



**TO:** University of Idaho Students, Faculty and Staff  
**FROM:** Chuck Staben, President  
**DATE:** May 15, 2019  
**SUBJECT:** Arena Cost Increases, U of I Moves for Board Approval

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In March, the Idaho State Board of Education conditionally approved construction of the Idaho Central Credit Union Arena for \$46 million. Last week, bids for construction came in \$3.5 million over the board-approved limit. In addition to the increased construction cost, we added a \$1.5 million contingency to cover unforeseen costs, adding \$5 million to the required authorization for the arena. Because of those increases, President-designate C. Scott Green, whom the board had appointed to approve this project, returned to the State Board today and received construction authorization for \$51 million.

Increased costs result from a combination of several factors. The construction environment is very active right now, leading to limited availability of contractors in the region. The cost of labor, a large component of this project, is also very high.

Even with the increased cost, we believe this project is worth the investment. How will we make it work? The university plans to fund this cost increase through bond debt and additional fundraising. As a reminder, we have currently raised \$25 million and student fees over the next 35 years at current enrollment would generate \$18.5 million. While gift pledges and student fees accrue over time, we would issue debt of \$34 million. As a result of the financing approach, another \$33 million in interest will be repaid over 35 years; payments are estimated at \$1.9 million which will be offset by debt service savings and other revenue.

The long-term benefits of this project are many. The arena is an investment in our university community that unites students, faculty, alumni, and industry in Idaho and more. This unique multipurpose facility – a 100-year building that will stand and welcome Vandals and others long after we're all gone – represents an essential addition to our residential campus and will have long-term impact on all Vandals and our community.

We are eager to move this project forward to the next step - our university community will celebrate the culmination of this long-awaited project with a groundbreaking on June 6. We are grateful for the support and energy that has made this project a reality.

*Chuck Staben*  
*President*

[president@uidaho.edu](mailto:president@uidaho.edu)  
[uidaho.edu/president](http://uidaho.edu/president)