VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Re-Naming of the Arena at Hec Edmundson Pavilion as “Alaska Airlines Arena”

RECOMMENDED ACTION:

It is the recommendation of the administration, the Finance, Audit and Facilities Committee, and the University Names Committee that the Board of Regents approve renaming the Arena located in Hec Edmundson Pavilion as “Alaska Airlines Arena.”

BACKGROUND:

The Arena at Hec Edmundson Pavilion was previously named “Bank of America Arena” pursuant to a contractual naming rights agreement between Intercollegiate Athletics (ICA) and the Bank of America. This agreement was for a ten year term and expired in April of 2010, and will not be renewed with the Bank of America. The agreement with the Bank of America provided for an annual cash payment of $500,000, for a total of $5 million, to ICA over the ten year term.

Prior to seeking a new naming rights partner for the Arena, ICA retained the services of an independent consulting firm, Navigate Marketing, Inc., to evaluate the market value of the naming rights for the Arena. Navigate Marketing concluded that the naming of the Arena and placement of a logo on the court was fairly valued at $600,000, per year. The report prepared by Navigate Marketing illustrates that the valuation of naming rights opportunities varies widely throughout the country based upon local economies and market influences. Their research does demonstrate, however, that a $600,000 annual price is well-supported by the Western Washington economic outlook and is realistic based upon other recent naming rights agreements executed nationally.

ICA staff held several exploratory conversations with local and national businesses who expressed interest in the naming of the Arena. Ultimately, Alaska Airlines offered $400,000, per year in cash; $25,000, per year in trade (travel benefits); 20 MVP Gold memberships valued at $5,000-10,000, each; and $175,000, per year to activate additional sponsorship opportunities in conjunction with IMG Collegiate.

IMG Collegiate is the third-party media rights holder for ICA which markets and sells broadcast rights (with the exception of television) and sponsorship opportunities to interested parties on behalf of the ICA. Alaska Airlines is committed to purchasing radio advertising spots, in-arena advertising, and print and web ads through IMG Collegiate. IMG Collegiate compensates ICA through
VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Re-Naming of the Arena at Hec Edmundson Pavilion as “Alaska Airlines Arena”
(continued p. 2)

an annual revenue guarantee. The $175,000, paid to IMG by Alaska Airlines for
the purchase of additional sponsorship inventory will either contribute to the
annual guaranteed compensation IMG pays to ICA, or, if the contractual revenue
sharing threshold is met, will be paid to ICA though a 50% revenue sharing plan.

The value of this package to ICA exceeds $612,500, per year, for a term of five
years. The value of what Alaska Airlines is paying to ICA and its contractual
partners exceeds $700,000 per year.

The re-naming of the Arena is a unique situation for the University of Washington
in that this is not a newly constructed or renovated building, but an existing
facility that has previously been subject to a naming agreement. The current
naming policies which guide University groups do not take into account
circumstances that are, essentially, a “re-naming” of an existing facility. The
University Names Committee has taken the current proposal under consideration
and, in agreement with Interim President Phyllis Wise, has recommended that the
naming of the Arena at Hec Edmundson Pavilion as Alaska Airlines Arena be
approved.

Attachments
1. December 15, 2010 Letter of Approval from Names Committee to Interim
   President Wise, with concurrence of Interim President Wise.
2. January 4, 2011 Letter from Names Committee to Scott Woodward
December 15, 2010

Phyllis M. Wise
Office of the President
University of Washington
301 Gerberding Hall, Box 351230

Dear President Wise,

The University Names Committee has reviewed the proposal from Director of Athletics Scott Woodward recommending that the Bank of America arena at Hec Edmundson Pavilion be renamed "Alaska Airlines Arena at Hec Edmundson Pavilion" for a period of five years. Director Woodward proposes the university confer these naming rights to acknowledge important private support for ICA from a company that has a strong local and regional presence and an extensive history with the department.

The University Names Committee has reviewed and approved the proposal. On behalf of the committee, I respectfully ask that you grant this request.

Sincerely,

Daniel S. Friedman
Dean
Chair, Names Committee

Phyllis M. Wise, President

1/2/11

Copies: V. Warren
University Names Committee
January 4, 2011

Scott Woodward
Director of Athletics
Graves Hall, Box 354070
University of Washington

Dear Scott,

I am pleased to inform you that President Wise concurs with the Names Committee recommendation for approval of your request to rename the Bank of America arena at Hec Edmundson Pavilion the "Alaska Airlines Arena at Hec Edmundson Pavilion" for a period of five years.

As you know, final approval of the naming of exterior campus space rests with the Board of Regents (UW Handbook, Vol. 4, Chap. 10, Sect. 1). Typically such requests for regental approval issue from the nominating university office, and so we invite you to review the full instructions at http://www.washington.edu/regents/meetings/saf.html.

If I can be of any further assistance, please consider me at your service.

Sincerely,

Daniel S. Friedman, Ph.D., FAIA
Dean and Chair, University Names Committee

copies: University Names Committee
V’Ella Warren, Box 354998
F-9.2/201-11
1/20/11