



**BOARD OF TRUSTEE:
SPECIAL COMMITTEE MEETING**
September 9, 2020



**FLORIDA
AGRICULTURAL AND
MECHANICAL
UNIVERSITY**

PERSONNEL CONTRACT AGREEMENTS

- **Women's Basketball Agreement : Shalon Pillow**
- **Men's Basketball Agreement : Robert McCullum**
- **Head Football Coach Amendment : Willie Simmons**
- **Vice –President & Athletic Director Amendment : Kortne Gosha**

FAMU ATHLETICS APPAREL AGREEMENT – 5 YEARS

- July 1, 2021- 2026
- SUS Peers (USF, FAU, FIU)
- Direct Relationship
- Personal Account rep
- 45% discount on footwear
- 50% discount on apparel
- \$200K minimal institutional purchase, FAMU would receive \$175K in free goods based on spend.
- Signing bonus of \$125,000 in free products
- Performance Incentives for coaches & teams
- The best apparel deal for any HBCU in the country
- Global Sports Marketing Brand
- Retail Activation/Promotions
- Future Opportunities



DISCUSSION ITEMS

- **'Great Things Moment'**
- **Peak Sports Multi-Media**
- **Daktronics**
- **Crown Castle**
- **Expense Reductions**

'GREAT THINGS MOMENT'



DISCUSSION ITEMS: PEAK SPORTS MEDIA – 5 YEAR

- Guaranteed annual revenue and a split after a \$400,000 threshold
- Exclusive rights for (Athletics only)
- 2 full- time staff members at no cost to FAMU
- Informed asked and for local and national sales deals
- Boots on the ground execution
- 15 D-1 FCS Athletic Programs
- Guaranteed \$1,000,000 over the next 5 year base
- Collegiate multimedia rights partners sell advertising space with firms that want to advertise their goods and services (Digital collateral, signage, naming rights)
- The Center for Research in Intercollegiate Athletics (CRIA) at the University of North Carolina at Chapel Hill estimates that multimedia rightsholders allocate more than \$500 million annually in guaranteed rights fees to institutions in the Football Bowl Subdivision (CRIA, 2018).

DISCUSSION ITEMS: PEAK SPORTS MEDIA – 5 YEAR: FINANCIAL SNAPSHOT

Year	Florida A&M Guarantee (A.)	Minimum Target Goal (B.)	Revenue Share % After MTG To FAMU	Higher Target Goal (C.)
2021-22	\$185,000	\$385,000	55%	\$485,000
2022-23	\$195,000	\$395,000	55%	\$585,000
2023-24	\$205,000	\$405,000	55%	\$685,000
2024-25	\$215,000	\$415,000	55%	\$785,000
2025-26	\$225,000	\$425,000	55%	\$1,000,000



DAKTRONICS

- Sign to be permitted and built by CMG with no cost to FAMU
- Sign will be owned by the school
- Sign will always have school promotional or informational messages in the rotation (such as “Welcome Class of 2025!,” “Now Enrolling,” or “Congratulations Graduates!”) providing a huge marketing boost
- CMG will sell additional slots in the rotation to sponsors for their marketing/sponsor messages, profits will be split 50/50 with the school
- Political or controversial messages will be prohibited and large existing sponsors will be offered preferred pricing
- A 25-year management agreement will be entered for the sign; during the term of the agreement all operations, maintenance, repairs, and replacements will be handled by CMG with no expense or hassles for the school
- Capital costs will be repaid over 10 years leaving substantial proceeds for distribution.
- Reports of revenues and expenses will be provided monthly.

Conclusion FAMU will obtain a new top-of-the-line digital sign at no cost. The sign will be used for school messaging at all times, providing a huge marketing boost. The sign will generate over \$200,000 in annual benefit for the school with no cost, risk, or hassle



DAKTRONICS: FINANCIAL SNAPSHOT



Financial Projection – Sign along I-4 at Orlando Campus

Average Monthly Revenue:	\$31,500
Assumptions:	Per Spot Rate of \$2500*
	7 Spots Sold on Each Side (one spot for school use)
	90% Occupancy / 10% Unsold (Self-Promo)
Total development costs (10-year repayment)	\$750,000
Monthly Profit to FAMU (first 10 years):	\$10,380
Monthly Profit to FAMU (after 10 years):	\$14,130
Monthly Value of FAMU Messaging:	\$5,000
Average Annual Benefit to FAMU:	<u>\$211,560</u>
Total Benefit Over 25 years:	<u>\$5,289,000**</u>

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CROWN CASTLE

- Crown Castle (10-year contract)
- No cost to FAMU
- Provides better cell and bandwidth for cell towers (large events, mobile ticketing, digital access)
- Other SUS institutions (confirmed by BOG & FAMU audit & compliance)

Hiding in plain sight: Outdoor small cell solutions



University Solutions

University	University	University	University
University of Notre Dame	Stanford University	Texas A&M	University of Utah
Rutgers University	Oklahoma State University	University of Wisconsin – Madison –	California State University - San Bernardino
University of Texas at Austin	University of California - Irvine	Iowa State University	University of Oklahoma
San Diego State University	Northern Illinois University	Indiana University - Bloomington	West Virginia University
Arizona State University	University of California - Santa Cruz	University of California - San Diego	Miami University - Oxford
University of Southern California	Miami University - Oxford	University of Miami	Purdue University
University of Montana	University of Mississippi	College of William and Mary	Georgia State University
	Montana State University	University of New Mexico	

CROWN CASTLE: FINANCIAL SNAPSHOT

Notes	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total 10 yrs
<u>Estimated annual recurring rental revenue from WSPs on DAS to SOLUTIONS</u>											
WSP1	\$ 132,000	\$ 134,640	\$ 137,333	\$ 140,079	\$ 142,881	\$ 145,739	\$ 148,653	\$ 151,627	\$ 154,659	\$ 157,752	\$ 1,445,363
WSP2	132,000	135,960	140,039	144,240	148,567	153,024	157,615	162,343	167,214	172,230	1,513,232
WSP3	-	132,000	135,960	140,039	144,240	148,567	153,024	157,615	162,343	167,214	1,341,002
1,2	Total Estimated Annual Recurring Rental Revenue	264,000	402,600	413,332	424,358	435,688	447,330	459,293	471,585	484,216	4,299,597
<u>Estimated annual revenue share payments to Landlord</u>											
Rev share for WSP1 (20.0%)	\$ 26,400	\$ 26,928	\$ 27,467	\$ 28,016	\$ 28,576	\$ 29,148	\$ 29,731	\$ 30,325	\$ 30,932	\$ 31,550	\$ 289,073
Rev share for WSP2 (20.0%)	26,400	27,192	28,008	28,848	29,713	30,605	31,523	32,469	33,443	34,446	302,646
Rev share for WSP3 (20.0%)	-	26,400	27,192	28,008	28,848	29,713	30,605	31,523	32,469	33,443	268,200
3	Total estimated annual revenue share payments	52,800	80,520	82,666	84,872	87,138	89,466	91,859	94,317	96,843	859,919
2	Total estimated payments to Landlord	\$ 52,800	\$ 80,520	\$ 82,666	\$ 84,872	\$ 87,138	\$ 89,466	\$ 91,859	\$ 94,317	\$ 96,843	\$ 859,919

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FY21 YTD BUDGET PROJECTIONS

Revenue Collections	Budget	Year-to-date Projection	Operating Expenses	Budget	Year-to-date Projection
Fees	3,700,000	3,717,257	Salary/Leave Payout	3,094,522	3,094,522
Fee Waivers	(200,000)	(175,000)	OPS	210,092	210,092
Game Guarantees	650,000	300,000	Expense	1,361,878	1,024,846
Other Revenue	120,000	157,091	Debt Repayment - Athletics and Foundataion	411,993	411,993
Investing in Champions	400,000	350,000	NCAA Penalty	25,000	25,000
Scholarship Buydown	1,200,000	1,200,000	Scholarship	1,200,000	1,200,000
DSO and Other Support Organizations	633,485	633,485	Mandatories	200,000	200,000
Total Budgeted/Actual Revenue:	\$ 6,503,485	\$ 6,182,833	Sub-Total Operating Expenses	\$ 6,503,485	\$ 6,166,453
			Projected Net Profit (Loss)	\$ -	\$ 16,380



**‘At FAMU, Great Things are
Happening Every Day!’**

