

**RESOLUTION TO EXTEND CONTRACT  
WITH NEWARK BEARS**

**WHEREAS**, it is advantageous for NJIT to utilize Bears and Eagles Riverfront Stadium as its home field for baseball on a long term basis, and

**WHEREAS**, there are substantial marketing opportunities associated with this arrangement, and

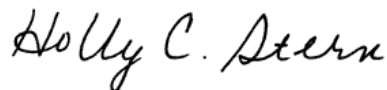
**WHEREAS**, a formal contract will be developed between the university and the Newark Bears, and

**WHEREAS**, it is expected that the term of the contract will be for 10 years, with a 5 year extension option, and

**WHEREAS**, the annual cost will be allocated to the athletics and marketing budgets to reflect the associated benefits to each area, and

**WHEREAS**, the annual cost is expected to begin in 2006 at \$250,000 per year, plus a per game maintenance fee to repair documented field/facility damage beyond normal game wear of up to \$500 per game, with succeeding years to increase by 2% per year,

**NOW, THEREFORE BE IT RESOLVED** that the Board of Trustees authorizes the administration to develop and execute a long term agreement with Newark Bears for use of Bears and Eagles Riverfront Stadium and a marketing partnership for a total term not to exceed 15 years.



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Holly C. Stern, Esq.  
General Counsel and  
Secretary to the Board of Trustees  
New Jersey Institute of Technology

September 22, 2005  
Board Resolution 2006-10

## **STATEMENT – RESOLUTION TO EXTEND CONTRACT WITH NEWARK BEARS**

NJIT has been using Newark Bears and Eagles Riverfront Stadium in downtown Newark for all of its home baseball games since spring of 2004. This arrangement has been beneficial for the university, the Bears, and the stadium. For NJIT, the arrangement provides a first-class playing field that is attractive for intercollegiate baseball, has permitted the on campus playing field to be available for other uses, including intercollegiate athletics, intramurals, and recreation, and has alleviated the need and expense to maintain a baseball field on campus. It also strengthens our connection with the City, provides marketing and advertising outlets, and strengthens our ability to recruit outstanding scholar-athlete baseball players.

As we continue to examine our operations, it is apparent that an expanded use of the stadium and a greater partnership with the Bears would be beneficial to NJIT both in terms of athletic facilities and, perhaps more importantly, as a significant part of the university's marketing activities. It is also important to establish a long-term, stable arrangement for intercollegiate baseball so that we are not faced with either constructing a baseball field or having to establish contractual relationships with other field owners every few years. The current contract with the Bears ends following the spring 2006 baseball season, and negotiations with the Bears owner indicates the Bears would be willing to enter into a ten year use and marketing contract with an option after five years to extend the contract five years, bringing the contract length to, potentially, fifteen years.

The current contract, the details of which are listed in the "Current" sections of the "Proposed Extension of Contract" summary, call for payments to the Bears of \$110,000 per year. While the details of the proposed contract additions to the current contract are being developed, results of discussions to date with the owner of the Newark Bears have resulted in tentative agreement on expanded playing opportunities, facilities use, and marketing, which are also listed in the "Proposed" sections of the "Proposed Extension of Contract" summary. In establishing the value of the current contract, use of the stadium and marketing components were individually valued and summed to ensure that the total value was consistent with the estimated value of the components. To assess the value of the proposed contract, again elements of stadium use and marketing components were individually valued and summed. A yearly payment of \$250,000, plus a per game maintenance repair fee if needed and an inflationary escalation, is consistent with the estimated value of stadium use and the various marketing components.

One element of the contract is for NJIT to house Newark Bears players in NJIT residence halls. Estimating up to approximately 12 Bears players for 20 weeks, the revenue, which offsets the payment level mentioned above, totals up to \$30,000.

While the annual payment mentioned above is below the level that requires Board approval, the total commitment, in terms of amount and duration is such that Board action is recommended. A resolution to authorize management to complete and execute a contract with Bears Riverfront Stadium has been prepared for consideration.