

FEBRUARY 8, 2012 SPECIAL MEETING

*The University of Michigan
Ann Arbor
February 8, 2012*

The regents met at 10:00 a.m. in the Regents' Room via teleconference. Present were President Coleman and Regents Deitch, Ilitch, Newman, Richner, Taylor, and White. Also present were Vice President and Secretary Churchill, Vice President Rudgers, Vice President Scarnecchia, and Executive Vice President Slottow. Regents Darlow and Maynard were unable to participate.

Call to Order

President Coleman called the meeting to order and announced that the purpose of the meeting was to request that the regents grant a special one-time use of Michigan Stadium as the location for the National Hockey League's "Winter Classic" game in January 2013. Due to the unusual and highly visible nature of this event, it was deemed prudent to present the proposal for consideration by the board.

Statement by Regent Ilitch

Regent Ilitch announced that she would be recusing herself from the vote on this issue. "While I have no direct interest in the National Hockey League," she said, "it is well known that my family has an interest in the Detroit Red Wings Hockey Club and Comerica Park. It is important to me to avoid any appearance of conflict in this matter."

Discussion

Regent Newman noted that the event would have a considerable economic impact on Ann Arbor and the surrounding community during a time of year that is otherwise quiet. Regent Ilitch pointed out that the estimated economic impact would be \$14 million.

Regent Richner said that this is a “fantastic” idea, and Regent Taylor also expressed his enthusiastic support. Regent Taylor also noted that because an outside third party is leasing the facility and hosting the event, the fact that alcoholic beverages will be served is not an issue. He expressed the hope that similar events will be considered in the future.

Regent Deitch expressed agreement with Regent Taylor, and asked counsel to review indemnification and risk management issues that have been addressed in light of the fact that the event involves the sale of alcohol. Regent Taylor pointed out that the University’s policy of not serving alcohol in the stadium at University-sponsored public events does not apply when the facility is being operated by a third party.

Regent Brandon observed that, while this is a non-University event, the University and city will be providing some of the basic game-day services, including employment of the regular game-day operations staff, city and University police, security, and traffic control services normally provided during stadium events. He said that the University intends to be in complete compliance with the various regulations that relate to sale of alcohol at public events.

Associate General Counsel Tom Blessing addressed the indemnification issues, noting that they have been thoroughly reviewed by the general counsel’s office and the risk management office, and that all parties are satisfied with all arrangements in place to date. Additional due diligence will be conducted with concessionaires closer to date of the event. He confirmed that at this point, all risk management issues have been satisfied.

Vice President Scarnecchia pointed out that contract negotiations are still ongoing, and the information being provided is based on what has been discussed to date. However, she is not aware of any resistance on the part of the National Hockey League to any of the risk management or indemnification issues that have been raised. Indemnification has also been requested for people attending the game, providing an additional level of protection for the University.

Mr. Blessing stated that the University's insurance would cover all claims against the University, and to the extent that the damages are attributable to someone else's acts, the University would have the right to recover from the other party when they are at fault. Under the current contractual language, if the NHL and its affiliates were at fault, they would cover that portion of the injury or damage.

Regent Newman recognized the huge amount of effort that has been expended by individuals from across the University in making this agreement possible, noting that it is "a great win for everybody." Mr. Brandon also thanked everyone across the University who has been involved in the negotiation process, including the legal, facilities, security, and athletics operations teams, and added that the NHL representatives have been terrific partners throughout the process. He noted that he was recently informed that in addition to the fees the University will receive for this event, the NHL's charitable foundation will announce later in the week its plans to make a significant donation to the University for scholarships. Regent Taylor pointed out that the regents are very pleased by the significant amount of new revenue that will be generated for the University by this event, and thanked Mr. Brandon and everyone involved for that.

Regent White moved that the University of Michigan license use of Michigan Stadium for holding the NHL's 2013 Winter Classic, as described in the regents communication. Regent Taylor seconded the motion, and it was approved, with Regents Deitch, Newman, Richner, Taylor, and White in favor and Regent Ilitch abstaining.

Adjournment

There being no further business, the meeting was adjourned at 10:20 a.m.