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University of South Carolina
BOARD OF TRUSTEES
Intercollegiate Athletics Committee

August 8, 2008

The Intercollegiate Athletics Committee of the University of South Carolina Board of Trustees met on Friday, August 8, 2008, at 10:30 a.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Othniel H. Wienges, Jr., Chairman; Mr. Arthur S. Bahnmuller; Mr. Mark W. Buyck, Jr.; Mr. Samuel R. Foster II; Mr. William C. Hubbard; Mr. Toney J. Lister; Mr. Michael J. Mungo; Mr. Herbert C. Adams, Board Chairman; and Mr. Miles Loadholt, Board Vice Chairman.

Other Trustees present were: Mr. James Bradley; Mr. J. Egerton Burroughs; Dr. C. Edward Floyd; Mr. William W. Jones, Jr.; Mrs. Amy E. Stone; Mr. Eugene P. Warr, Jr.; and Mr. Mack I. Whittle, Jr.

Others present were: President Harris Pastides; Secretary Thomas L. Stepp; Executive Vice President for Academic Affairs and Provost Mark P. Becker; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Vice President and Chief Financial Officer Richard W. Kelly; Interim Vice President for University Advancement Michelle D. Dodenhoff; Vice President for Human Resources Jane M. Jameson; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice Provost for Academic Affairs William T. Moore; General Counsel Walter (Terry) H. Parham; Assistant Vice President for Advancement Administration, Division of University Administration, J. Cantey Heath, Jr.; Associate Vice President of University Marketing and Communications Gary Snyder; University Treasurer Susan D. Hanna; Dean of USC Lancaster John Catalano; Director of Athletics Eric Hyman; Executive Director of the Alumni Association Marsha A. Cole; Faculty Athletics Representative William O. Bearden; Associate Athletics Director Marcy Girton; Chief Financial Officer, Department of Athletics, Jeff Tallant; Director of Marketing, Department of Athletics, Jeff Crane; Associate Athletics Director for Development Bryan Risner; Executive Associate Athletics Director for Facilities, Department of Athletics, Kevin O'Connell; Director of Ticket Operations, Department of Athletics, Lance Grantham; Special Assistant to the President and Athletics Director Johnny D. Gregory; Director of Governmental and Community Relations, Division of University

Advancement, Shirley D. Mills; Associate Director for Production and Technology, University Publications, Bob Lowder; Chair of Faculty Senate Bob Best; Student Government Association President Andrew Gaeckle; Associate Director of Governmental Affairs and Legislative Liaison Casey Martin; Wife of Board of Trustees member Toney Lister, Cynthia Lister; Director of University Communications, Division of University Advancement, Russ McKinney, Jr.; University Technology Services Production Manager Justin Johnson; Board staff members Terri Saxon, Vera Stone, Karen Tweedy; and members of the press.

Chairman Wienges called the meeting to order and invited those present to introduce themselves. Mr. McKinney introduced members of the media who were in attendance. Chairman Wienges stated that notice of the meeting had been posted and the press notified as required by the Freedom of Information Act; the agenda and supporting materials had been circulated to members of the Committee; and a quorum was present to conduct business.

I. Football Yearly Equitable Seating Plan: Chairman Wienges called on Mr. Hyman who began his report by sharing that Coach Tanner, during his coach's evaluation, commented that in his twelve years at the University of South Carolina, overall morale in Athletics Department was the best it had ever been. Primarily, the reason for the excitement was because of the Board's approval of the Master Plan for facilities and development of the first-class baseball stadium.

Mr. Hyman stated that the new football training room was spectacular and would enhance the University's recruiting efforts. In addition, he made brief comments regarding the Academic Enrichment Center.

Mr. Hyman reported that three years ago when he accepted the Athletics Director's position, he asked the Board what their aspirations were for the Athletics Department. The Board stated from a competitive standpoint that they wanted Athletics to "field top 25 programs." Mr. Hyman responded that as Athletics Director, he felt that his responsibility was to develop the facilities and the resources to be able to obtain and achieve those aspirations. The University had made many spectacular academic accomplishments. There was much excitement and energy going on at the University, and Mr. Hyman would like to see the same thing happen in the athletics program.

Mr. Hyman read the following statement: "The Department of Athletics wants to become aligned with the expectations of the Board and University to develop a road map that mirrors the unbridled passion of the Gamecocks with a plan to battle for championships and be a nationally prominent program." He stated that this was a consistent message in the Athletics Department.

Mr. Hyman called on Mr. Bryan Risner, Associate Athletics Director for Development, to give a brief presentation and to make a recommendation to the Board. Mr. Risner had been the point person for the Football Yearly Equitable Plan.

Mr. Risner stated that the board had essentially "blessed the road map" to be able to accomplish the goals and objectives of becoming a nationally prominent program. He stated that the initial goal was the facilities Master Plan.

Over the past few years, the department had been compiling information on how best to accomplish these goals. Beginning today, this initiative would be referred to as "The Garnet Way."

Mr. Risner stated that components of "The Garnet Way" were as follows: Gamecock Club, Major Gifts, Suites, Club Seating, and the Yearly Equitable Seating (YES) Plan. The first four components had been underway for one and a half years, and the final piece of the puzzle was the YES program.

Mr. Risner reported that a Special Committee on Athletics (SCOA) was appointed by the Board to study the new seating concept. The committee consisted of a cross-section of people were as follows:

Voting members:

- Sam Foster, SCOA Chair, Board of Trustees
- William Hubbard, Board of Trustees
- Chip Comer, Gamecock Club Board President
- Ted Girardeau, Chairman of the Gamecock Club Board of Directors
- Herb Sharpe, Former Gamecock Club Director

Ex-officio/Advisory members:

- Herbert Adams, Chairman, Board of Trustees
- Tommy Stepp, Secretary, Board of Trustees
- Terry Parham, University General Counsel
- Eric Hyman, Director of Athletics
- John Wentzell, Tax Advisor
- Gamecock Club/Athletics Department Personnel
- Kevin O'Connell and Bryan Risner, Staff of Athletics Department

The SCOA committee held its first meeting on April 25, 2007 and had since held 12 meetings. This figure did not include subcommittee meetings to study various other issues that had arisen from this study.

Mr. Risner stated that the Athletics Department had visited several peer institutions around the country to study institutional similarities, recent plans their institutions had implemented, fan base and so forth. These visits proved to

be very valuable in the development of a plan unique to South Carolina. As a result, the Department was able to put together a "fair implementation policy." The purpose of the policy was to generate needed revenue to support the championship vision and create a plan in which all fans/donors would be treated equitably. In addition, there were some basic tenets such as honoring loyalty, balancing giving level with history, creating opportunities to attend games, and providing equal customer service.

Mr. Risner gave an overview of the Yearly Equitable Seating Plan.

He stated that Gamecock Club members would have the right to retain their current seats as long as the YES donation was paid.

Approximately 48,500 general seats would be affected. The seat donations ranged from \$25 - \$395 per seat. Approximately twenty-one percent of all the seats affected in the stadium by this plan would be \$50 or less. The intent was to ensure affordability and encourage more Gamecock families into our stadium.

The estimated revenue from this plan would be \$7,604,365 million and the average seat donation was \$157 per seat.

Mr. Risner showed a diagram of the Williams-Brice Stadium and discussed the seating levels and prices per seat. The contribution per seat was as follows: garnet \$395/seat, red \$325/seat, grey \$260/seat, blue \$200/seat, green \$145/seat, yellow \$95/seat, black \$50/seat. Additional revenue streams currently in place were: suites (Football - \$52,000/suite, Basketball - \$41,000/suite); Club Seats (\$725 to \$1,500 per seat); and the Gamecock Club which generated approximately \$14.5 million per year.

Mr. Risner gave a breakdown of the proposed seat donations as related to price per seat, number of seats, and the projected revenue as follows:

<u>Price</u>	<u>No. of Seats</u>	<u>Projected Revenue</u>
\$395 @	360	\$ 142,200
\$325 @	5,643	\$1,833,975
\$260 @	1,579	\$ 410,540
\$200 @	10,881	\$2,176,200
\$145 @	13,488	\$1,955,760
\$95 @	5,940	\$ 564,300
\$50 @	8,219	\$ 410,950
	TOTAL	<u>\$7,493,925</u>

The weighed average seat donation was \$162.52. Also, Mr. Risner stated that the YES Plan could be reevaluated annually.

In addition, Mr. Risner stated that revenue would also be generated by the additional six game booklets which had been approved by SCOA. The policy for the six game booklets stated that the price would equal half of seat donation amount.

There were six game booklets of tickets in the Green, Yellow and Black Sections and the breakdown was as follows:

<u>Seat Donation</u>	<u>Number of Seats</u>	<u>Projected Revenue</u>
\$72.50	384	\$27,840
\$47.50	1,470	\$69,825
\$25.00	511	<u>\$12,775</u>
	Sub-Total	<u>\$110,440*</u>
	Seat Donation Revenue:	\$7,493,925
	Total Plan	<u>\$7,604,365</u>

*Price equals half of seat donation
 * Additional Revenue Approved by SCOA

Mr. Risner displayed a budget comparison of schools in the SEC. This information was compiled during the 2008 SEC Chief Financial Officer's meeting in Atlanta, Georgia. The University's total FY 2007-08 budget was \$60 million and was estimated to be \$65.6 million in FY 2008-09. The FY 2007-08 budgets for other SEC East schools were as follows: Tennessee (\$79.4 million), Florida (\$77 million), Georgia (\$70 million), Kentucky (\$65.5 million), and Vanderbilt (\$33.7 million). The University of South Carolina ranked 5th in the SEC East Division, 8th in the SEC and 9th in the Directors Cup finish. Mr. Risner noted that there was a direct correlation to fundraising dollars and SEC championships.

Mr. Risner reported that the Implementation Plan schedule was as follows:

April 22	Implementation Plan Approved by SCOA
June 18	Concept introduced to BOT (Individual Meetings via Herbert Adams)
June 23	Focus Group Testing Begins
August 8	Pending IAC/BOT Approval/ Plan Announcement
August 22	Brochure/Statements mail earlier
October 31	Pledge/Letters of Intent Due
November 1 - 30	Input of pledges into priority seating system
December	Appointment letters mailed
January 12, 2009	Appointments begin
May 15, 2009	Appointments end
May 15, 2009	All donations and ticket money due
August 2009	Football season tickets mailed

Mr. Buyck made inquiry as to the number of seats reserved for students and the location of those seats. Mr. Lance Grantham, Director of Ticket Operations, responded that there were approximately 10,000 seats available to students in

Sections 23 through 34. However, 600 of the seats were reserved for the Band and 500 for recruits. Additionally, students were restricted to one ticket using the on-line ticket system and a lottery system was used for the USC/Clemson game.

Mr. Wienges called for a motion to approve the Plan as presented. Mr. Mungo so moved. Mr. Bradley seconded the motion. The vote was taken, and the motion carried.

II. Report on Fairgrounds Parking Plans: Chairman Wienges called on Trustee Mark Buyck who gave a brief overview of the proposed Fairgrounds Parking Plan.

Mr. Buyck stated that he is a member of the Executive Committee of the South Carolina State Fair and that the University had a contract with the State Fair which would expire Fall 2009. Representatives of the University and the State Fair were in negotiations regarding an extension of the contract.

Mr. Buyck reported that representatives of the State Fair had developed a plan that would greatly enhance the parking lot across from the stadium. Mr. William Hubbard, Chairman of the Buildings and Grounds Committee and the University's Arborist had given input and their suggestions had been incorporated into this Plan.

There were currently 4,300 parking spaces but under the proposed plan there were only 4,100.

In closing, Mr. Buyck stated that this project would be developed into a beautiful park and would be a huge addition to the enjoyment of the fans at the stadium as well as a huge addition to the City of Columbia.

Dr. Floyd made an inquiry about the cost of the project. Mr. Buyck did not have the exact cost on hand but stated that this was a multi-million dollar project. Approximately 18 bidders had picked up the plan and bids would be submitted later this month.

Mr. Buyck invited members to review the Plat of the fairgrounds at the conclusion of the meeting.

Mr. Lister made inquiry as to when the University would have access to the Farmers' Market. Mr. Kelly responded that it would be no later than Fall 2011.

Mr. Wienges stated that this report was received as information.

There being no further matters to come before the Committee, Chairman Wienges declared the meeting adjourned at 11:00 a.m.

Respectfully submitted,

Thomas L. Stepp
Secretary