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BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

SECTION: 27a

DATE:

March 21, 2006

RECOMMENDATION

New Lease — Panda Restaurant Group

ACTION REQUESTED

It is recommended that the Board authorize the University to negotiate and sign a lease with Panda Restaurant Group within the parameters outlined below which will be brought back to the board for final review and approval at the Board's June 2006 meeting.

STAFF SUMMARY

In October 2005, the University released a Request for Proposal for five food operations in the EMU Student Center and received very competitive proposals. After an extensive review process the Student Center Food Operations Selection Committee, which included students, staff and administrators, recommended that Panda Restaurant Group be selected to build out and operate a Panda Express Quick Serve Chinese Restaurant operation in the EMU Student Center. Panda Express is the most recognized Chinese food restaurant company in the country with more than 750 locations in 37 states and on many university campuses. Panda Express offers gourmet Mandarin and Szechwan food at value prices. In 2006, Panda estimates that it will spend over 2 million dollars in marketing and promotional efforts to its university portfolio. Panda will invest at least \$350,000 in the build out and furnishing of the Student Center store. The lease is for a five (5) year term commencing on July 1, 2006 and ending on June 30, 2011. Panda shall have the option of renew the lease for a second five (5) term by providing written notification to the University. The lease provides for the annual rental payment to be a guaranteed minimum rental payment of \$40,000 plus a percentage of annual gross sales. The EMU Student Center is expected to open in November 2006. The build out is expected to commence in July 2006.

FISCAL IMPLICATIONS

Based on annual gross sales of \$600,000.00, annual rent is projected at \$50,000.

ADMINISTRATIVE RECOMMENDATION

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

University/Executive Officer

Date _____

BOARD OF REGENTS

EASTERN MICHIGAN UNIVERSITY

SECTION: 276

DATE:

March 21, 2006

RECOMMENDATION

New Lease — Stanton & Associates

ACTION REQUESTED

It is recommended that the Board authorize the University to negotiate and sign a lease with Stanton & Associates within the parameters outlined below which will be brought back to the board for final review and approval at the Board's June 2006 meeting.

STAFF SUMMARY

In October 2005, the University released a Request for Proposal (RFP) for five food operations in the EMU Student Center and received very competitive proposals. After an extensive review process the Student Center Food Operations Selection Committee, which included students, staff and administrators, recommended that Stanton & Associates be selected to build out and operate a Wendy's Quick Serve Restaurant in the EMU Student Center. Stanton & Associates operates 61 Wendy's restaurants and 2 Tim Horton's. Of those operations, 13 are in Washtenaw County. Stanton & Associates has operated the Wendy's in McKenny Union since 1992. Stanton & Associates will invest at least \$260,000 in the build out and furnishing of the Student Center store. The lease is for a five (5) year term commencing on July 1, 2006 and ending on June 30, 2011. By mutual written consent, the lease may be extended for an additional five (5) year term. The lease provides for the annual rental payment to be a guaranteed minimum rental payment of \$30,000 plus a percentage of annual gross sales. The EMU Student Center is expected to open in November 2006. The build out is expected to commence in July 2006.

FISCAL IMPLICATIONS

Based on annual gross sales of \$600,000.00, annual rent is projected at \$37,000.

ADMINISTRATIVE RECOMMENDATION

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

University Executive Officer

Date

BOARD OF REGENTS

EASTERN MICHIGAN UNIVERSITY

SECTION: 27c

DATE:

March 21, 2006

RECOMMENDATION

New Lease — SUBWAY Real Estate Corporation

ACTION REQUESTED

It is recommended that the Board authorize the University to negotiate and sign a lease with SUBWAY Real Estate Corporation within the parameters outlined below which will be brought back to the board for final review and approval at the Board's June 2006 meeting.

STAFF SUMMARY

In October 2005, the University released a Request for Proposal (RFP) for five food operations in the EMU Student Center and received very competitive proposals. After an extensive review process the Student Center Food Operations Selection Committee, which included students, staff and administrators, recommended that SUBWAY Real Estate Corporation operate and franchise a SUBWAY Quick Serve Restaurant (QSR) in the EMU Student Center. SUBWAY is the second largest QSR in the world with 24,620 locations located in 82 countries and the largest QSR in North America. SUBWAY operates at hundreds of university locations nationwide. SUBWAY was also the number one choice of EMU students in surveys conducted in October 2003 and September 2005 to determine the campus preference for vendors in the Student Center. SUBWAY will sublease to a bonafide SUBWAY Franchisee for the same terms and conditions of the original lease. SUBWAY and its Franchisee will invest at least \$70,000 in the build out and furnishing of the Student Center store. The lease is for a five (5) year term commencing on July 1, 2006 and ending on June 30, 2011. By mutual written consent, the lease may be extended for an additional five (5) year term. The lease provides for the annual rental payment to be a guaranteed minimum rental payment of \$27,000 plus a percentage of annual gross sales. The EMU Student Center is expected to open in November 2006. The build out is expected to commence in July 2006.

FISCAL IMPLICATIONS

Based on annual gross sales of \$600,000.00, annual rent is projected at \$48,000.

ADMINISTRATIVE RECOMMENDATION

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

University Executive Officer

Date