PLANNING
for higher education

Getting in the eGame
Esports Streaming Gives the University of Kentucky a New Way to Grow Revenue and Recruit Students

by Michael Stewart, BS, and Heath Price, MS

The University of Kentucky understood the importance of technology in preparing students for the digital world. With public-private partnerships, it sought opportunities to be an industry leader in leveraging that capacity for its students, faculty, staff, and the community.

Introduction

The esports industry is projected to be roughly $1.5 billion by 2023. The majority of gamers fall in the 18-to-34-year-old age range, which means a substantial portion of those are college-age. And it shows: More than 200 colleges and universities across the nation (including Ohio State University, New York University, Boise State University, Texas A & M University, and University of California Irvine) currently have implemented some level of committed esports student programming, classroom learning, or competitive gameplay, and more than $15 million annually in scholarship investment is awarded (KemperLesnik 2021).

3 TAKEAWAYS . . .

. . . to Meet University Revenue Streaming Objectives While Adopting Users' Needs

1. **Ensure that what is planned will meet the vision** once the project becomes bricks and mortar.

2. **Acknowledge the stakeholders' budgetary guidelines** while simultaneously observing all perspectives of the situation.

3. **Visit other US universities to see what they are doing**—and how—in the realm of esports.

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As for the technology field over the last several decades, West Coast universities (specifically California with the outgrowth impact of Silicon Valley) and East Coast universities (especially around big city centers like New York City) have been able to leverage what is in their "backyard" to grow esports academic programs. However, if a student lives in a rural area of Kentucky, for example, and enrolls in a college with a top-notch esports program, they would have access to previously out of reach cutting-edge technology and gaming equipment. Recognizing that esports could be a draw for prospective student-athletes interested in studying gaming and playing esports, the University of Kentucky (UK) explored that perspective of admissions recruitment.

Why Did Esports Interest the University of Kentucky?

As the global interest in esports continues to grow—and attracts the interest of many top private equity investors as the next big social platform and the fastest-growing segment of entertainment—UK approached the chance to lead the esports and video gaming space in a new direction. Beyond the element of potential student recruitment, perhaps it could provide a fresh opportunity for revenue streaming on campus, allowing gamers to pay to play on modern gaming PCs or consoles.

When UK contemplated esports and how they could be introduced and used on campus in effective ways, the questions asked were:

- How would a college or university start the facility-planning process and a program curated specifically for esports?

- Who would be involved in directing the vision, providing feedback, and making the critical decisions required throughout the project?

- How much would the project ultimately cost?

- What would the project look like when completed?

- Who would ensure that the agreed-on vision would meet expectations—once the project was completed?

- How could this project consistently generate revenue for the University?

Projecting a Budget

Melody Flowers, UK's executive director for strategic analysis and policy, in addition to operational costs, concentrated on the capital budget. The entire (what would later be termed) The Cornerstone project was to be primarily a transportation project that would strategically evolve to address multiple priorities of the University. The all-in capital budget was set at $35 million and would include a finished parking garage (adding 900 net new spaces); core and shell costs to pay for the facility's ground floor (retail shops,

food and drink purveyors); and the fit-out cost for the esports space.

Based on the projected primary parking function and use, UK's Transportation Services would assume the cost/debt service for the first two elements of the project, the garage and the ground-floor core and shell, which would be built on top of the garage. Flowers and Lance Broeking, UK's director of Parking and Transportation Services, reviewed and approved the budget that was centered on resource availability and assessment of priorities.

Similarly, based on function and use, the University's General Fund would assume the cost/debt service for the ground-floor UK spaces fit-out project. Eric N. Monday, UK's executive vice president for finance and administration, reviewed and approved the budget on the per-square-foot estimate, and ensured that the budgeting process accounted for the specific debt expense.

Developing Partnerships

Using a public-private partnership (P3) procurement model, UK then assembled a team of potential stakeholders to assist in facility and program planning. Long before the Esports Lounge project began at the University, UK and JMI Sports, a full-service collegiate marketing and athletics multimedia management firm, had cultivated a successful business relationship in project development. UK leveraged this relationship to nudge the esports investment forward by broadening the campus's understanding of how esports, gaming, and streaming would make up areas of opportunity

for current and future students. A coauthor of this article, Heath Price, UK's associate CIO, noted that JMI Sports had introduced the University to some promising interactions with a few different companies across different spaces, including higher education.

In addition to JMI Sports joining the partnership, UK also connected with Gen.G Esports, a professional esports organization with a worth of US $185 million. Price observed that because the Gen.G Tigers had taken up residence in Lexington, Kentucky (where the UK campus is located), they could use the to-be-developed UK esports facility for practice and various international competitions. "Naturally, gaming enthusiasts are drawn to where the best of the best, such as the Gen.G Tigers, play, and this would be an effective way to promote our facility," Price said.

Another partnership was identified with the University of Kentucky Federal Credit Union (UKFCU). Appreciating how the esports project could bring awareness of its organization through a partnership, UKFCU viewed the opportunity as a chance to leverage the innovative approach and technology to reach a younger demographic and broaden their customer base.

Project Beginnings

What would become the UKFCU Esports Lounge, which was named such because of the credit union's financial commitment being tied to naming rights, was officially established by the University and the undergraduate-operated University of Kentucky Esports Club. Thanks to executive-level leadership

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and vision stemming from the University's president, the goal became to build a facility on campus that kept students' evolving interests and needs at the forefront.

Price had previously cautioned that any school interested in a project like the Esports Lounge should take a good look at what the institution already had. "Before you spend $1, you go and look at what is happening on your campus. You have to look at that on the academic side, and you have to look at that on the infrastructure resource side," he said.

While keeping existing facility and financial resources upfront during discussions, Price and the planning team, led by Flowers and George Ward, the executive director of UK's Coldstream Research Campus and Real Estate Services, came together to see how they could optimize and accentuate the existing assets by putting new technology (e.g., gaming PCs, streaming capabilities) into The Cornerstone. (Because UK wanted to make both the facility location and new space a campus destination, the building was named The Cornerstone.) Team members recounted that the questions they asked were: Before we build all of this, what is already happening across the [UK's] 800 acres? What types of technologies currently exist? What resources, including talented people, are available to the campus, and how do they come to partner and be a part of the vision? After the planning team reviewed the University's existing resources, scheduling

capacity, and expenditures, an extensive RFP process ultimately selected a facilities design team and process for developing the UKFCU Esports Lounge.
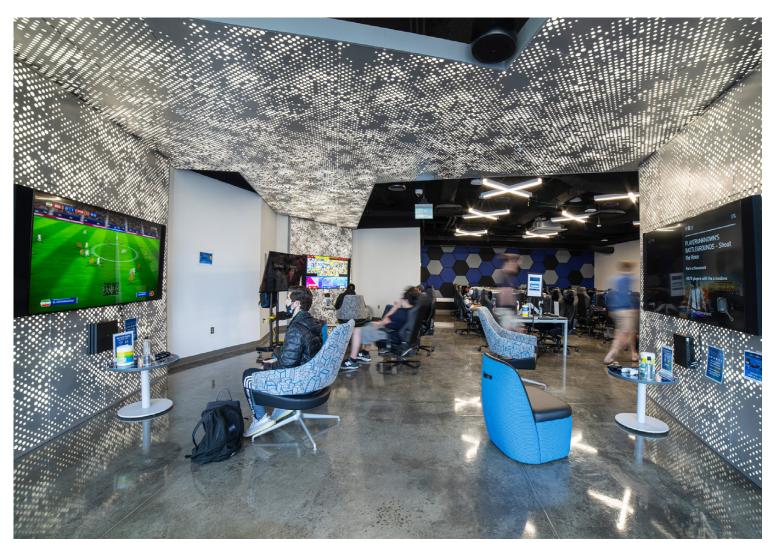
UKFCU Esports Lounge Objectives

Goals for the project included increasing the number of students recruited for university admission, connecting to the community, linking to the non-student demographic, and developing new revenue streaming for UK. The proposed pay-to-play model would allow all campus members—faculty, staff, and students—along with community members to game. (The University would apply a monthly or unlimited-play fee structure for UK students and employees. Non-students were to be charged a slightly higher rate.) The UKFCU Esports Lounge would meet each of these objectives by attracting to campus people interested in gaming, including prospective student-athletes who would give UK a look and possibly consider applying for admission.

The UKFCU Esports Lounge was to be situated on campus, on property that the University had received several years before through a land swap. As the project developed and UK decided to pursue P3s, discussions began about using the area of the first floor of the to-be-expanded parking structure to create a new facility type in the heart of the expanding campus. The UKFCU Esports Lounge could share first-floor space with retail areas, restaurants, and a bar below the multideck parking garage. And while students were polled and their feedback considered throughout the planning process, the siting of the esports space was one of the few things

that they didn't have a voice in. Acquiring new space on campus is rare, and the fact that the P3s came about as quickly as they did and that they included a commitment to create a video game space was a surprise to everyone involved, especially the students.

Including Students in Decision-Making

Asking for and receiving student feedback as soon as the planners knew that putting esports in the space was a real possibility was key. Without students' initial involvement, and the corresponding buy-in it created to ensure that the dialogue would stay consistent (even as some students graduated and new ones came to campus), the project would not have had such strong and stable approval. Those early relationships helped to pave the way for much of the student-design team collaboration that, even after the space opened and began operations, continues to involve UK students.

Serving as a premier destination for competitive gaming in Kentucky with the flexibility to seamlessly accommodate a variety of activities, the UKFCU Esports Lounge was designed with casual, collegiate, and professional gamers in mind.

Technology is not an end; it's a chance to enhance student success; aid faculty in their teaching, research, and service efforts; and assist staff in their work.

To respect a student-first approach, the planning and design team coordinated with prospective users of the space, UK Esports Club members, and passionate gaming enthusiasts to voice their expectations for a flexible and reliable audio and video system. The majority of the students were active participants in the leadership of the UK Esports Club at the time, and some club members provided their input over two years. The planning and design team had sought out University students who had expressed, through their active efforts and attendance at events, an interest in building a space on campus that would be committed to helping them develop their skills as gamers. Team members also solicited feedback from the general student population and from members of other student clubs to get a sense of what a casual gamer was looking for in a facility.

Reported features requested during polling included up-to-date gaming PCs and accompanying mice and keyboards, comfortable gaming chairs, high bandwidth internet access, console gaming stations, access to food and drink, congregation areas when not gaming, a competition theater with the ability to stream anywhere within the facility, and more. The requests were closely coordinated between the University's ITS department and the planning

and design team during the design and installation. Because the integrated system would heavily utilize the ITS network, collaboration was critical.

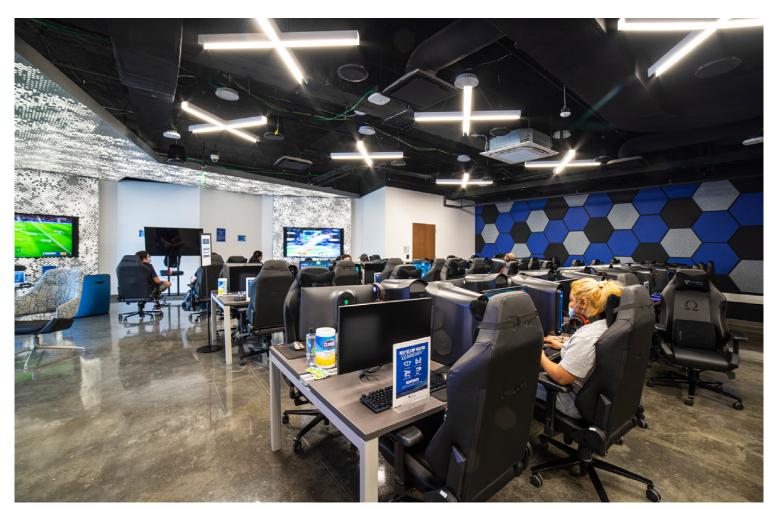## Collecting Research Results

After the project vision was established and gained momentum, the task then was to conduct a survey of the world of esports. To develop a better understanding of the field, UK—along with assistance from CMTA, a consulting engineering firm—spent 12 months (through late 2018 and the fall of 2019) engaged in research. The core planning team jumped on planes, video teleconference calls, and online to conduct their due diligence in fact-finding. Taking two weeks and traveling through Asia to visit the epicenter of esports, Seoul, South Korea, was an enlightening experience for the team. It became evident just how prevalent and established the esports and gaming community had become, especially in communities that had discovered esports long before the United States had. The UK planning and design team also traveled to see what other US universities were doing. Based on the feedback received, they knew that building a space that could gain the credibility of a committed "gamer" community would be essential.

Vendor Selection and Designing the UKFCU Esports Lounge

UK selected CMTA Technology Solutions to develop the space. They would serve as technology interpreter between all project parties, assisting in expediting

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project planning, budgeting, and executing the University's vision for the space. CMTA's team also proposed periodically engaging with UK in the future to fine-tune systems.

To be designed as a hub of activity around innovation, entrepreneurship, and professional development, The Cornerstone was to support the University's nationally-recognized Smart Campus digital strategy, which increases persistence and graduation rates while preparing students for purposeful lives. Beginning in 2018, UK began developing a Smart Campus initiative that was grounded in the University's strategic plan, with an intense focus on student success; teaching and learning objectives; and career preparedness. UK understood the importance of technology in preparing students for the digital world, and sought opportunities to become an industry leader in leveraging that capacity for its students, faculty, and staff. The vision was also wrapped around an important premise: Technology is not an end; it's a chance to enhance student success; aid faculty in their teaching, research, and service efforts; and assist staff in their work.

The UKFCU Esports Lounge was designed to invite UK students, campus constituents, and community visitors to experience PC gaming on high-end gaming machines and consoles in a comfortable and welcoming environment.

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Determining Specifications, Amenities, and Security

As the planning and design team moved the project from vision to reality, they held design charrettes and quality assurance/quality control sessions to address what it would look like and how it would operate. As a result, The UKFCU Esports Lounge was constructed to hold a 100-seat esports theater, two team rooms for practice and pre-match warmup, a 50-station gaming lounge, and three console stations equipped for gaming. Videos from various sources, such as consoles, gaming PCs, and HDMI inputs around the facility, could be flexibly routed to any or all display locations for a robust viewing situation. Toward keeping the facility available for a variety of uses, Alexander Cutadean, UK's faculty depot manager, said that the goal was to reach out to faculty, staff, and students to utilize the space for conferences, academic courses, Ted Talks, and esports competition.

Software for managing the UKFCU Esports Lounge was a main focus of the planning, and keeping the gaming PCs updated and secure would be no small task. (For example, a gamer should not be able to get into the Windows operating system, leading to security or malicious activity issues.) Researching software options that met requirements was something that UK took seriously.

Other significant facility capabilities were:

Streaming
Gamers could stream across internet platforms such as YouTube and Twitch by using an extensive suite of professional gear from a casting room, which was specifically designed and designated for broadcasting.

Production and Broadcasting
Video could be routed from any input location to any or all display locations. The space's production and broadcast elements would permit audio and video signals to be sent across the network for source routing and capture.

Competition Theater
Rooms would be oriented so competing teams could huddle, practice, and then enter the theater from opposing ends of the stage for a professional effect. Portable theatrical lighting could be added for special effects.

Innovation Flex Space
Collaborative technology could bring local and remote participants together in an interactive way. Large multipoint touch monitors would enable dynamic academic meetings and special events—not solely gaming.

Security and Technology
The UK Police Department would manage the enterprise's security cameras and access the control system, which was to be implemented at the time of buildout to ensure the investment was properly protected. The security system would include keyless entry, access control, analytic cameras, and warning notification systems.

Lighting and HVAC
Lighting would be controllable with dimming capability. Oversized conduits in strategic locations

would let the University install additional cabling as required for specific events. HVAC designers would ensure ample cooling was in place for the planned technology. In addition to keeping gamers comfortable, appropriate cooling in the space would be critical to prevent the technology from prematurely failing.

Signage

The University's standard for digital signage would be integrated into the audiovisual racks and allow for six discrete billboards to be routed to any combination of screens throughout the facility.

Electronic Displays

Wall-mounted, large-format electronics could display a gaming machine or auxiliary input to let an instructor or coach use the space dynamically. It could include overflow from the production room, theater, or other input within the system.

Summary

As UK enters the world of esports, the University's faculty depot manager understands the value the opportunity provides for students and community members. "The gaming industry is a 100-plus-billion-dollar industry. Esports is a multi-billion-dollar industry," Cutadean said. "And there are careers throughout these industries. If we're not able to prepare our students for those potential careers, then that's a disservice."

WHAT WORKED

- **Thoroughly researching esports as an industry and as career paths for students.**

WHAT DIDN'T

- **Selecting faculty and staff during the design phase** who would be operators and champions of the space *after* its construction.

- **Purchasing 100 percent of all technology from the start.** Opportunities evolve to add to or improve the space.

- **Balancing scheduled usage time** to better define interested academic partners and broaden the content offered.

Reference

Yasak, Mark, and Chris Murphy. "News: Five Schools Leading the Way for Collegiate Esports." KemperLesnik, April 7, 2021. https://www.kemperlesnik.com/2021/04/news-five-colleges-leading-the-way-in-esports.

Author Biographies

MICHAEL STEWART, BS, is a partner with CMTA, Inc. He has more than 15 years of electrical engineering design experience in technology projects, including the UK Federal Credit Union Esports Lounge. Stewart, as an InfoComm certified-technology specialist and technology expert, assists education clients with forecasting future trends and purchasing decisions throughout the design process.

HEATH PRICE, MS, has worked in the private sector as a partner to many institutions across the United States. In his current role at the University of Kentucky, Price serves as the ITS associate CIO. He has been a core member of a cross-functional UK campus team that is charged with building a comprehensive and thoughtful approach to engaging video games and esports through the University environment.

Engage with the Authors

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