Private Equity Deal Structures in College Sports

Capital Flow Diagrams for Six Emerging Models

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$500M+
Utah / Otro target

$2.4B
Big Ten / UC proposal

$12.5M
Big 12 / CAS infusion

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Model 1

School-Level For-Profit Spinoff

Utah / Otro Capital | Launched July 1, 2026

ACTIVE

University of Utah

Creates

Reports to Board of Trustees

Crimson Brand Partners
(For-Profit LLC)

Ticketing | Concessions | Media Rights
Sponsorships | Licensing | Branding
CEO: Matt Webb | ~70 employees

$100–200M cash

Otro Capital
(PE Firm)

Minority equity + board seats

Purchase equity stakes

Donors / Investors

Combined Target
$500M+ raised

Key Terms

Ownership: University retains majority + control of coaching, recruiting, scheduling, compliance
Exit: University has right to repurchase Otro’s stake in 5–7 years
Governance risk: State auditor + House committee inquiries pending

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Model 2

Conference-Level Capital Partnership, No Equity

ACTIVE

Big 12 / RedBird–Weatherford CAS | Approved April 2026

RedBird Capital
($14B AUM)

Weatherford Capital
(Drew Weatherford)

50/50 JV

Collegiate Athletic Solutions (CAS)
Strategic Advisory + Capital Provider

$12.5M capital infusion

Big 12 Conference
(League Office)

Repayment (5 yr) + $1.25M/yr retainer

$30M credit line / school

16 Member Schools
(Opt-in basis)

NO EQUITY | No Ownership | No Governance | No Revenue Participation

Strategic Angle: RedBird is 2nd largest Paramount shareholder (CBS, TNT). Big 12 media deal expires 2031.

Key Terms

Structure: Debt / credit facility model — no equity, no revenue share, no governance rights
Non-compete: RedBird agrees not to pursue other Power 5 conference deals
Advisory: CAS provides sponsorship and future media rights strategy

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Model 3

Conference-Level Equity Investment

PAUSED

Big Ten / UC Investments | Proposed Nov. 2025

Big Ten Conference

Crea

Big Ten Enterprises
(Standalone Commercial Entity)
Media + Sponsorship Rights

$2.4B investment

UC Investments
Univ. of California Pension
(~$200B portfolio)

10% equity stake

$2.4B distributed
(min ~$100M / school)

10% of media/sponsor
earnings for 15 years

Requires grant-of-rights
extension to 2046

18 Member Schools
(Tiered distribution)

UC gets weighted voting
+ board seats on BTE

STATUS: PAUSED — Michigan and USC opposed on governance/autonomy grounds. UC Investments said it would wait for “unity.”

Note: UC Investments insists it is “not private equity” but a public university pension system.

Key Terms

Equity: 10% of Big Ten Enterprises with 15-year revenue participation, then option to sell
Governance: Weighted voting + board representation. Michigan/USC see autonomy risk.

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Model 4

Private Credit / Lending

Sixth Street, Arctos Partners | Explored 2024

EXPLORED

Private Credit Firms
(Sixth Street, Arctos)

→ *Loans / credit facilities*

Athletic Department
(e.g., Florida State)

← *Debt service (principal + interest)*

Lender Covenants: Financial reporting, debt-to-revenue ratios, borrowing restrictions

Secured Against: Future media rights, ticket sales, sponsorship revenue

NO EQUITY | No Ownership | No Revenue Participation | Simplest Structure

See also: Big 12/CAS deal includes opt-in $30M credit lines per school at double-digit interest rates — a lending component within Model 2.

Key Terms

Structure: Simplest model — standard secured lending against future revenue streams
Governance: Least intrusion, but covenants may constrain operations and additional borrowing
Status: Multiple schools explored; no major standalone public deal closed

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Model 5

Infrastructure / Public-Private Partnership

POTENTIAL

P3 Framework | Potential Future Structure

PE-Backed Developer / Operator

$ to Fund capital project

Long-term lease / revenue rights

Capital Project

Stadium | Training Facility
Arena | Hospitality Venue

Developer Receives (20–30 yr term):
Naming rights | Premium seating revenue | Concessions | Hospitality/event revenue

University Retains:
Ownership of land/facility at end of term

NO EQUITY IN ATHLETIC PROGRAM | Revenue participation tied to specific asset only

Public Universities: Triggers state procurement law, public bidding requirements, and open-records obligations

Key Terms

Structure: Project-specific; familiar P3 legal framework from higher ed dorms, parking, dining facilities
Status: Not yet deployed in college athletics PE specifically, but P3 framework is well-established

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Model 6

Ecosystem / Middleware Investment

ACTIVE

TPG, Velocity Capital, Weatherford | Active + Growing

PE Firms
(TPG, Velocity Capital)

Invest / acquire

Returns to PE

Service Companies

Learfield (multimedia rights, NIL)
Playfly Sports (multimedia rights)
OneTeam Partners (group licensing)
Elevate Sports Ventures (consulting)
IMG Academy (training/prep school)

Services

Fees / revenue shares

Athletic Departments & Conferences

EQUITY IS IN THE SERVICE COMPANY — not in the school or conference

Least Regulatory Friction:
No Title IX, tax-exempt, or public-entity concerns

Examples: TPG took controlling stake in Learfield (2026); Elevate backed by Velocity Capital; Weatherford owns IMG Academy

Key Terms

Structure: PE controls the middleware/infrastructure layer of college sports economics
Advantage: Indirect exposure without nonprofit/public-entity regulatory burden
Status: Active and growing — multiple closed deals across the sector

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Comparison Summary

Six Models of Private Equity Engagement in College Sports

	1. School Spinoff	2. Conference Capital	3. Conference Equity	4. Private Credit	5. Infra / P3	6. Ecosystem Middleware
Deal Type	School-level for-profit spinoff	Conference capital partnership	Conference equity investment	Secured lending / credit facility	Project-specific P3 partnership	Investment in service companies
Capital	$100-200M (Otro)	$12.5M + $30M lines	$2.4B	Varies; no public deal closed	Project-specific	Varies; multiple deals
Equity?	Yes (minority)	No	Yes (10%)	No	No	Yes (in svc co, not school)
Governance?	Board seats (commercial entity)	None	Weighted voting + board seats	Covenants only	Lease terms only	None over school/ conference
Revenue Participation?	Via equity in LLC	Fixed-rate repayment	10% of media rev (15 yr)	Interest on loans only	Named asset revenue	Fees / revenue shares
Key Risk	Governance concerns; auditor	Conflict of interest (media)	Autonomy loss; opposition	Debt burden; covenant constraints	Procurement law; public bidding	Indirect exposure; less control
Status	Active (July 2026)	Active (Apr 2026)	Paused (Nov 2025)	Explored; none closed	Potential future	Active + growing

Sources: Public filings, media reports, conference announcements (as of September 2026)

Legal & Regulatory Risk Map

Key Legal Considerations Across Six PE Deal Models | For Discussion Only — Not Legal Advice

Model 1: School-Level Spinoff — Utah / Otro Capital

- **Tax-Exempt Status:** Transfer of revenue assets to for-profit LLC raises UBIT questions; could jeopardize university tax exemptions
- **Governance:** State Auditor warned entity is "intentionally structured so the university does not legally control it"
- **Congressional Scrutiny:** House committee requested briefing from Utah president on deal motives
- **Title IX:** PE incentive to maximize football/MBB revenue could pressure disinvestment from women's/non-revenue sports
- **State Law:** Public university procurement, open-records, and board approval requirements

Model 2: Conference Equity — Big Ten / UC Investments

- **Antitrust (Sherman Act §1):** Competing schools collectively negotiating with investor may constitute horizontal agreement
- **Governance Dilution:** Weighted voting + board seats for outside investor in conference commercial entity
- **Grant-of-Rights Lock-In:** Extension to 2046 constrains member school autonomy
- **Member Consent:** Michigan/USC opposition raises required-approval-threshold questions
- **Congressional:** Sen. Cantwell requested clarity on tax-exempt status of college sports financial activities

Model 3: Conference Capital Partnership — Big 12 / RedBird CAS

- **Conflict of Interest:** RedBird's Paramount stake (CBS/TNT) creates conflict when Big 12 negotiates future media rights
- **Antitrust:** Conference-level collective dealing with a capital partner
- **Debt Service:** Fixed-rate repayment over 5 years; double-digit interest on school credit lines
- **Non-Compete:** Exclusivity clause restricts RedBird from partnering with other Power 5 conferences

Model 4: Private Credit / Lending — Sixth Street, Arctos Partners

- **Debt Burden:** Loan repayments strain already-deficit athletic budgets
- **Covenants:** Financial reporting, debt-to-revenue ratios, borrowing restrictions may constrain AD operations
- **Secured Revenue:** Lender could claim media rights on default — novel and untested in this context
- **Public Univ. Limits:** State law may restrict public institutions' ability to pledge future revenues

Model 5: Infrastructure / P3 — Public-Private Partnership

- **Procurement:** Public universities must comply with competitive bidding and public notice statutes
- **Public-Entity:** Open-records obligations, legislative oversight, board approval requirements
- **Long-Term Lock-In:** 20–30 year lease/revenue terms may become unfavorable if market shifts
- **Title IX:** Facility improvements concentrated on revenue sports could trigger equity concerns
- **Reversion:** Complex facility ownership vs. control mechanics at end of term

Model 6: Ecosystem / Middleware — TPG, Learfield, Playfly, OneTeam

- **Lowest Direct Friction:** PE invests in private companies, not public/nonprofit entities
- **NIL Compliance:** Service cos. must navigate evolving NCAA rules, state NIL laws, and House settlement restrictions
- **Antitrust:** Dominant market positions (e.g., Learfield) could face scrutiny over sponsorship/media control
- **Data Privacy:** Athlete data collected by service companies raises privacy and consent issues
- **PROTECT Act:** Broad definition of "private capital firm" could potentially reach ecosystem investments

Key Sources: NCAA v. Alston (2021) | House v. NCAA Settlement (2025) | PCSA / Protect College Sports Act (2026) | PROTECT Act (proposed) | Kaufman Canoles Analysis | Temple Law 10Q | Sen. Cantwell letter | Utah State Auditor (May 2026)

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