

## Regents approve UNO arena building plan - The involvement of private developers makes project possible, officials say

*Omaha World-Herald (NE) - October 27, 2012*

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- Edition: Iowa;Nebraska;Sunrise
- Section: News
- Page: 01B

LINCOLN - UNO Athletic Director Trev Alberts is teaming up with a former Nebraska football teammate, Zach Wiegert, and with David Scott, an Omaha businessman with a famous family name, in an effort to build an arena on the University of Nebraska at Omaha campus.

Alberts and UNO Chancellor John Christensen revealed Friday at an NU Board of Regents meeting that the private real estate development firm they want to work with is Scott Woodbury Wiegert LLC, also known as S2W. It's a combination of Omaha-based Tetrad Corp., led by Scott; the Lincoln-based Wiegert Properties; and the Woodbury Corp., a commercial real estate firm in Salt Lake City.

The regents voted 7-0 Friday to authorize NU President J.B. Milliken to sign a letter of intent to work on the proposed 7,500-seat arena with Scott Woodbury Wiegert. The project, planned for 67th and Center Streets, would cost an estimated \$76.3 million.

Scott was a founder of Tetrad, formerly known as Magnum Resources, and is the son of Omaha businessman and philanthropist Walter Scott.

Wiegert, who had a long career in the NFL after his Nebraska football days, is working with Scott and Jeff Woodbury of the Woodbury Corp. on developing the Nebraska Innovation Campus planned for the former State Fairgrounds in Lincoln.

Scott Woodbury Wiegert developed the BlueCross Centre, the 10-story corporate headquarters of Blue Cross Blue Shield of Nebraska, at Aksarben Village. Among other projects, Scott, Woodbury and Wiegert, with former Husker player Kris Brown, have signed a deal to develop a dozen new Dunkin' Donuts restaurants in Nebraska and Iowa.

Milliken said that the developers reached out to UNO with the arena initiative and their involvement made the project possible.

Alberts said the Scott connection was important, and it doesn't hurt that Wiegert, with whom Alberts played for the Huskers in 1993, is involved.

"The Scott family has long been very supportive of UNO," Alberts said. "Zach, after the NFL, had transitioned into real estate and is doing some really good things. We were mutually brought together by David Scott."

UNO officials, stressing that cost figures were preliminary estimates, told the regents the money for the arena would come from \$35 million in private donations, \$31.3 million in financing secured by the developer and \$10 million from the City of Omaha and "other" sources.

The city money, for such arena-related construction as streets and sewers, would not require a specific tax and likely would come from the city's capital budget, said William E. Conley, UNO's vice chancellor for business and finance. Conley, Alberts and UNO Chancellor John Christensen presented the proposal to the regents' business affairs committee.

In interviews Friday, Omaha City Councilman Chris Jerram and mayoral spokeswoman Aida Amoura said no funding request had been made to the city for UNO arena-related projects.

Regent Timothy Clare asked for a definition of "other" sources. NU has been embroiled in a controversy with Gov. Dave Heineman over the public share of financing for a proposed University of Nebraska Medical Center cancer-research facility. Heineman said university officials didn't level with state lawmakers over their plans for a City of Omaha tobacco tax to provide the city's share of the funding.

For the UNO arena, Conley said, "other" sources could include UNO budget funds or other funds the developer might raise.

In an interview, he said the developer likely would seek tax-increment financing, or TIF, in which a portion of property tax revenue resulting from new construction is used to pay for infrastructure. TIF funding would require City Council approval.

Christensen told regents that specific, concrete elements of the financing and construction plan have yet to be worked out and would emerge from Milliken's work with the developers.

Under the current proposal, UNO would eventually acquire the arena from S2W through a lease-purchase agreement, though Wiegert said that could change. Any leases and related contracts would require Board of Regents approval.

The arena would have two sheets of ice for hockey that could also be used for figure skating or open skating by university or outside groups. It would provide a home ice for UNO's hockey team, and later home courts for UNO men's and women's basketball and volleyball. It would host concerts and such activities as club hockey and graduations.

UNO officials also expect it would help them develop baseball and softball fields. They're pitching the arena as a way to boost UNO athletics and make them financially stable, improve student life and help UNO grow and improve academically. The arena would rise on land owned by UNO and the NU Foundation.

Clare and Regent Randy Ferlic of Omaha asked the UNO officials about talk over whether there would be too many Omaha arenas. Christensen said the primary focus of the arena proposal is to serve the UNO campus.

That said, he added he believes that the Civic Auditorium is likely to go away and that the UNO arena could host some events currently held at the Civic.

Christensen also said there's a need in Omaha for more hockey ice for youth and club teams.

Regent Howard Hawks of Omaha said financial prospects for the arena are good, based on UNO and developer projections.

"We've run 20- to 30-year pro formas so we can see that this cash flows," Hawks said.

Alberts said the proposal may be a game-changer for UNO athletics and academics by boosting UNO's image and allure.

Voting yes were Hawks, Ferlic, Clare, Chuck Hassebrook, Bob Phares, Kent Schroeder and Bob Whitehouse. Regent Jim McClurg was absent due to illness.

Milliken said fundraising can now begin in earnest. He and Hawks expressed confidence in the private funding plans, saying some early commitments already have been made.

Also Friday, the regents voted 7-0 to approve agreements with America First Real Estate Group LLC to incorporate student housing and retail stores into a 1,270-stall parking garage to be built at 18th and R Streets in Lincoln.

The regents approved the \$16.7 million garage in June, but UNL Chancellor Harvey Perlman asked to amend the plan, based on the success of a new Lincoln building that includes city-owned parking and privately owned residential and retail space.

The idea was presented to the regents in September but was tabled to give UNL officials time to address some regents' concerns about possible problems resulting from private ownership of campus housing. Regents still expressed reservations Friday but said they were confident Perlman had negotiated safeguards to address their concerns.

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- *Index terms: Area Planning; School Board; University of Nebraska at Omaha; Voting*
- *Record: 15143873*
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