AD as well as the Associate AD's for Marketing and Development will speak at any opportunities to larger groups, including Service Organizations (Rotary, Kiwanis, Lions) and other public gatherings.



Current Target Markets

Mackay Stadium Club and Seat Renovation

Data collected from previous ticket sales indicate that two zip codes encompass the majority of ticket sales and are shown below. Also shown is the next eight zip codes that have significant ticket sales. Due to this disparity, the majority of marketing activities will be directed to these specific zip codes and areas.

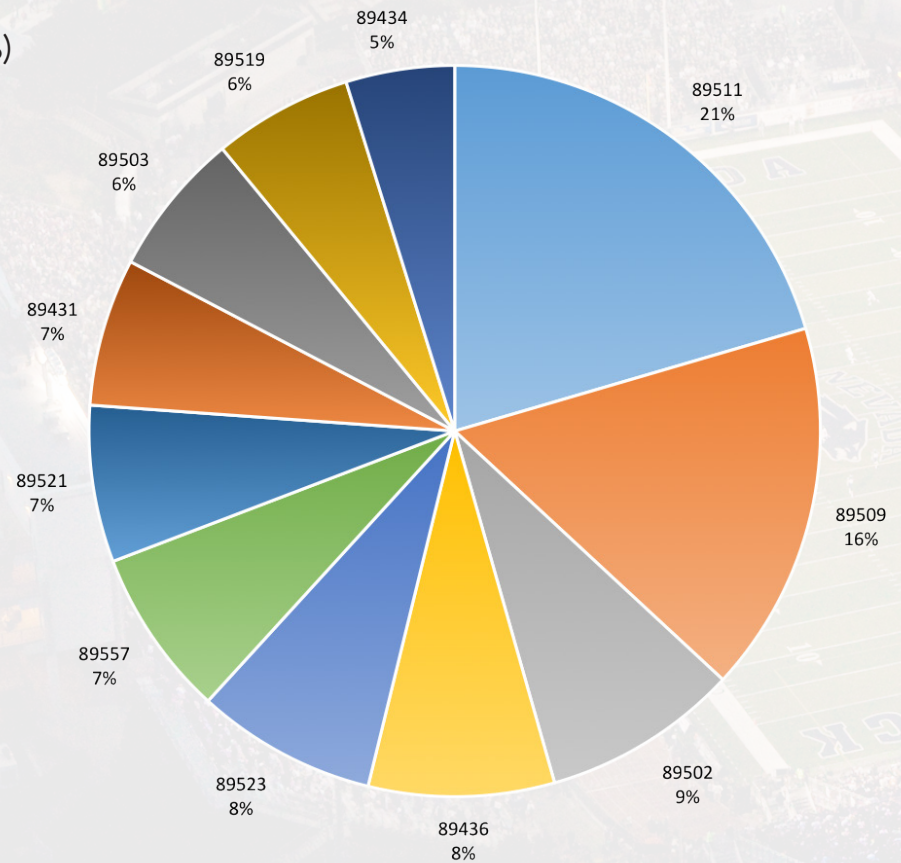
ZIP

89511
89509
89502
89436
89523
89557
89521
89431
89503
89519
89434

of Tickets

1104 (21%)
886 (16%)
469 (9%)
443 (8%)
430 (8%)
400 (7%)
374 (7%)
352 (7%)
344 (6%)
332 (6%)
259 (5%)

Top Zip Codes



New Markets

Other than the selected 10 zip codes, new opportunities may arise to expand to new areas that were not previously targeted. Due to the increased price structure of the newly renovated seating sections, areas with a higher income level may need to be targeted. Expanded targeting of the Tahoe basin and the surrounding areas could increase ticket sales of the seats in the higher end of the pricing structure.

Alumni

Nevada has a strong Alumni base living in the area and they represent a strong market to target for ticket sales of the newly renovated seats. Although Nevada ranks 9th in the Mountain West conference in terms of number of living alumni, that rank is misleading. When compared to the total area population, Nevada has one of the largest percentages of living alumni in the conference.

2011 Total Annual Fund Donors		
Rank	University	Athletic Donors
1	Wyoming	4,701
2	Boise State	4,619
3	New Mexico	4,357
4	Fresno State	2,883
5	San Diego State	2,353
6	Nevada	2,288
7	Colorado State	2,197
8	UNLV	1,603
9	Utah State	1,500
10	Airforce	1,320
11	San Jose State	1,000
12	Hawaii	380

2011 Total Annual Fund Revenue		
Rank	University	Total Revenue
1	Fresno State	\$ 3,450,000
2	New Mexico	\$ 3,000,000
3	San Diego State	\$ 2,670,000
4	Wyoming	\$ 2,610,000
5	Boise State	\$ 2,580,000
6	Nevada	\$ 2,280,000
7	Airforce	\$ 1,750,000
8	Colorado State	\$ 1,450,000
9	UNLV	\$ 1,420,000
10	Hawaii	n/a
11	Utah State	n/a
12	San Jose State	n/a

2011 Total living Alumni		
Rank	University	Living Alumni
1	San Jose State	205,000
2	San Diego State	200,000
3	Colorado State	187,000
4	Utah State	149,000
5	Fresno State	140,000
6	Hawaii	130,000
7	New Mexico	120,000
8	UNLV	88,000
9	Nevada	77,000
10	Boise State	75,000
11	Wyoming	71,000
12	Airforce	37,000

The Alumni in the area are best reached through the same channels that are currently being used by the university and the athletics department. Alumni specific advertisements will be created and distributed through these channels.



Current Target Markets

Mackay Stadium Club and Seat Renovation

Corporate Base

The corporate base in Nevada serves as an opportunity for increased sales of the renovated seating sections. There are currently 38,677 businesses within 60 miles of the University. As seen by previous ticket sales, corporations in the area typically buy multiple tickets per year to give to employees or for owners/managers and key customers.

The corporate base is best reached by creating a corporate specific advertisement highlighting the business benefits of entertaining clients and rewarding employees with Nevada Wolf Pack tickets. This appeal will be sent first to current sponsors through Wolf Pack Sports properties, then to previous corporate ticket purchasers, followed by other large corporations in the area who have not previously purchased tickets. By increasing the marketing emphasis on Reno's corporate base, athletics can increase its sales of multiple tickets and expand its long term customer relationships.

Additional Proven Target Markets

In addition to the newly defined demographic targets above, it will be important to focus on audiences that have previously demonstrated an interest in purchasing football and other sport tickets in the past including:

- Football Season Ticketholders who may want to upgrade their seats to the newly renovated areas.
- Football Partial Plan Buyers
- Football Single Game Buyers
- Football Alumni
- Non Football Athletic Department Lists
- All other sports ticketholders
- All other sports donors
- Varsity Club
- Campus Lists
- Campus donors (not involved in athletics)
- University Faculty/Staff
- Community Lists
- NSHE Faculty/Staff
- Community Groups (Chambers, Clubs. EDAWN, etc)
- Alumni

Stadium Club Marketing

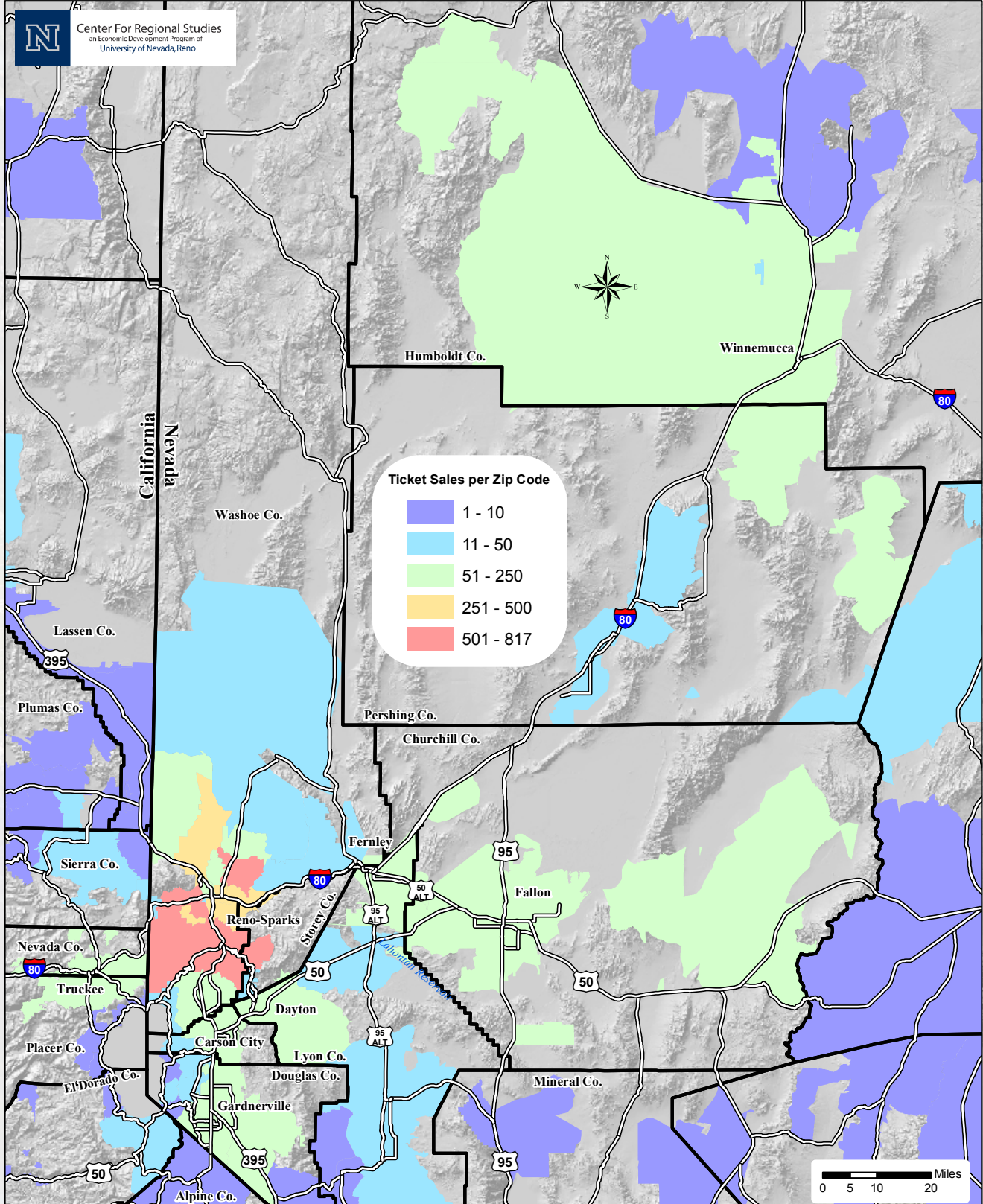
The meeting hall serves as venue rental for dates other than those occupied by Wolf Pack football games. The area will be targeted towards Nevada Alumni and those seeking a venue that is connected to the Wolf Pack. Advertising will be minimal as word of mouth will be a much more effective means of marketing. Signs will be created and posted at the venue to reach potential customers that will be using the area during game days. These signs will inform the potential customer that the area can be used for events and highlight the features of the venue. Another similar advertisement will be created to send out to alumni via the existing channels utilized by the university and the Athletics department. This advertisement will list the features of the venue and suggested uses.



Ticket Sales by Zip Code

Mackay Stadium Club and Seat Renovation

2013 Football Ticket Sales by Zip Code

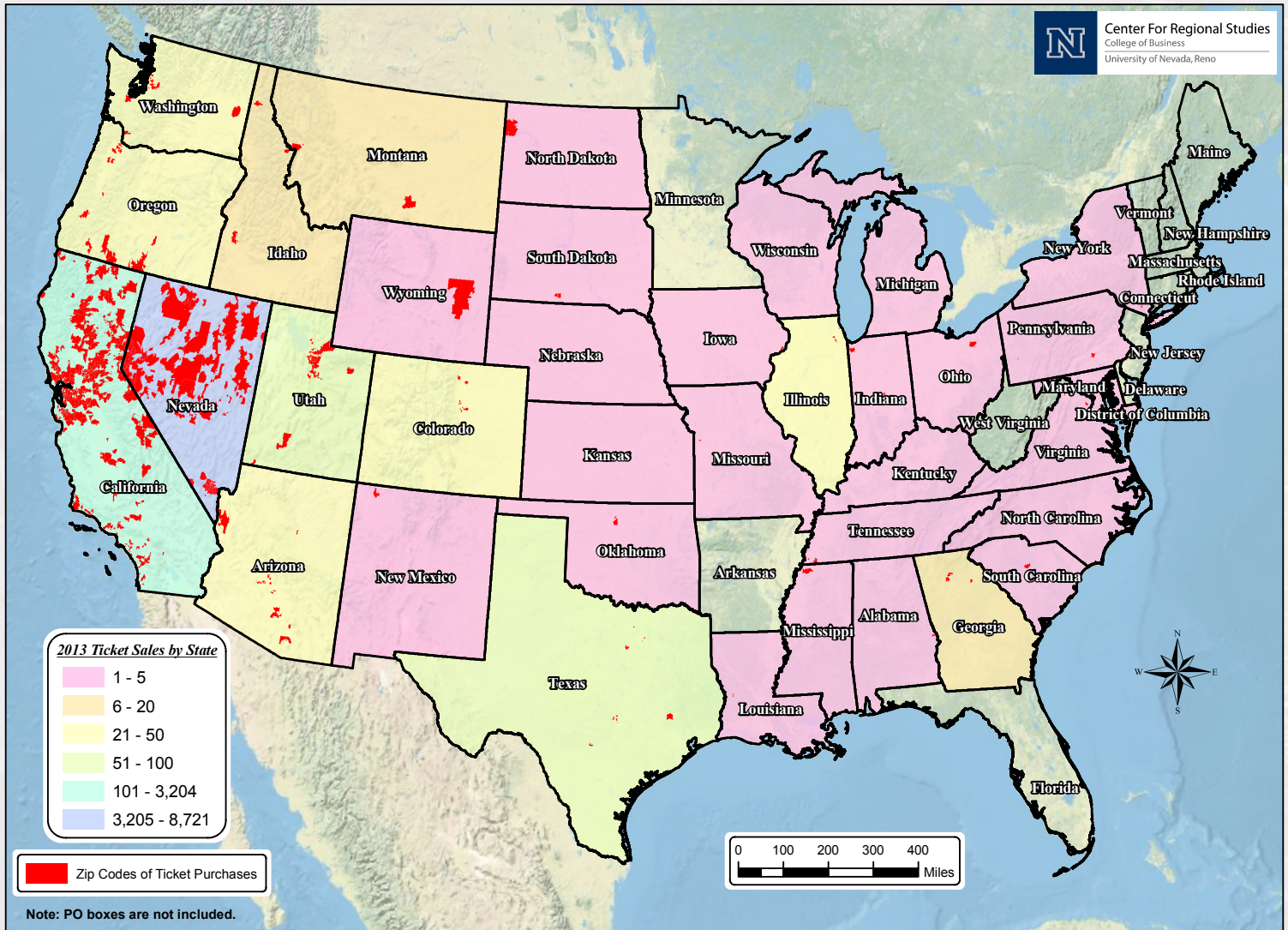




2013 Football Ticket Sales

Mackay Stadium Club and Seat Renovation

2013 Nevada Football Ticket Sales





Seat Relocation

Mackay Stadium Club and Seat Renovation

Seat Relocation Process

The renovation project will upgrade Mackay Stadium and offer fans better amenities and an improved game day experience. In order to accomplish this however, it will require the removal of approximately 4,000 seats in the stadium. This is a significant amount of attrition. We truly value our season ticketholders and will work hard to provide them every opportunity to renew in their current section, or, have options to upgrade or relocate. The following process will be implemented to ensure a fair approach to seating options. This plan is subject to change.

- 1) Season ticketholders seated in sections to be renovated will have first right to renew within their current section. For example, a ticketholder in section C will have first right to seats in that section prior to any other ticketholder.
- 2) Assignment of renovated seats will be done using the Wolf Pack Loyalty Point System, which rewards fans for their loyalty to Wolf Pack Athletics by awarding them points for their support as season ticketholders, donors and other relevant factors. The person with the highest loyalty points in each section of the stadium will get first access to choose the seats of his/her choice. Then, we will work down the priority point list until each season ticket holder in that section has access to seats, or until it is sold out. In the event we are not able to seat someone in their current section they will be receive the opportunity to be seated in another section immediately following the seating of the current patrons of that section. For example, if a fan is unable to be reseated in section D, they will have the opportunity to be seated in section C (should they chose) once all fans in section C have had the opportunity to renew.
- 3) Once each current season ticketholder, in loyalty point order, gets access to seats in that section, and there are still open seats available, people with the highest points in other sections get access to that section and can choose the seats that they want.
- 4) If, during loyalty point seating in a particular section, the customer says they want to move to another section, they must wait until seating of current season ticket holders is done in that section before they can choose seats.

Rationale:

- 1) It allows us an order and system to give access to certain seats.
- 2) It gives customers a good description of the process.
- 3) It allows us to give each customer the chance to remain in their same section, based on priority points, so they do not have to move to another location if they do not want to (unless demand exceeds supply).



Sales and Operating Plan

Mackay Stadium Club and Seat Renovation

Sales Plan

Staffing

Wolf Pack athletics will dedicate a sales team comprised of six to eight full time employees to ensure a high-level sell through is achieved. In addition the current athletics development and marketing staffs (18 additional employees) will be expected to assist in marketing and selling the project.

Phases and Structure

Phase 1:

Club Seats and Loge Boxes

Note: inventory does not currently exist, so there are no current seat holders to seat

- a. First Access - Highest priority point holders regardless of current season ticket locations. Top 100 donors should get first access.
- b. Second Access – Those who the University expects displaced from other sections.
- c. Third Access - Highest priority point list that is not top 100.
- d. General Public

Phase 2:

1) East Side Suites

- a. First Access - Current suite holders will have first right to renew their current box.
- b. Second Access – Fans displaced from other sections in loyalty point order.
- c. Third Access – Current season ticketholders from other sections in loyalty point order.
- d. Fourth Access – Non season ticketholders in loyalty point order.
- e. General Public

2) Section D

- a. First Access - Current season ticketholders in this section in loyalty point order.
- b. Second Access – Fans displaced from other sections in loyalty point order
- c. Third Access – Current season ticketholders from other sections in loyalty point order
- d. Fourth Access – Non season ticketholders in Loyalty Point Order
- e. General Public

3) Sections C and E

- a. First Access - Current season ticketholders in this section in loyalty point order
- b. Second Access – Fans displaced from other sections in loyalty point order
- c. Third Access – Current season ticketholders from other sections in loyalty point order
- d. Fourth Access – Non season ticketholders in Loyalty Point Order

4) Sections J and K

- a. First Access - Current season ticketholders in this section in loyalty point order
- b. Second Access – Fans displaced from other sections in loyalty point order
- c. Third Access – Current season ticketholders from other sections in loyalty point order
- d. Fourth Access – Non season ticketholders in Loyalty Point Order
- e. General Public

5) Sections B and F

- a. First Access - Current season ticketholders in this section in loyalty point order
- b. Second Access – Fans displaced from other sections in loyalty point order
- c. Third Access – Current season ticketholders from other sections in loyalty point order
- d. Fourth Access – Non season ticketholders in Loyalty Point Order
- e. General Public

Operating Plan

Pre-Construction

During the pre-construction phase of the Mackay Stadium Renovation Phase, key personnel will be in planning mode to take project from start to finish and beyond. Sales and marketing activities will begin as soon as the project is approved. Nevada Facilities Department will manage the construction project, ensuring project milestones are met. During this phase, the facilities will establish key milestones, determine potential risks and how to mitigate, and determine meeting frequencies during the construction phase. Work will begin toward establishing a concessions contract and laying out concession operations during game days. Key ticketing and sales personnel will develop a plan for handling displaced season ticket holders, sales of new seats and boxes, and benefit structure for renovated section sales.

Construction

Construction is expected to begin immediately following the 2014 football season and will be completed in summer of 2015.

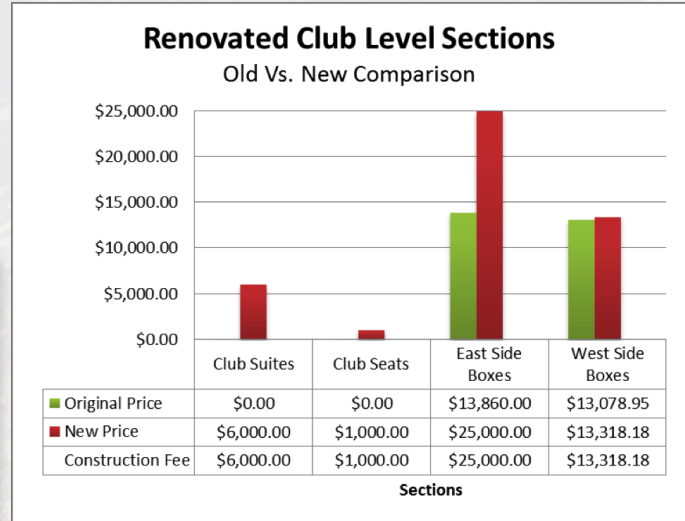
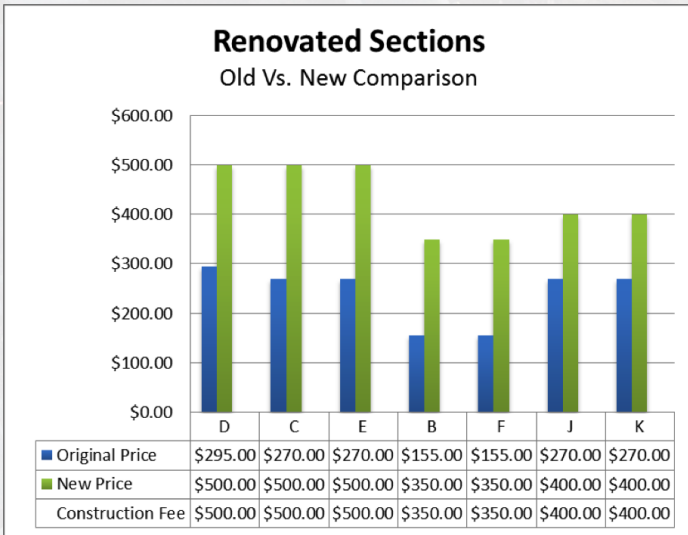


Revenue Models

Mackay Stadium Club and Seat Renovation

Season Ticket and Game Day Revenues

The bulk of the revenues generated from the renovations will come from season ticket sales in the renovated sections. Additional revenues will be generated through individual ticket sales and concessions. The models below show the comparisons from the existing pricing to what the expected pricing will be after renovations have been completed. The Club Suites and Club Seats sections are new to the stadium and do not have historical figures to compare.



Additional revenues will be generated from construction fees placed on each of the renovated boxes and seats. The renovated East Side Boxes will carry a construction fee equal to one year's lease price, but will be paid equally over three years. All other seats, loge boxes, and club seats will carry a construction fee equal to the season ticket price and can be paid equally over three years as well. These construction fees will help to jumpstart revenues for the athletics department and give fans a sense of ownership over their seats. These sections are new to the stadium and do not have historical figures to compare.

Stadium Club as a Meeting Hall Revenues

Additional revenues can be captured from the Stadium Club facility when used as a meeting hall/conference center when not being used during game days. The entire facility is estimated to hold around 380 people, which can be split into two sections, or rooms, using air walls. The base charge for the entire facility is \$1250 for the full room and \$950 for a half room. Additional revenues will be captured from catering these events at an average of \$23 per person. Value-added services and items can be made available for special requests that customers may have. These will be charged at hourly labor rates and rental costs.



Project Timelines/Critical Paths

Mackay Stadium Club and Seat Renovation

Internal Action Steps

Date

Dec 2013/Jan 2014

January 2014

February 2014

February 2014

March 2014

April-May 2014

June 2014

July 2014

June-December 2014

December 2014

July 2015

Task

Development of Business Plan

Formation of LLC

LLC Identify Banking Partners

Business Plan to LLC, Banking Partners, Campus and AAUN

Secure Loan Commitments

Renovation Website Developed
Campaign Collateral Materials Developed and Completed
All Advertising Elements Completed (print, digital, TV, radio)

Ticket System Updated w/Changes

Donor Priority Points System Revamped with/through
Foundation/Raiser's Edge

Pre-Construction Activity (Facilities to finalize plans, put out \
to bid, project awarded, etc)

Construction Begins

Construction Completed/Inspections/Occupancy



Project Timelines/Critical Paths

Mackay Stadium Club and Seat Renovation

External Action Steps

Date

June 2014

Task

Project Approval

June 2014

Public Announcement of Renovation Project

June 2014

Website Launched

June-July 2014

Digital Campaign Launch
TV/Radio Launch
Town Hall/Key Influencer Meetings
Informational Media Meetings
Public Speaking Activity to Groups, Organizations
Project Brochures Mailed
Construction of Sales Center in Lawlor Event Center

August 2014

Final Priority Points Calculated and Applied to Seating Sections
Sales Campaign Begins
Renewal Process with Seat Holders
Deposits Taken

Football Season Begins

Sept-Dec 2014

Sales Continues

January 2015

2015 Renewals sent out reflecting new seating maps/pricing

March-April 2015

Deadline for Renewals

April-August 2015

Sales continues of remaining inventory



Financials

Mackay Stadium Club and Seat Renovation

Highlights

The financial models below were built to show the change in revenues from existing to projected after renovations have been completed and sold at different sell-through rates. Price increases are projected to be 10% every 3 years starting in year 3.

A conservative, minimum sell-through target rate for the stadium club renovations to be sufficient on its own is 70% if growth is expected on current revenues. While losses are experienced during 2017, revenues from the stadium club being used as a meeting hall can help to fill the gaps and maintain sustainability.

Assumptions

- Projected revenues are based on athletic department figures as well as data compiled from the feasibility study (which was conducted by an independent firm).
- Current revenues are based on revenues generated from the 2013 football season in the sections to be renovated.
- Construction costs are estimated to be approximately \$10,000,000 and the loan will be fully amortized over 15 years, including interest at 3.5% (subject to change).

Financial Models Expected Change in Revenue

60% Sell through	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Revenue: Tickets	\$1,493,580	\$1,538,387	\$1,584,539	\$1,632,075	\$1,681,037	\$1,731,469	\$1,783,413	\$1,836,915	\$1,892,022	\$1,948,783	\$2,007,247	\$2,067,464	\$2,129,488	\$2,193,373	\$2,259,174
Revenue: Construction Fees	\$497,860	\$497,860	\$497,860												
Revenue: Naming Rights	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0
Total Revenue	\$1,991,440	\$2,036,247	\$2,082,399	\$1,632,075	\$1,681,037	\$1,731,469	\$1,783,413	\$1,836,915	\$1,892,022	\$1,948,783	\$2,007,247	\$2,067,464	\$2,129,488	\$2,193,373	\$2,259,174
Less Current Revenue	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325
Net Lift	\$916,115	\$960,922	\$1,007,074	\$556,750	\$605,712	\$656,144	\$708,088	\$761,590	\$816,697	\$873,458	\$931,922	\$992,139	\$1,054,163	\$1,118,048	\$1,183,849
Less Staffing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Marketing	\$200,000	\$100,000	\$50,000	\$10,000	\$10,000	\$10,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Less Debt Repayment	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859
Net Revenue	-\$141,744	\$3,063	\$99,215	-\$311,109	-\$262,147	-\$211,715	-\$154,771	-\$101,269	-\$46,162	\$10,599	\$69,063	\$129,280	\$191,304	\$255,189	\$320,990

70% Sell through	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Revenue: Tickets	\$1,742,510	\$1,794,785	\$1,848,629	\$1,904,088	\$1,961,210	\$2,020,047	\$2,080,648	\$2,143,068	\$2,207,360	\$2,273,580	\$2,341,788	\$2,412,041	\$2,484,403	\$2,558,935	\$2,635,703
Revenue: Construction Fees	\$580,837	\$580,837	\$580,837												
Revenue: Naming Rights	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0
Total Revenue	\$2,323,347	\$2,375,622	\$2,429,466	\$1,904,088	\$1,961,210	\$2,020,047	\$2,080,648	\$2,143,068	\$2,207,360	\$2,273,580	\$2,341,788	\$2,412,041	\$2,484,403	\$2,558,935	\$2,635,703
Less Current Revenue	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325
Net Lift	\$1,248,022	\$1,300,297	\$1,354,141	\$828,763	\$885,885	\$944,722	\$1,005,323	\$1,067,743	\$1,132,035	\$1,198,255	\$1,266,463	\$1,336,716	\$1,409,078	\$1,483,610	\$1,560,378
Less Staffing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Marketing	\$200,000	\$100,000	\$50,000	\$10,000	\$10,000	\$10,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Less Debt Repayment	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859
Net Revenue	\$190,163	\$342,438	\$446,282	-\$39,096	\$18,026	\$76,863	\$142,464	\$204,884	\$269,176	\$335,396	\$403,604	\$473,857	\$546,219	\$620,751	\$697,519



Financials

Mackay Stadium Club and Seat Renovation

Financial Models Continued Expected Change in Revenue

80% Sell through	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Revenue: Tickets	\$1,991,440	\$2,051,183	\$2,112,719	\$2,176,100	\$2,241,383	\$2,308,625	\$2,377,884	\$2,449,220	\$2,522,697	\$2,598,378	\$2,676,329	\$2,756,619	\$2,839,317	\$2,924,497	\$3,012,232
Revenue: Construction Fees	\$663,813	\$663,813	\$663,813												
Revenue: Naming Rights	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0
Total Revenue	\$2,655,253	\$2,714,997	\$2,776,532	\$2,176,100	\$2,241,383	\$2,308,625	\$2,377,884	\$2,449,220	\$2,522,697	\$2,598,378	\$2,676,329	\$2,756,619	\$2,839,317	\$2,924,497	\$3,012,232
Less Current Revenue	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325
Net Lift	\$1,579,928	\$1,639,672	\$1,701,207	\$1,100,775	\$1,166,058	\$1,233,300	\$1,302,559	\$1,373,895	\$1,447,372	\$1,523,053	\$1,601,004	\$1,681,294	\$1,763,992	\$1,849,172	\$1,936,907
Less Staffing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Marketing	\$200,000	\$100,000	\$50,000	\$10,000	\$10,000	\$10,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Less Debt Repayment	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859
Net Revenue	\$522,069	\$681,813	\$793,348	\$232,916	\$298,199	\$365,441	\$439,700	\$511,036	\$584,513	\$660,194	\$738,145	\$818,435	\$901,133	\$986,313	\$1,074,048

90% Sell through	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Revenue: Tickets	\$2,240,370	\$2,307,581	\$2,376,809	\$2,448,113	\$2,521,556	\$2,597,203	\$2,675,119	\$2,755,373	\$2,838,034	\$2,923,175	\$3,010,870	\$3,101,196	\$3,194,232	\$3,290,059	\$3,388,761
Revenue: Construction Fees	\$746,790	\$746,790	\$746,790												
Revenue: Naming Rights	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0
Total Revenue	\$2,987,160	\$3,054,371	\$3,123,599	\$2,448,113	\$2,521,556	\$2,597,203	\$2,675,119	\$2,755,373	\$2,838,034	\$2,923,175	\$3,010,870	\$3,101,196	\$3,194,232	\$3,290,059	\$3,388,761
Less Current Revenue	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325
Net Lift	\$1,911,835	\$1,979,046	\$2,048,274	\$1,372,788	\$1,446,231	\$1,521,878	\$1,599,794	\$1,680,048	\$1,762,709	\$1,847,850	\$1,935,545	\$2,025,871	\$2,118,907	\$2,214,734	\$2,313,436
Less Staffing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Marketing	\$200,000	\$100,000	\$50,000	\$10,000	\$10,000	\$10,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Less Debt Repayment	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859
Net Revenue	\$853,976	\$1,021,187	\$1,140,415	\$504,929	\$578,372	\$654,019	\$736,935	\$817,189	\$899,850	\$984,991	\$1,072,686	\$1,163,012	\$1,256,048	\$1,351,875	\$1,450,577

100% Sell through	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Revenue: Tickets	\$2,489,300	\$2,563,979	\$2,640,898	\$2,720,125	\$2,801,729	\$2,885,781	\$2,972,354	\$3,061,525	\$3,153,371	\$3,247,972	\$3,345,411	\$3,445,773	\$3,549,147	\$3,655,621	\$3,765,290
Revenue: Construction Fees	\$829,767	\$829,767	\$829,767												
Revenue: Naming Rights	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0
Total Revenue	\$3,319,067	\$3,393,746	\$3,470,665	\$2,720,125	\$2,801,729	\$2,885,781	\$2,972,354	\$3,061,525	\$3,153,371	\$3,247,972	\$3,345,411	\$3,445,773	\$3,549,147	\$3,655,621	\$3,765,290
Less Current Revenue	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325	1,075,325
Net Lift	\$2,243,742	\$2,318,421	\$2,395,340	\$1,644,800	\$1,726,404	\$1,810,456	\$1,897,029	\$1,986,200	\$2,078,046	\$2,172,647	\$2,270,086	\$2,370,448	\$2,473,822	\$2,580,296	\$2,689,965
Less Staffing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Marketing	\$200,000	\$100,000	\$50,000	\$10,000	\$10,000	\$10,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Less Debt Repayment	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859	\$857,859
Net Revenue	\$1,185,883	\$1,360,562	\$1,487,481	\$776,941	\$858,545	\$942,597	\$1,034,170	\$1,123,341	\$1,215,187	\$1,309,788	\$1,407,227	\$1,507,589	\$1,610,963	\$1,717,437	\$1,827,106

Potential Stadium Club Revenue from Non-Game Days

	Base Rate	Catering	Frequency	Total
Full Room	\$1,250	\$1,300	20	\$44,500
Half Room	\$950	\$650	6	\$86,250
			Total:	\$130,750

*Operating costs are factored in. Shown is estimated profit. Subject to change with more accurate operating expenditures.

** Frequency per year is estimated based on the demand at Lawlor Events Center. It is also assumed that there will be substantially more half room rentals per year than full room rentals. It also assumes that 75% the rentals will purchase catering