

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

SECTION: 24
DATE: April 17, 2012

RECOMMENDATION

ACTION REQUESTED

It is recommended that the Board of Regents approve the Management Agreement between the Board of Regents of Eastern Michigan University and MFS Ypsilanti Holdings LLC, owners of the Marriott Hotel at Eagle Crest. Further, it is recommended that the Board authorize the Chair of the Board of Regents to sign the Agreement on behalf of Eastern Michigan University, and also to make non-material changes to the Agreement.

STAFF SUMMARY

Eastern Michigan University proposes to enter into the attached Management Agreement for the Eagle Crest Corporate Education Center and Banquet Facility Between the Board of Regents of Eastern Michigan University and MFS Ypsilanti Holdings, LLC. The Agreement will transfer day to day management of the operation of the Corporate Education Center from EMU to MFS Ypsilanti Holdings, LLC.

FISCAL IMPLICATIONS

The Management Agreement restructures the financial arrangement between the parties from the current arrangement of separate operations for the conference center (EMU) and the hotel (MFS Ypsilanti Holdings, LLC) to a management agreement in which the hotel assumes overall daily management for the conference center operation, including all expenses, and shares a percentage of the combined gross revenue from the hotel and conference center with EMU. It is expected that this arrangement will result in improved financial performance and a positive income stream for EMU.

ADMINISTRATIVE RECOMMENDATION

The proposed Board action has been reviewed and is recommended for Board approval.

University Executive Officer
Gloria A. Hage

Date