

UNIVERSITY OF CENTRAL FLORIDA
UCF Athletics Association, Inc.
May 23, 2022

Proposed Naming of the UCF Football Stadium

Information Discussion Action

Meeting Date for Upcoming Action: Not Applicable

Purpose and Issues to be Considered:

The UCFAA Board is being asked to approve and authorize Terry Mohajir to finalize a naming rights agreement for the UCF football stadium (“Stadium”) worth \$19.5 million over a 10-year term as part of a qualified sponsorship between UCFAA the Naming Partner.

Background Information:

In 2019, the UCF Stadium Corporation (“USC”) granted UCF Athletics Association, Inc. (“UCFAA”) a license to sell all sponsorships rights in and around the Stadium. In exchange for this license, UCFAA agrees to pay a stated sum per year to USC, for fiscal year 2021-22 the amount is \$1,900,000. Naming rights to the stadium are part of the sponsorship rights contained in this rights agreement. The previous stadium naming rights agreement commenced in 2007 and terminated in 2019; under that agreement USC received \$750,000 per year.

Recently UCFAA identified a potential naming rights partner and began negotiations. The negotiations have advanced to a stage where a deal is imminent and governance approvals are required. The basic elements of the agreement will be for a ten-year term and a value of \$19.5 million. UCFAA staff brings this matter to the Board of Directors requesting approval and authorization to finalize this agreement. If approved and authorized UCFAA will finalize the agreement and it will be effective after the UCF Board of Trustees approve the naming, (May 26th meeting) with the term commencing on July 1, 2022 and extending for ten (10) years.

Since the terms of this transaction is a qualified sponsorship, a component of the sponsorship is considered philanthropic. Pursuant to University Board of Trustees Policy Naming of Buildings and Facilities, the Advancement Division and the UCF Foundation are responsible for the applicable donor recognition of gifts made to benefit the University and maintains the policies and procedures for the acceptance and recognition of gifts. UCF Foundation Legal Counsel is responsible for conducting the necessary vetting, reputation and brand due diligence prior to seeking approval. In accordance with this policy, the Foundation Board must approve the naming for transmittal to the University Board of Trustees for final approval.

Recommended Action:

Approve the principal terms and authorize Terry Mohajir to finalize a naming rights agreement between UCFAA and the Naming Partner.

Alternatives to Decision:

Decline approving the proposed naming of the Stadium and request that UCFAA search for a different stadium naming partner.

Fiscal Impact and Source of Funding:

Naming Partner will pay \$19.5 million to UCFAA over the ten-year term.

Authority for Board of Trustees Action:

Licensing Agreement, July 1, 2019

Florida Statute 1004.28

BOG Policy 9.005

UCF Board Policy, Naming of Buildings and Facilities

UCF Foundation Policy 2.00, Naming Opportunities Policy

Contract Reviewed/Approved by Attorney Liaison N/A

Attorney Liaison has approved adding this item to the agenda

AVP for DSOs has approved adding this item to the agenda N/A

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

Submitted by:

Terry Mohajir, Vice President and Director of Athletics and UCFAA President

Supporting Documentation:

Attachment A: Naming Rights Contract Summary

Facilitators/Presenters:

Terry Mohajir, Vice President and Director of Athletics and UCFAA President

Terry Donovan, Senior Executive Associate Athletics Director and CFO

Naming Rights Contract Summary

Purpose/Background	UCFAA has advanced discussions with a sponsor to name the football stadium. The material terms are outlined below. A formal agreement based upon these terms will be finalized upon the Board’s consent and authorization.
Term	Ten (10) years, commencing on July 1, 2022
Obligations of UCF	Payment for internal stadium signage and external signage on north endzone videoboard as well as sponsorship benefits and activations at UCFAA events and competitions.
Obligations of other party	Annual payment to UCFAA for a period of 10 years, and cost of signage on Roth Tower.
Financial terms	\$19.5 million over 10 years. Annual rights fees escalate over the term of the agreement.
Termination rights	UCFAA shall have the absolute right to terminate the Agreement in the event the entity fails a financial diligence assessment. UCFAA shall also have the right to terminate for breach (non-payment) or objectional activity.
Additional terms	<p>Naming partner has the right to request evaluation of the future value of the Agreement in writing in 2027.</p> <p>Naming partner shall possess industry exclusivity for sponsorships with UCFAA. The language from the agreement is included below:</p> <p>For the duration of the Term, Naming Partner shall be the exclusive Industry sponsor of UCFAA. As such UCFAA agrees that it shall not enter any sponsorship opportunity or offer to sell sponsorship and/or advertising to any other Industry Company.</p> <p>Sponsorship Restrictions. Subject to the restrictions and limitations set forth herein, UCFAA hereby grants Sponsorship Exclusivity to [Naming Partner] during the Term. For purposes of this Agreement, “Sponsorship Exclusivity” means that any and all [Industry] Companies (as defined in herein) shall be prohibited from sponsoring, co-sponsoring, advertising or promoting itself (or its goods or services) anywhere inside the Stadium, in IOA Plaza, or on the exterior of the Stadium, including, without limitation, in or on signage, marketing materials, programs, written or digital materials made available within the Stadium; and sponsoring, co-sponsoring, advertising or promoting in any manner any UCFAA ticketed and controlled Stadium Event, or any portion of any such Stadium Event, except as approved by Naming Partner in writing.</p>