**Illinois State**

**University**

Board of

**Trustees**

 **Resolution No. 2015.10/32**

 **Approval of Starbucks Corporation
 Licensing Agreement**

**Resolution**Whereas, Illinois State University owns and operates the Student Fitness Center for the use of its students, faculty, staff and alumni; and

Whereas, Illinois State University Campus Dining Services wishes to enter into a sole source Master Licensing Agreement with the Starbucks Corporation that will allow Illinois State University to construct, own and operate a Starbucks store in the Student Fitness Center; andWhereas, the University has projected over ten years royalty, marketing, license fee, furniture, fixture, equipment, and food costs; and

Therefore, be it resolved that the Board of Trustees approves a license agreement with the Starbucks Corporation, and be it further resolved that the Board of Trustees approves the agreement for a period of 10 years beginning July 1, 2016 through June 30, 2026 for a cost not to exceed $2, 640,000.

Board Action on:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Postpone:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Motion by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Amend:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Seconded by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Disapprove:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Vote: Yeas:\_\_\_\_\_\_Nays:\_\_\_\_\_\_ Approve:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 ATTEST: Board Action, October 23, 2015

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 Secretary/Chairperson

Board of Trustees Illinois State University

Licensing Agreement for Starbucks Store in the Student Fitness Center

Since the Student Fitness Center opened its doors in January 2011, Campus Dining Services has operated a Jamba Juice venue in the building under a licensing agreement with Jamba Juice Company. Sales have not met expectations since its opening and Campus Dining Services has been considering other options.

Faculty, staff and students consistently have asked when the University might open a Starbucks on campus. A recent survey conducted by an outside consultant to determine faculty, staff and student desires for food and beverage venues in the revitalized Bone Student Center found that Starbucks was the coffee venue of choice by a significant margin.

In 2007, the University made a concerted effort to bring a Starbucks store to the Bone Student Center. Unfortunately, the University and Starbucks could not reach agreement to language required in an agreement under State of Illinois procurement regulations. Within the past year, Starbucks approached the University about a venue on campus. Starbucks indicated that the corporation was able to reach agreements with other state universities in Illinois and felt they could reach an agreement with Illinois State University. The Student Fitness Center venue was shown to Starbucks representatives who expressed significant interest in a license agreement with the University for Campus Dining Services to operate a Starbucks Store in that location.

The University has followed all state procurement procedures to qualify for the licensing agreement to operate a Starbucks Store in the Student Fitness Center. Construction of the store would begin in the spring with a formal opening in summer 2016.

Funding Source: Campus Dining Reserves