



# City of San Antonio

## Agenda Memorandum

**File Number:**16-5125

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**Agenda Item Number:** 18.

**Agenda Date:** 1/19/2017

**In Control:** City Council A Session

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**DEPARTMENT:** Convention & Sports Facilities

**DEPARTMENT HEAD:** Michael J. Sawaya

**COUNCIL DISTRICTS IMPACTED:** City wide

**SUBJECT:** Professional Services Agreement with Premier Partnerships

### SUMMARY:

This Ordinance authorizes an Agreement with Premier Partnerships to implement the sale of the Commercial Sponsorship Program for the Alamodome for a period of one year, with an option to renew for an additional two (1) year terms, for a total contract cost not to exceed \$2.2 million over the entire term and extensions.

### BACKGROUND INFORMATION:

The City issued a Request for Proposals (RFP) for a Commercial Sponsorship Program for the Alamodome in February 2012 and subsequently entered into a Professional Services Agreement for these services with Premier Partnerships. The contract was approved by City Council on June 21, 2012, Ordinance No. 2012-06-21-0505. The scope of the contract included the Consultant developing a commercial sponsorship inventory of the Alamodome and developing a sales strategy ("Development Phase I").

The key terms of the sales agreement include:

- Consultant will implement the Sales Strategy in accordance with the updated Final Revenue Maximizer Executive Report. This report assigns value to the different product offerings within the Alamodome and it assists with determining the market value of sponsorship items.
- Consultant has identified multiple sales packages that will be customized between a single Naming Rights Partner, and multiple Founding Partners, and Marketing Partners.
- During the first nine (9) months of the Initial Term, Consultant shall prioritize obtaining a naming rights sponsor for the Alamodome and maximizing sponsorship revenue in the existing beverage pouring rights with leads within the banking, beer, telecommunications, auto and ticketing categories.
- Consultant will be responsible for collateral development through consultant managing/outsourcing to

3rd party creative agency(s) at the expense of the City, subject to approval.

- City shall pay:
  - A retainer in the amount of \$12,500.00 per month
  - Commission of twenty percent (20%) of all revenue, except for Alamodome naming rights
  - Commission of ten percent (10%) of all revenue for Alamodome naming rights
  - Commission of ten percent (10%) of all In-Kind Revenue Value

The initial RFP included an option for the City to utilize Premier Partnerships for the sale of the Alamodome commercial sponsorship inventory (“Implementation Phase II”). This option was not exercised initially. Now that market conditions have changed and there is a presence of a prime sales market, the Convention and Sports Facilities Department would like to enter into an agreement with Premier Partnerships for the Implementation Phase.

Premier Partnerships has extensive experience and knowledge with respect to marketing, corporate sales, and commercial development with regard to a variety of sports venues and entertainment facilities, events, and other properties. Premier executives have created thousands of mutually beneficial business partnerships over the course of their careers. In 2010, Premier Partnerships was recognized as Agency of the year in Property Consulting, Sales and Client Services by *Sports Business Journal*.

Due to the lack of small, minority, and/or women businesses available to provide these goods, the SBEDA Program did not apply to this solicitation.

#### **ISSUE:**

The Commercial Sponsorship Sale will provide CSF opportunities and strategies that will maximize revenue from commercial sponsorships, advertising, marketing partnerships, and naming rights, while capitalizing on, as well as being sensitive to, the unique ethnic, cultural and historical characteristics of San Antonio.

#### **ALTERNATIVES:**

Alternatives to approving the agreement as presented would be to approve the agreement with changes in the scope of services, or to postpone or deny approval. Postponement, or failure to approve the ordinance request, will delay the opportunity to maximize revenue and value for these venues.

#### **FISCAL IMPACT:**

Funds are available in the FY 2017 Community & Visitor Facilities Fund operating budget to cover the services provided by this agreement as the projected related revenue will total an estimated \$3,350,000.00 per year.

#### **RECOMMENDATION:**

Staff recommends authorizing a Professional Services Agreement with Premier Partnerships to implement the Commercial Sponsorship Sale for the Alamodome.

The required Discretionary Contracts Disclosure Form is attached.