

U. T. Austin: Request for Delegation to Approve and Execute Contract between the Cotton Bowl Athletic Association and U. T. Austin for Participation in the January 1, 2003, SBC Cotton Bowl Classic and Related Activities

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Faulkner that the U. T. Board of Regents authorize President Faulkner or his designee to approve and execute a contract between the Cotton Bowl Athletic Association and U. T. Austin for participation in the January 1, 2003, SBC Cotton Bowl Classic and related activities. The major contract provisions are:

- a. U. T. Austin agrees to play in the SBC Cotton Bowl Classic in Dallas on January 1, 2003, in the Cotton Bowl Stadium. U. T. Austin agrees to purchase a minimum of 12,500 tickets and will pay for all tickets and parking on or before January 31, 2003.
- b. Game receipts include ticket sales (less taxes), proceeds from radio and television broadcasts, net proceeds from program sales, net proceeds from the Bowl's merchandising program, and net proceeds from any sponsorship agreement to which the Bowl is a party. U. T. Austin and the Big Twelve Conference will receive 37.5% of games receipts. A minimum of \$2.5 million is guaranteed. This amount will be paid by the Cotton Bowl Athletic Association to the Big Twelve Conference. The Big Twelve Conference then will pay approximately \$1.1 million to U. T. Austin for its participation expenses including, but not limited to, travel, lodging, meals, etc. for the team, band, cheerleaders, and athletics staff, equipment transfer, practice site arrangements, team and staff entertainment and promotion activities, and team awards. The remaining approximately \$1.4 million will be distributed equally among the Big Twelve athletics programs. The opposing institution and its conference also will receive 37.5% of games receipts. The Bowl will receive 25% of game receipts for its direct expenses.
- c. All radio and television broadcast rights belong to the Bowl. U. T. Austin will not, without prior written consent, reproduce for commercial use any portion of the game except in connection with coaches' shows, recruiting, alumni group meetings, and other noncommercial uses.

- d. U. T. Austin authorizes the Bowl to include the institution's name, slogans, logos, mascots, seals, and other identifying marks in the Bowl's merchandising program, provided such are used in conjunction with the name "Cotton Bowl Classic," the likeness of the Bowl's logo, or in conjunction with the name "SBC Cotton Bowl Classic" and provided such merchandise is obtained from a licensee of U. T. Austin. The Bowl has an exclusive licensing agreement for the distribution of products bearing the Bowl marks in conjunction with U. T. Austin marks, in the team hotel, and on the property of the Cotton Bowl and Fair Park. U. T. Austin agrees that it or any affiliated entity will not actively engage in the distribution or sale of such products in Dallas County in connection with the Bowl. The Bowl will allow U. T. Austin groups to use the Bowl Mark on shirts or other related products if the company producing the products signs a Bowl License Agreement and reports and pays royalties on all products produced.
- e. U. T. Austin agrees to use the official title "SBC Cotton Bowl Classic" in all references to and in all promotion, printing, merchandise, and advertising for the game and in any use of all or any part of the game.

### BACKGROUND INFORMATION

The Cotton Bowl Athletic Association has a contract with the Big Twelve Conference that allows the Cotton Bowl to make the second selection from bowl-eligible Big Twelve universities after any Bowl Championship Series (BCS) selections have been made.

U. T. Austin received an invitation on December 8, 2002, to participate in the SBC Cotton Bowl Classic. This request for authorization to execute the contract is being made at a specially called meeting of the Board of Regents so that the contract can be processed prior to the team's departure for Dallas on December 26, 2002, and the January 1, 2003 game.