

Why a Multipurpose Facility Makes Sense

by Richard M. Englert, President

My job is to listen to all of our constituencies, give their input serious consideration and then to move beyond the interests of any one group or position to do what is in the best long-term interests of the university as a whole and our neighbors. I must do this in the context of an ever-challenging external environment with uncertainties about (a) the prospects for state and federal funding for our core educational, research, community engagement, and healthcare missions, (b) predictable pipelines for future students locally, regionally, nationally, and internationally, and (c) our ability to compete effectively with other institutions, including our peers, for students, faculty, research funding, and philanthropic dollars.

As I indicated in my earlier correspondence with the university community, I had concluded that it made sense for us to begin the process with the City Planning Commission and to have full discussion with university constituencies and our neighbors. I continue to talk with multiple university and community groups and individuals. I am open to having my views shaped by this dialogue. My purpose in this article is to set forth my current thinking on why a multipurpose facility makes sense and deserves serious consideration by all of us. I continue to welcome your comments and input.

There are a number of strong points in favor of the proposed multipurpose facility, which would include a stadium, classrooms, research and event space and retail on North Broad and which would be built on university-owned property (along with the closing of a half block of 15th Street); it would not include displacement of anyone's home.

- Financially, the costs to stay in Lincoln Financial Field are not sustainable. The economic benefits of having an on-campus facility are overwhelmingly favorable to Temple (to the tune of a minimum of \$2 million per year based on conservative projections).
- It would provide an important venue for better engaging students and alumni; serve as an anchor for showcasing Temple's academic excellence to peers, prospective students, their families and the general public; enhance our opportunities to attract philanthropy across the university; and be a means for better national exposure and name recognition for attracting students and faculty and for competing more effectively with our peer institutions (i.e., highly-ranked public research universities).
- It would serve our North Philadelphia neighbors in terms of better quality of life (through the creation of a special services district), retail services and potential jobs and provide a venue for community-friendly events.

A little history is in order.

Lincoln Financial Field (the Linc) is an impressive space for the world champion Philadelphia Eagles and serves our city's professional football team well. Temple had a 15-year lease to play football at the Linc. That lease ended in 2017. Temple's projected costs to play there during its two-year lease extension (2018-2019) are substantially higher than during the original term of the lease. Assuming any further extension is possible, costs would only continue to escalate.

In any operation as large as Temple, we must make every effort to control our costs across the university enterprise. The leasing arrangement does not allow us to do so.

The owners of the Linc have a fine facility, and it has a certain value on the rental market. But the fact is that as a tenant at the Linc, Temple receives little in the way of revenue from games, other than ticket sales and a small percentage of concessions sales. We miss out on the economic benefits from multiple stadium-related sources: parking, naming rights, in-stadium advertising signage, suite leases, seat licenses, on-campus tailgating/catering, philanthropy and other elements of owning the building. After all, Temple students, staff, alumni, donors, friends and other game attendees generate these revenues. More importantly, Temple would be able to reduce game-day costs if we played at Main Campus. In short, Temple would have the ability to control its operating costs, and at the same time have predictable debt or mortgage costs for an extended period. The only way we can do all of this is by owning a facility where we play.

Two years ago, the Board of Trustees authorized a resolution to pursue a stadium with a seating capacity of up to 35,000 and a construction budget of \$130 million. We would pay for this facility through bonds and philanthropy, without impacting student tuition.

Temple would issue bonds to cover most of the construction costs for the facility. The dollars that we currently pay to the Linc would be used to pay debt service on these bonds. In addition, leadership gifts, naming rights and other opportunities have been—and will continue to be—aggressively pursued to defray costs. A number of individuals and corporations have shown a high level of interest in supporting the facility. Our minimum goal for this purpose is \$50 million, and I will be disappointed if we don't exceed that figure. Revenues from game days, donor support and a reduction in game-day costs will play a major role in making the facility affordable and an excellent long-term investment.

Incidentally, if we were not to build a facility on campus, leasing costs would continue to escalate, as they always do. The question I often get is why we don't take the money we would use to build the stadium and devote those dollars to other university purposes. The answer is the difference between capital dollars (supported by bonds and philanthropy) and operating dollars (which would be going to pay the lease arrangement with the Linc). Having an on-campus facility actually increases net operating dollars that could be used for other purposes.



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That only accounts for the costs of constructing the facility. What too often is overlooked is the positive impact that the facility will have on the life of the university and the quality of life of our neighbors.

I am excited about the impact that would come from providing our students with the on-campus game day experience and regularly bringing alumni and friends back to Main Campus. Having 35,000 people on campus would enable us to build a greater sense of spirit and institutional allegiance, as well as memories that will last for a lifetime. As someone who has the perspective of more than 40 years at Temple, I am increasingly in awe of the dramatic transformation of Main Campus and the continued renaissance of North Broad. Alumni who never see this transformation when they go to the Linc would have pre- and post-game celebration opportunities on campus, hosted by the schools and colleges that want to show off what's new.

I know many of our faculty keep in touch with their students after graduation and often correspond for years. Having college game days on Main Campus would give faculty and alumni opportunities to reconnect in person and build stronger bonds as Temple Owls. I am also certain that, over time, the growing pride that would come from seeing our campus and re-engaging with our faculty would result in higher levels of giving by our alumni and other donors. Philanthropy is critical to the long-term success of our university, as securing government dollars becomes more challenging.

With a multipurpose facility, we would be able to control our costs, reap more game-day revenues, draw alumni back to campus and promote higher levels of alumni giving. We would also be able to add sorely-needed classrooms (about 30,000 sq.ft.) and research space within the facility. It is presently contemplated that the facility would include a center for research on concussions, especially in sports.

At the same time, there would be multiple benefits for our neighbors near Main Campus. The facility could be a site for community friendly activities and events, such as youth sports camps and public league championship games. The retail complex that would accompany the multipurpose facility would provide services to both the broader community and the university. There would be jobs generated by construction and by stadium operations, as well as by the businesses that would be brought to our campus because of the attractiveness of being near a stadium. We have already received overtures from some prominent retailers who would want to be part of the action the facility would create.

The multipurpose facility would also be the anchor for a special services district that would better address day-to-day trash management, parking, traffic flow, guaranteed game day parking for residents and other services, as well as an extended presence by Temple police in the adjoining neighborhoods. This special services district would be governed by a community board and would be funded by contributions from the university and other partners. There would be no costs, fees or taxes for residents to fund the district.

We must be better neighbors overall, and this project would be the catalyst and generate the resources for doing so. After all, the long-term successes of our adjacent neighborhoods and the university are closely intertwined.

One additional thought: As some of you who were here at the time will recall, there were many questions raised about the financial and community impact of the Liacouras Center more than 20 years ago. Since its completion, the Liacouras Center has sparked more than three dozen businesses and an economic boom at Cecil B. Moore Avenue and North Broad Street. A multipurpose facility just one block north of the Liacouras Center could be another catalyst for economic development that will benefit the university and our neighbors.

In conclusion, here is my bottom-line analysis of the potential of a multipurpose facility on campus: Investing in someone else's facility through a leasing arrangement is not the wisest course of action. Instead, an investment in our own facility would have the potential to get us the following: (1) a retail complex attracting new businesses to North Philadelphia providing services to our neighbors and the Temple family, (2) construction, retail and stadium jobs for North Philadelphia, (3) a special services district that contributes to the quality of life of our neighbors, (4) equity in our own stadium, classrooms, research and event space, (5) a net annual, favorable financial impact of a minimum of \$2 million and the ability to control costs, (6) more engaged students, alumni and donors, (7) a venue to attract to campus people who currently don't know Temple's excellence, including the general public, potential students, and persons from peer universities, (8) the ability to display Temple's name and logo around the stadium for wide-spread exposure via national and regional TV coverage and (9) a place our 130 student-athletes in football, who continue to do well academically, can call home.

Thank you for your attention in reading this article. The following is a link to additional information: <https://www.temple.edu/about/campus-development/multipurpose-facilitystadium>. I welcome your ideas, comments and questions. You can send them to me at president@temple.edu. I also want to thank you for all you do for our students, our neighbors and the entire university.

Finally, I want to thank Paul LaFollette, the *Faculty Herald* editor, for the opportunity to contribute this article.