



Board of Trustees Special Meeting

Board of Trustees

Virtual Meeting

Aug 11, 2021 11:00 AM - 12:00 PM EDT

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UNIVERSITY OF CENTRAL FLORIDA

**Board of Trustees Special Meeting
August 11, 2021
Virtual Meeting
11:00 a.m. – 12:00 p.m.**

<https://ucf.zoom.us/j/92051770113?pwd=Qjd6b2ExVUIYTdlwb0h4bXpjOVRodz09>

Conference call number, +1 929 205 6099

Meeting ID: 920 5177 0113

AGENDA

- | | | |
|------------------------------|---------|--|
| 1. Welcome and Call to Order | | Alex Martins, <i>Chair, UCF Board of Trustees</i> |
| 2. Roll Call | | Karen Monteleone, <i>Assistant Vice President, Board Relations</i> |
| 3. Public Comment | | Karen Monteleone |
| 4. New Business | | Chair Martins |
| | BOT – 1 | Motion |
| | | Naming of the UCF Football Stadium
Terry Mohajir, <i>Vice President and Director of Athletics</i>
Brad Stricklin, <i>Senior Executive Associate Athletics Director, CFO</i>
Jordan Clark, <i>Associate General Counsel, UCF</i> |
| | BOT – 2 | Motion |
| | | Use of UCF Football Stadium to host an event with potential attendance in excess of 10,000
Terry Mohajir, <i>Vice President and Director of Athletics</i> |
| 5. Adjournment | | Chair Martins |

UCF BOARD OF TRUSTEES

Agenda Item Summary

Board of Trustees

August 11, 2021

Title: Naming of the UCF Football Stadium

 Information Information for upcoming action Action**Meeting Date for Upcoming Action:** _____**Purpose and Issues to be Considered:**

Consider changing the name of the UCF Football Stadium to “3MG Stadium” for the term of the qualified sponsorship between UCFAA and 3MG Roofing, LLC.

Background Information:

The Stadium is currently without a named sponsor. UCF Athletics Association (“UCFAA”) has been in negotiation with 3MG, a current sponsor of UCFAA, regarding naming rights of the Stadium. Recently a Letter of Intent (“LOI”) was executed for a twelve-year, \$20 million agreement to name the Stadium the “3MG Stadium.” The terms of the LOI are outlined in the attached Summary of Agreement.

The terms of this transaction will be a qualified sponsorship, so a substantial component of the sponsorship is considered philanthropic. The request to rename will be reviewed by the University Stadium Corporation, UCF Athletics Association, and UCF Foundation boards prior to the request of the Board of Trustees. UCF Advancement and the UCF Foundation is responsible for reviewing, vetting, and recommending the applicable donor recognition of gifts made to benefit the University.

Recommended Action:

Approve renaming the Football Stadium “3MG Stadium” for the term of the Agreement between UCFAA and 3MG Roofing, LLC.

Alternatives to Decision:

Do not approve the naming of the Stadium and request that UCFAA search for a different stadium naming partner.

Fiscal Impact and Source of Funding:

3MG will pay \$20 million to UCFAA over the twelve-year term.

Authority for Board of Trustees Action:

Board of Governors Regulation 9.005, Naming of Buildings and Facilities

UCF Board of Trustees Policy, Naming of Buildings and Facilities

UCF Foundation Policy 2.00, Naming Opportunities Policy

Contract Reviewed/Approved by General Counsel N/A

Committee Chair or Chair of the Board has approved adding this item to the agenda

Submitted by:

Terry Mohajir, Vice President and Director of Athletics

Supporting Documentation:

Attachment A: Summary of Agreement

Facilitators/Presenters:

Terry Mohajir, Vice President and Director of Athletics

Brad Stricklin, Senior Executive Associate Athletics Director, CFO

Jordan Clark, Associate General Counsel, UCF

Summary of Agreement

Purpose/Background	UCFAA has secured a sponsor, 3MG Roofing, LLC to name the football stadium “3MG Stadium.” A letter of intent (LOI) has been signed by the sponsor and the general terms set forth in the LOI are outlined below. A formal agreement, based on the terms of the LOI and any conditions noted in the approvals, will be entered into between the parties after the necessary approvals and due diligence has occurred.
Parties	UCF Athletics Association, Inc (UCFAA) and 3MG Roofing, LLC
Term	Twelve (12) years, commencing on September 1, 2021
Obligations of UCFAA	Payment for initial stadium signage Sponsorship benefits and activations at UCFAA events and competitions
Obligations of other party	Annual payment to UCFAA for a period of 12 years
Financial terms	\$20 million over 12 years. Annual sponsorship payment escalates over payment schedule.
Termination rights	UCFAA shall have the absolute right to terminate the Agreement in the event 3MG breaches warranty regarding assignment of benefits business practices. Terms outlined below.
Additional terms	<p>UCFAA will provide 3MG right of first refusal on future naming.</p> <p>3MG has the right to request evaluation of the future value of the Agreement in writing in 2027 and 2030.</p> <p>45-calendar day due diligence period for a third-party financial consultant to review available funds to fulfill the pledge.</p> <p>A clause in the LOI limits 3MG from utilizing assignment of benefits as a business practice. The language from the agreement is included below:</p> <p style="padding-left: 40px;">Business Practices: 3MG represents and warrants that during the term of the Agreement that assignment of benefits work, as that practice is commonly known, on behalf of roofing customers shall not be part of 3MG’s business practices. UCFAA shall have the absolute right to terminate the Agreement in the event 3MG breaches this representation and warranty.</p>

	<p>3MG shall be the exclusive roofing contractor sponsor of UCF Athletics. 3MG may compete for UCFAA capital projects and participate if selected following a competitive process. The language from the agreement is included below:</p> <p>Sponsorship Exclusivity: 3MG shall be the exclusive roofing contractor sponsor of UCFAA and shall be invited to participate and compete for all UCFAA roofing capital projects during the term of the Agreement. Accordingly, UCFAA agrees that it shall not enter any sponsorship opportunity or offer to sell sponsorship and/or advertising to any other roofing companies, distributors or manufacturers be it residential, commercial, or otherwise. This shall in no way prohibit UCFAA from soliciting sponsorship opportunities from businesses or service providers who may use products from a competitor of the sponsor (i.e. residential or commercial developers), provided however, such businesses shall be prevented from promoting or mentioning such associations with 3MG competitors in any marketing or sponsorship materials used in the Stadium.</p> <p>3MG will actively support the educational mission of the university by providing access to high impact learning experiences for our students, as outlined below:</p> <p>Student/Academic Integration: 3MG will be integrated into the UCF College of Business Professional Selling Program as a Platinum Plus Partner. This will include interaction with current UCF students for professional development and internship opportunities. 3MG will also be integrated into the UCF Athletics Knights Leadership Academy to include “Discovery Days” and “Shadow Days” to educate student-athletes on employment duties and responsibilities. Finally, 3MG will participate in the UCF Young Alumni Program.</p>
<p>Link to agreement</p>	<p>N/A</p>

UCF BOARD OF TRUSTEES

Agenda Item Summary

Board of Trustees

August 11, 2021

Title: Use of UCF Football Stadium to host an event with potential attendance in excess of 10,000

Information Information for upcoming action Action

Meeting Date for Upcoming Action: _____

Purpose and Issues to be Considered:

The Hula Bowl, a college football all-star game, has requested to rent the football stadium to host their game, with an expected attendance of 10,000, on Saturday, January 15, 2022. The use agreement would also include use of other football related facilities, including the Nicholson Field House, practice fields, and stadium locker rooms during the week prior to the game.

Background Information:

The Hula Bowl, which played its first game in Honolulu, Hawaii in 1946 has traditionally been played at Aloha Stadium. The stadium is currently closed for repairs requiring the event to seek an alternate location in 2022. The Hula Bowl, LLC desires to host the event in Central Florida due to weather and local attractions, and desires UCF due to its facilities to fully support the event and week-long activities. UCF Athletics desires to partner to further enhance the profile of the game and develop opportunities that would be mutually beneficial to both parties.

In 2009, the UCF Board of Trustees instituted a policy that applies to all users of the stadium and states that, other than permitted uses outlined in the policy, uses of the UCF Football Stadium that may have attendance of 10,000 or more should be reviewed and approved by the board. Permitted uses that do not require Board approval include home football games, practices for the UCF football team, homecoming events such as a concert, national presidential campaign events, and events with anticipated actual attendance of less than 10,000.

All proposed uses of the Stadium other than permitted uses shall require a majority plus one vote of the members of the Board of Trustees who attend the Board meeting in which a quorum is present.

Because the 2022 Hula Bowl is currently projecting attendance of 10,000, Board of Trustees approval is required before a use agreement can be finalized.

Recommended Action:

Approve the use of the UCF Football Stadium to host the 2022 Hula Bowl on January 15, 2022.

Alternatives to Decision:

Decline stadium use request.

Fiscal Impact and Source of Funding:

The UCF Athletics Association will have a net benefit in FY2021-22 of at least \$50,000 in unbudgeted revenue.

General terms (UCFAA and Hula Bowl, LLC):

- Event license fee – the greater of 12% of gross general ticket sales and 15% of premium ticket sales OR \$50,000. Tickets will be sold through Athletics’ TicketMaster portal.
- Revenue will also be retained by UCFAA from the sale of parking, food and beverage, alcoholic beverage, and potentially from sponsorship sales.
- UCFAA will direct stadium event operations and will provide the Hula Bowl with an “estimated event operations expense report” prior to the game. The Hula Bowl shall remit 100% of the estimated stadium event expense to UCFAA at least 14 calendar days prior to date of game.

Authority for Board of Trustees Action:

Board of Governors Regulation 1.001, University Board of Trustees Powers and Duties
Board of Trustees Policy, Use of Stadium

Contract Reviewed/Approved by General Counsel N/A

Committee Chair or Chair of the Board has approved adding this item to the agenda

Submitted by:

David Hansen, Senior Executive Associate Athletics Director/COO for UCFAA

Supporting Documentation:

N/A

Facilitators/Presenters:

Terry Mohajir, Vice President and Director of Athletics