

UNIVERSITY OF MINNESOTA


Office of the President

202 Morrill Hall
100 Church Street S.E.
Minneapolis, MN 55455-0110

MEMORANDUM

September 1, 2017

TO: The Honorable David McMillan, Chair
The Honorable Ken Powell, Vice Chair
The Honorable Thomas Anderson
The Honorable Richard Beeson
The Honorable Linda Cohen
The Honorable Michael Hsu
The Honorable Dean Johnson
The Honorable Peggy Lucas
The Honorable Abdul Omari
The Honorable Darrin Rosha
The Honorable Patricia Simmons
The Honorable Steve Sviggum

FROM: Eric W. Kaler, President 

RE: TCF sponsorship enhancement and field marks agreement

Athletics Director Mark Coyle, Senior Vice President Brian Burnett, and other University officials have been in discussions for several months with TCF Bank leadership requesting significant financial support of the Athletes Village project in exchange for placing the name of our stadium sponsor on the playing field surface.

The TCF Board of Directors gave its support to this new enhanced sponsorship agreement with Gopher Athletics in July 2017, and our staff have been working with TCF leadership to finalize the details of this agreement. A summary of the proposed agreement follows.

1. New title sponsorship rights

- Add two Field Marks (Exhibit (a)) on Field of Play opposite Big 10 logos as soon as reasonably possible, not later than the second game of 2017
- Add Field Logo (Exhibit (b)) *outside* Field of Play per Exhibit (c) as soon as reasonably possible, not later than the second game of 2017

- Replace scoreboard logos with new Stadium Logos by the first game of 2018 Season
- If future NCAA rules allow, replace 2017 Field Marks with replica of new Stadium Logo in white
- Payment: \$8 million upon execution of Amendment, to be dedicated solely to the Athletes Village project; University agrees to pay half the cost of replacing scoreboard logos, not to exceed \$75,000

2. Option to extend from 2031 to 2040 (present Agreement terminates April 20, 2030)

- TCF must exercise by September 30, 2020
- Payment of \$4 million due upon exercise of option
- If exercised:
 - Suite use rights expanded from home football games to all events held at the Stadium that are marketed to the general public for which access to all suites is sold or permitted
 - Option to also extend ATM leases in Stadium for parallel period at same rent as Initial Term of ATM leases

3. Annual payments reduced by \$69,000 beginning March 15, 2018 (Exhibit (d)). *The University is refinancing the TCF portion of the annual debt service and expects the refinancing savings to annually exceed this modest reduction in annual payments requested by TCF.*

4. Potential additional reductions to annual payments

- If current NCAA Rules are changed:
 - If Field Marks no longer allowed, (\$300K) annually
 - If neither Field Marks nor Logo on Field, (\$500K) annually
 - If alterations required that “materially and adversely affect visual impact,” a reduction proportionate to degree of adverse impact annually
- If NCAA Rules *not* changed to allow Stadium Logo on field, (\$200K) annually beginning with March 15, 2019 payment

5. Other modifications to terms of agreement:

- No other Financial Services Company permitted to “establish a staffed presence at the Stadium” (such as a kiosk for opening accounts); “staffed presence” includes in-person, video, or telephone conferencing capabilities

- Advertising Time available to TCF on Digital Display Boards expanded from “Home Games” to “all Events marketed to the public other than Excepted Events” and subject to University’s right to refrain from advertising during certain kinds of events
- Minimum Percentage of Advertising Time in circumstances of permitted reductions increased from 8-1/2% of total message time to 17% of total message time

Attached to this correspondence are exhibits to this agreement to illustrate what these new field marks will look like on the field at TCF Bank Stadium. Additionally, the Office of Investments and Banking performed a separate analysis of the proposed terms of this agreement and the analysis is attached for the Board’s review. Not only does this agreement represent a significant financial increase in private support for the Athletes Village project, but this revised agreement would be one of the most lucrative stadium naming agreements in the United States.

We respectfully request that the Board of Regents approve this enhanced sponsorship agreement with TCF Bank. The specific docket item for review and action will be sent to the Regents no later than Tuesday, September 5, 2017 and the Finance & Operations Committee will take it up as part of the consent agenda at the September 7, 2017 committee meeting.

EWK/jm

- c: Brian Burnett, senior vice president, Finance and Operations
Mark Coyle, director, Intercollegiate Athletics
Douglas Peterson, General Counsel
Brian Steeves, executive director, Office of the Board of Regents

Attachments: Exhibits a, b, c, d
TCF Bank Stadium Naming Rights limited scope financial assessment of TCF Bank’s June 22, 2017 proposal
