

COLLEGE OF DuPAGE
REGULAR BOARD MEETING

NEW BUSINESS APPROVAL

1. SUBJECT

License Agreement with U.S. Bank for an On-Campus Bank Branch and ATM Services.

2. REASON FOR CONSIDERATION

To enhance College of DuPage campus community by providing students, faculty and staff with a full suite of on-site banking services.

3. BACKGROUND INFORMATION

U.S. Bank, the fifth largest bank in the nation, was selected to be the College's provider of debit cards for financial aid disbursement and student refunds based upon a Request for Proposal (RFP) process. U.S. Bank then approached the College about locating a customized, full service branch bank on campus. U.S. Bank has more than 38 years' experience in branch banking in "non-traditional" venues such as corporate campuses, hospitals, airports and colleges and universities. Currently, the bank has 28 on-campus bank branches at colleges and universities throughout the United States, including Northwestern University, Ohio State University, Gonzaga University, Marquette University, Kirkwood Community College (IA) and Johnson County Community College (KS).

As a national bank with offices throughout the United States, the U.S. Bank business model is to primarily enroll students in the basic checking and savings accounts so wherever they go to complete their degree, U.S. Bank already has a local presence and the student need not change bank relationships. In this way they hope to "capture" the student and build a lifelong relationship to provide auto loans, mortgages, investment advice and

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retirement planning. Faculty and staff will have access to discounted product offerings based on account size and other U.S. Bank services utilized. The branch includes a MoneyPass ATM which is surcharge free to U.S. Bank customers. There are 13,000 MoneyPass ATMs nationwide, seven (7) of which are located within 2.5 miles of our campus.

The College has identified a suitable location for the approximate 400 square foot bank branch at the intersection of the Student Resource Center and the Berg Instructional Center. All construction costs will be paid for by U.S. Bank.

In order to recover their construction costs, U.S. Bank is requesting an exclusive seven (7) year agreement with two, three-year renewals subject to the mutual agreement of both the College and the bank. The College will receive a license fee of \$18,000 per year (subject to future escalators) for this space, an annual U.S. Bank-named scholarship of \$2,500, annual U.S. Bank sponsorship funds of \$2,500 and potential royalty payments based upon the number of accounts opened at the College branch location.

4. **RECOMMENDATION**

That the Board of Trustees approves entering into an exclusive License Agreement with U.S. Bank to provide an On-Campus Bank Branch and ATM Services.

