

OFFICIAL PROCEEDINGS

October 30, 2015

Special Meeting

The meeting was called to order at 1:00 p.m. by President Wilson in Rooms FGH of the McGregor Memorial Conference Center. Secretary Miller called the roll. A quorum was present, with the following Board members in attendance:

Governors Dunaskiss, Kelly, Massaron, Nicholson, O'Brien, Pollard, Thompson, and Trent; and President Wilson

Also Present: Provost Winters, Vice Presidents Decatur and Johnson; Dean Forsythe and Secretary Miller

President Wilson advised that the Special Meeting for the Board of Governors was called for two purposes. The first is to hear a recommendation from Chacona Johnson, Vice President for Development and Alumni Affairs, to rename the School of Business Administration. The second is to hear a recommendation from William Decatur, Vice President for Finance and Business Operations, about the construction of a new building for the School of Business and the naming of the building. He continued:

The purpose of today's meeting is a formal acknowledgement of a transformative gift with a remarkable vision. The necessary procedures that govern this Board action cannot mask the importance of this day and the gratitude we all feel for the generosity the Ilitch family has shown to Wayne State University, which you will hear more about shortly. Today, we announce the largest gift in Wayne State's history. This gift takes on even more significance when combined with the Ilitch's generous gift to the School of Medicine of \$8.5 million last year. Michael and Marian Ilitch and their family have always been deeply committed to Detroit. They were here through the good and the bad and now hopefully the good again. They have been leaders who have refused to give up on Detroit even when many others did. They continue to build, invest and lead and they continue to do so today. Wayne State has also been committed to Detroit since our founding nearly 150 years ago. We have been here through the good, the bad and now hopefully the good again. It is fitting that Wayne State and the Ilitch family are joining forces for Detroit, for the future, for generations of students who will make part of Detroit a part of their education. They will benefit from not just being in this city but being of the city. They will benefit from the beauty and efficiency of a new building in the vibrancy of a new district made possible by the vision and generosity of Michael and Marian Ilitch. They will undoubtedly catch the entrepreneurial bug that is part of the DNA of this family and has led to the many successful ventures it has created.

President Wilson asked Vice President Johnson to introduce the recommendation for the name change of the School of Business Administration. Vice President Johnson stated:

It is my pleasure to report to the Board of Governors on a remarkable and visionary gift to the university from Mike and Marian Ilitch. It is an honor to have such prominent entrepreneurs, philanthropists, and neighbors invest in Wayne State. Their investment in Fox Theater as early as 1987 led the way for the revitalization of downtown Detroit. Their commitment to the city encompasses the development of many Detroit landmarks, including the Joe Louis Arena, Cobo Arena, Comerica Park and Hockey Town Café. Their demonstrated love of Detroit continues through their latest development, the District, which includes the new Red Wings stadium along with the revitalization of the surrounding area to focus on entertainment, retailing and housing. With the support of the Ilitch family, Wayne State University is proud to be a part of such a vital new development in the heart of the city. Adding to the \$8.5 million gift the Ilitches provided last year for the Department of Surgery at our medical school, their gift provides \$35 million to support the construction of a new facility for the School of Business and a \$5 million endowment gift to support the school in perpetuity, along with a long-term ground lease of very valuable land for \$1 a year. This generosity will provide our Business School students and faculty a state-of-the-art learning and teaching environment in addition to providing our students with significant exposure and internship opportunities within the heart of Detroit's business community. In consideration of this extraordinary gift, I am recommending to the Board of Governors that the name of the School of Business Administration be changed to the Mike Ilitch School of Business.

Next, Vice President Decatur discussed the recommendation for the construction of the new building. He provided the following background information on the project. Ilitch Holdings and Olympia Development recently began construction on a real estate development venture, District Detroit, which will include a new sports complex for the Detroit Red Wings, housing, restaurants, and retail activity. The new School of Business building will be located in the northern section of the complex, fronting Woodward Avenue between Temple and Sproat. The building will provide approximately 120,000 gross square feet of space over four floors, including classrooms, lecture halls, seminar rooms in varying size and adaptability, office and administrative space, and other support space including a food service component.

The total cost of the project is estimated at \$50 million, and the land would be provided through a long-term lease as mentioned by Vice President Johnson. The funding for the project includes a \$35 million philanthropic gift from the Ilitch family. Additional money will be raised through gifts, and any remaining balance will be funded through university bonds which would be issued in 2016. The expenditure plan includes \$43 million

worth of construction, with other fees and expenditures added to a total \$50 million expenditure budget.

Vice President Decatur then showed slides illustrating the location of the facility in relation to Midtown and the University, as well as its location within the District Detroit complex. He noted the M-1 stop along Woodward Avenue near the new building which will be very important to the project and its success as well as providing transportation for students. Although the design process is not yet underway, the final illustration was an artist's preliminary rendering of the proposed building.

Before proceeding to the voting, President Wilson asked Dean Robert Forsythe of the School of Business Administration for his comments. Dean Forsythe stated:

We are very proud to have served as Detroit's Business School for almost 70 years now. With this gift we will not only have a new name but we will have a new home that really reinforces our commitment to engage the Detroit business community, and we can play a lead role in the continuing economic rebirth of the city. The investment will have a tremendous impact on the educational experience of our students, across all of our programs, through our proximity to internships and other hands-on learning opportunities within the District as well as Midtown and downtown. We also expect this gift as well as our ongoing relationship with the Ilitch and Olympia Organizations to be vital in our establishment of a new multi-college program in entrepreneurship and a new MBA concentration in Sport and Entertainment Management. Both of those areas are hallmarks of the expertise that Mr. and Mrs. Ilitch have shown over all the years, and we look forward to sharing their story as we teach future generations of students in the Mike Ilitch School of Business. Thank you.

President Wilson asked for a formal motion to authorize the name change of the School of Business Administration, and also for comments or statements by members of the Board of Governors.

MOTION by Governor Pollard and seconded by Governor Massaron that the Board of Governors change the name of the School of Business Administration to the Mike Ilitch School of Business

Board members then made the following comments related to the recommendation.

Governor Thompson indicated her intent to abstain from voting because of she felt insufficient background information was provided to her to make an informed decision.

Governor Massaron stated that this was a great day for Detroit and a great day for Wayne State University. He added that this is a major accomplishment and commended President

Wilson, and Vice President Chacona, and the success of fund raising efforts. He believes there will be more partnerships of this type in the future, and suggested that everyone be proud of this accomplishment. He thanked the Ilitches and the University for having worked this out.

Governor Trent echoed Governor Massaron's remarks, and indicated it was an amazing day for the University. As a lifelong Detroiter, she could not be more excited to see one of Detroit's premier families in the city taking the step to support Wayne State University and support the growth of Detroit. She has lived near downtown Detroit for most of her adult life, and is very grateful to the Ilitch family. She expressed her gratitude to Chacona Johnson for her leadership, and to Dean Forsythe and President Wilson, and thanked them for bringing this project forward.

Governor Nicholson thanked the Ilitch family for not only this generous gift but sharing the Ilitch legacy with the university. He advised that the Board and the university understand their responsibility to continue the Ilitch's good work in Detroit, and affirmed that the university will make them proud.

Governor Pollard spoke on behalf of the students who attend Wayne State University, and indicated that for generations to come, students who attend the Mike Ilitch School of Business will benefit from the actions taken today. He believes it points to the health of Detroit and what people think about Detroit. Due to the generosity of the Ilitch Family, the city will continue to benefit for years to come. On behalf of the Board and the University he expressed thanks and gratitude.

Governor O'Brien extended her sincere appreciation to Mr. and Mrs. Ilitch for their profound generosity, stating it was just further evidence of how much they love the city and the university.

Governor Dunaskiss and Governor Kelly both echoed the comments that were made and also thanked the Ilitch family for the long-standing commitment to the city and for including Wayne State University in this important project.

President Wilson asked Secretary Miller to call the roll.

ACTION — Upon motion by Governor Pollard and seconded by Governor Massaron, the Board of Governors changed the name of the School of Business Administration to the Mike Ilitch School of Business. The motion was adopted with the following roll-call vote:

Governor Dunaskiss — Yes
Governor Kelly — Yes
Governor Massaron — Yes
Governor Nicholson — Yes
Governor O'Brien — Yes
Governor Pollard — Yes
Governor Thompson — Abstain
Governor Trent — Yes

ACTION — Upon motion by Governor Trent and seconded by Governor Nicholson, the Board of Governors authorized the President, or his designee, to award contracts to construct a new building for the Mike Ilitch School of Business. The motion was adopted with the following roll-call vote:

Governor Dunaskiss — Yes
Governor Kelly — Yes
Governor Massaron — Yes
Governor Nicholson — Yes
Governor O'Brien — Yes
Governor Pollard — Yes
Governor Thompson — Abstain
Governor Trent — Yes

After the votes were taken, President Wilson introduced a member of the family, Mr. Christopher Ilitch, President and CEO of Ilitch Holdings, Inc., extended his sincere gratitude on behalf of the University, and invited Mr. Ilitch to make a few comments. Mr. Ilitch came to the podium, and made the following comments:

I am very pleased to be here today on behalf of my parents, Mike and Marian Ilitch, who are downstairs and will join us in just a few minutes. It is their belief, as it is mine, this gift to create a new business school in the heart of Detroit will make a lasting and positive impact on our entire community. It is a gift from the heart of two incredible entrepreneurs and philanthropists who have always been driven to make a positive impact. Mike and Marian Ilitch have a powerful, optimistic vision for our city and its people. They are living proof that entrepreneurship creates opportunity, a better community and generous, impactful philanthropy. They passionately believe that the Mike Ilitch School of Business will educate the next generation of our city's leaders who will continue Detroit's and Michigan's impressive comeback stories well

into the future. We look forward to working with the students, the faculty, and the administration of Wayne State to bring this vision to life. Thank you.


President Wilson said that gifts of this magnitude take time to mature. There have been many conversations with the Ilitch family and team, and he thanked them for their involvement, straightforwardness, and integrity. The President indicated that it has been almost a year since Chris contacted him with news his family wants to build this school. The President indicated that he has had the opportunity to get to know Chris a little better, and throughout this whole process there are two things that come to mind as he thinks about what has transpired over the past year. One is Chris' intense love for Detroit and wanting to do what is in the best interest of Detroit. The second, which the President thought came through so clearly, was his love and respect for his parents, and wanting to make sure that their legacy and their vision of what Detroit could become is part of whatever transpires. President Wilson expressed his deepest thanks and profound respect for the Ilitch family, and added that it is a great day for Detroit, and a great day for Wayne State.

Before concluding the meeting, the President advised that a short press conference and a reception will be held immediately after the meeting in the lower level of the building.

ADJOURNMENT

There being no further business, the meeting adjourned at 1:21 p.m.

Respectfully submitted,



Julie H. Miller
Secretary to the Board of Governors