



REQUEST FOR BOARD ACTION New Business

MEETING DATE: March 17, 2022
PREPARED BY: Chuck Stifter, Parks and Recreation Director
AGENDA ITEM: Arena Sponsorship Program and Professional Services Agreements

PREVIOUS ACTIONS:
None

RECOMMENDED PARK BOARD ACTION:

Motion by _____ to approve the arena sponsorship program and to direct the Parks and Recreation Director to execute the Naming Rights Sponsorship and Sales Representation Agreement, and the MGCC Ice Arena East and West Rinks – Sales Representation Agreement with Prime Advertising & Design for arena naming rights sponsorship and advertisement sales, subject to final review by the Parks and Recreation Director and the City Attorney

COMMENTS:

In November 2021, the Board approved the initial phase of a consulting services agreement with Prime Advertising and Design to develop an arena branding concept and sponsorship program. The completion of that work was reviewed by the Board in a March 17, 2022 work session.

The general scope of work in phase two is for Prime to solely solicit and sell sponsorship packages for the Maple Grove Ice Arena as pre-determined and approved by the Board. Prime will be responsible for all coordination relating to the applicable display of advertisements associated with sponsorship and advertisement packages sold.

The sponsorship program consists of various naming rights and advertisements throughout the arena as portrayed in the approved concept imagery and described in the two agreements; Naming Rights Sponsorship and Sales Representation Agreement, and the MGCC Ice Arena East and West Rinks – Sales Representation Agreement. The projected revenues have a predefined target value and goal but may fluctuate based on final terms with each sponsor. Packages are available in 10-year and 2-year terms depending on the type of sponsorship or advertisement.

Prime will be paid for the Naming Rights Sponsorship packages sold on a percentage basis per the attached program and agreement. Compensation would include a \$3000 per month fee plus the 10% commission not to exceed \$125,000 for the complete 12-month term as outlined in the agreement. Prime will be compensated for the arena advertisement packages through a revenue share of 50/50 for sales related to this program and outlined in the agreement.

Prime Advertising & Design is a trusted vendor and has proven committed to providing the necessary design and sales resources to the Community Center over the past 13 years. They are committed and connected in the Maple Grove community, which is essential for successfully completing this project.

ATTACHMENTS:

Attachment A – Naming Rights Sponsorship Sales Representation Agreement

Attachment B – MGCC Ice Arena East and West Rinks Sales Representation Agreement

Attachment C – Exhibit A - Sponsorship Guidelines

Attachment D – Exhibit B1 – Naming Rights Revenue Model

Attachment E – Exhibit B2 – Rink Advertising Revenue Model