



KU wins \$50M state grant to fund football stadium renovations, campus gateway project; KU Endowment commits \$150M

BY [CHAD LAWHORN](#) FEB 13, 2023



The Kansas Jayhawks come together for a huddle during the beginning of practice, Thursday, April 7, 2016 at Memorial Stadium.

Updated at 4:40 p.m. Monday, Feb. 13, 2023

A plan to renovate KU's football stadium and build a new "campus gateway" around it has won a \$50 million state grant and a commitment of \$150 million in funding from the KU Endowment Association.

The Kansas Department of Commerce confirmed to the Journal-World Monday afternoon that the state has awarded KU the grant as part of its University Challenge Grant program. The grant application materials, which the Journal-World received, confirmed that KU Endowment has agreed to backstop the project to the tune of \$150 million, meaning that the private fundraising arm of KU will either raise that much in donor funds for the project or use existing funds that endowment has to cover the costs.

The project is expected to cost more than \$300 million, KU officials previously have said. The project is planned to completely renovate the football stadium, but also add several nonfootball amenities to the area surrounding the stadium at 11th and Mississippi streets. Those include a conference center that likely would be built into the north bowl of the stadium, offices for medical providers, restaurant and retail space, and other attractions meant to entice students to enroll and their families to visit the campus.

The strategy to use the football stadium area to attract new students ended up being a pivotal part of KU's pitch for the state grant, which is designed to help public universities improve the state's economy.

"KU's project represents a once-in-a-generation opportunity to strengthen KU as the state's primary talent magnet and enhance KU's ability to produce talented graduates for the Kansas workforce," KU Chancellor Douglas Girod said in the application to the state.

The awarding of the state grant also is significant in another way: It puts the project on a firm timeline. Projects that are awarded University Challenge Grant funding are supposed to be completed by September 2026. KU, in its application, said it would "have no problem" in meeting that deadline.

KU has said some construction work — everything from relocating utilities to improvements at the Anderson Family Football Complex — would be underway in the first half of this year. But the application does not offer an estimated completion date for the entire project, saying it depends on "various factors, including donor interest, private developer engagement and supply chain issues."

The project will be one of the more expensive in recent KU memory, and the application provides additional details about the financial aspects of the development. KU is now estimating the main project budget to be \$335 million, but the application makes clear that doesn't include many of the amenity components that likely would be part of a public-private partnership.

The application lists \$85 million in additional expenses for mixed-use components such as "retail, restaurant, office, student housing and hotel facilities," that could be possible as part of the project. The application says funding for those parts of the development would "in large part come from private investment."

The application materials also raise the possibility of Kansas Athletics taking out debt to fund a portion of the project, which is consistent with what Girod previously has told the Journal-World. The application doesn't list an amount, but it likely would be any amount that KU falls short in private fundraising for the project. KU, according to the materials, is planning to fund the project through the following sources: \$50 million in University Challenge Grant monies and \$35 million in federal ARPA funding that came to KU through the 2022 legislative session. The remaining \$250 million would come from a combination of private fundraising, fees paid by developers that would be part of the project and "bonding debt serviced with revenues generated by the stadium."

KU said it will not use tuition funds or state general funds for the project, which is consistent with what Girod has said for the past several months.

In his pitch to the state, Girod told leaders at the Department of Commerce that the investment would be worth it for KU and the state.

"In short, this development project is as important and impactful an initiative as we've pursued in my time at KU," Girod wrote in the application.

Girod and other KU leaders particularly sold the importance the project would have in determining whether KU will stay in the Big 12 Conference or another "Power Five conference." While talk of conference realignment has cooled recently, KU said it continues to recognize that instability could once again emerge.

"While we believe the Big 12 currently is strong and stable, the past two years of NCAA athletics conference realignment have taught us that universities can no longer take for granted their conference membership," KU said in its application.

KU highlighted that membership in a Power Five conference is "directly tied to KU's national profile and ability to recruit students from across the nation."

"More than 41% of KU students come from outside Kansas, and one-third of them join the Kansas workforce after graduation," KU said in the application. "This talent pipeline would become damaged if KU were to fall out of a major conference."

KU also told commerce department leaders that the improvements to the football stadium were important to keeping more entertainment dollars in the state. It particularly noted that David Booth Kansas Memorial Stadium lacked many of the amenities that Kauffman Stadium, Arrowhead Stadium and T-Mobile Center, all located in Missouri, had.

"As a result, separate from the quality of the football team, the quality of the Memorial Stadium has limited KU's ability to attract fans for gamedays," the application stated.

Planned improvements to the stadium are in line with what KU has previously disclosed. They include redesigned seating with improved sight lines; expanded concessions; additional restrooms; more accessible seating; improved concourse circulation; and more types of premium seating, including club seats and more suites.

KU was less specific on the type of mixed-use development that might occur on the site. It continued to say that it is in discussion with a "regional healthcare provider" — presumed to be the University of Kansas Hospital System but never announced as such — that has "expressed an interest in establishing a facility at our project site."

KU also said the project could "potentially include a mix of arts and entertainment, dining and overnight lodging," in addition to the convention, conference and event space that is envisioned.

"The exact mix will depend on developer interests and other factors, though we are confident various private-sector partners will want to be part of this development," KU said in the application.

I've asked for a comment from KU Endowment on its decision to provide the \$150 million in backstop funding for the project, and also for an update on how fundraising has progressed thus far. I haven't yet got an update on that front, but will pass it along when I do.