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Date: July 3, 2017

To: Mayor and City Commissioners

From: Suzette Sibble, Assistant City Manager 

Via: Greg Harrison, City Manager

Re: Approval of Contract with the Superlative Group, Inc.

In April 2017, the City issued a solicitation (RFP No. L-28-17), *Development & Implementation of a Citywide Corporate Marketing & Sponsorship Program* (the Program). The selection committee selected The Superlative Group, Inc. (Superlative) to serve as the City's partner in exploring this initiative. Superlative has been working on similar initiatives for over twenty (20) years nationally. The City Commission is being requested to approve a one (1) year contract with Superlative, which will encompass the following scope of services:

1. Development of a Marketing Asset Inventory and Valuation report, including an estimate of the potential sponsorship financial value;
2. Development of a proposed Comprehensive Sponsorship Policy; and
3. Development of a Strategic Plan for Marketing Assets, inclusive of a detailed plan to maximize the corporate sponsorship potential for the City.

Please note that **Exhibit A** to the proposed contract with Superlative provides a detail of tasks to be executed by Superlative in developing the above deliverables.

Background

Corporate marketing and sponsorship opportunities can take on many forms, inclusive of naming rights for *select* City facilities/assets (excludes facilities already having names with historic or community significance), naming rights for components within/at a City facility (i.e. rooms, seats, pavers etc.), special events sponsorships (common for cultural arts, parks and recreation events/concerts), pouring rights (i.e. exclusive beverage placement at City events/facilities), advertising on existing or new City marquees or within City facilities, special program sponsorships (i.e. bike share programs), or even sponsorship of select City vehicles by auto dealerships (i.e. lifeguards).

Although it may not always be the case, potential corporate partners can be those who are already based in or operate in a municipality's own back yard. Destination Brands International, is a fourth generation, family-owned, entrepreneurial business headquartered in Miami, Florida. In 2013, the City of Miami Beach partnered with Destination Brands International to develop the official and exclusive sun care product line of Miami. MB Miami Beach Suncare line recreates a true sensory experience of Miami Beach while helping to keep skin protected, hydrated, and nourished. A

portion of all sales will keep the City's beaches beautiful via beach clean-ups and sun protection education. In this case, we have a double win for both the public and private sector, as the corporate partner is a business within the corporate boundaries of Miami Beach. The initial contract term is five (5) years, with optional renewal periods spanning up to fifteen (15) years. Miami Beach receives a percentage of gross product sales on a tiered scale over the contract period.

The public sector's objective in forming these corporate partnerships is to generate a recurring revenue stream to fund programs, events or projects, while simultaneously enhancing the quality of life of its residents. The corporate partner's objective is to receive exposure for their product/brand. The goal in developing any successful sponsorship program is (1) developing program guidelines based on input from public sector stakeholders, which encompass the City's core brand/image considerations and (2) negotiating terms, which are mutually beneficial to both the public sector and the corporate partner.

The City Commission is always in the driver's seat with (1) the development minimum program policy considerations and (2) the approval of each proposed sponsorship agreement on an ongoing basis. The latter provides for a transparent approval process.

Superlative

Superlative, has been involved in the business of fostering corporate sponsorship relationships since 1994 and during this timeframe has demonstrated a successful track record of developing successful corporate partnerships for their clients, having negotiated over \$2 billion dollars in sponsorship agreements on behalf of those clients. They understand the public sector and the corporate marketplace and are well equipped to match the City's tangible and intangible asset opportunities with the right corporate partners, while preserving the City's brand, image and core community values. During its 23 years in operation, Superlative has managed to develop an extensive database of contacts and close marketing relationships. Superlative can leverage that database and those corporate relationships to maximize potential opportunities for their clients. Superlative simply has the experience, connections and resources to pursue and execute relationships on behalf of the City.

As part of their bid proposal, Superlative was requested to suggest general marketing and sponsorship opportunities for the City's Parking Garage and Amphitheater. Opportunities mentioned include naming rights, advertising infrastructure opportunities (exterior and/or exterior), affinity programs, exclusive beverage and other concession opportunities, and premium seating and parking opportunities. An example of an affinity program is if the City targets and secures an automotive group as a naming rights partner, one of the benefits we could include is a special purchasing program with the auto group for all City employees, who are often residents of Pompano Beach. So now, the City is generating a naming rights revenue stream and is also able to offer a benefit to staff and employees who purchase their vehicles from the auto group. All of these items will be discussed in more detail with Superlative as we move forward with this process.

Superlative recognizes that the development of a corporate marketing and sponsorship program, can pose challenges and concerns. However, with their extensive experience in working with the public sector, Superlative is well positioned to assist the City in navigating those concerns by

working collaboratively with City staff, City Commissioners and the community to develop a comprehensive framework within which a city-wide program would be developed. Superlative has been successful in working with an array of clients across the United States, to include local governments, school districts and colleges and universities. Below is a summary of some of their successes, as well as ongoing engagements.

City of Miami Beach, Florida

Superlative negotiated a ten (10) year pouring rights agreement with Coca Cola on behalf of the City of Miami Beach. Miami Beach is to be paid \$7.2 million dollars over the 10 year period. At the time of approval, it was the largest municipal pouring rights agreement in the world. The agreement makes Coca Cola the City's exclusive and official non-alcoholic beverage and recycling partner. Under the terms of the agreement, to support the City's sustainability initiatives, Coca-Cola committed to connect people to water stewardship, recycling and energy efficiency in unexpected ways. From recycling bins along Lincoln Road to hybrid delivery trucks, Coca-Cola's objective is to demonstrate that sustainable choices are all around. Coca-Cola will also pilot five recycling machines in Miami Beach. The strategically placed machines separate, sort and crush plastic bottles and cans, creating a closed loop recycling system. Each machine features bilingual, on-screen "Give it Back" recycling messages. In addition, Miami Beach will install energy-efficient Coca-Cola vending machines at all public owned and managed facilities, including City Hall, parks and recreation centers and parking garages. The agreement allowed Coca Cola and the City of Miami Beach to partner on a commitment to green initiatives, with Coca Cola having provided new eco-friendly opportunities.

City and County of Denver, CO

Superlative was hired as the exclusive agent to serve the City and County of Denver for its sponsorship sales and management services. Prior to the sales phase, Superlative created in-depth sponsorship valuation for the Denver International Airport, Denver Performing Arts Complex, Red Rocks Amphitheatre, Denver Public Library, the Denver Coliseum and more. Superlative handles all sponsorship activation and sales for Denver Arts & Venues. As the sole agency handling sponsorship for the venue, Superlative handles the scheduling of all onsite activation, fulfillment of all assets as well as all year-end recaps. Superlative also handles the sponsorship of Denver Arts & Venues events, such as Yoga on the Rocks, the Five Points Jazz Festival, Film on the Rocks and Fitness on the Rocks. Some of the sponsorship deals Superlative has secured include:

- 3-year deal with Brown-Forman for nearly \$300,000
- 2-year deal with Southwest Airlines for \$240,000
- 3-year deal with Miller-Coors for \$1.1 million
- 5-year deal with Pepsi for \$1.3 million
- 2-year deal with Jeep for \$330,000
- 3-year deal with Treasury Wine Estates for \$204,000
- 3-year deal with Red Bull for \$180,000
- 1-year deal with Conoco for \$150,000

City of Santa Monica, California

Superlative was hired by the City of Santa Monica to procure sponsors for the new 500 bicycle share program, which launched in 2015. The project team generated support for the program and subsequently secured Hulu as its sponsor for \$3.5 million over 5 years. Hulu's logo, coincidentally the same shade of green as the Breeze bicycles, was to be displayed on the bikes' baskets and skirt guards. The program is self-supporting, with sponsorship income and anticipated user fees.

Cook County, IL

The Superlative Group has been hired by Cook County to complete a comprehensive and ongoing assessment of all County and District assets and to develop and manage an asset marketing program. As Cook County's consultant, Superlative will fully develop, market and implement revenue-generating strategies associated with specific assets. Superlative will also implement marketing concepts, images, renderings and other items as are consistent with the goals of the County and the District. District assets include Cook County Health & Hospitals System, several parks, golf courses, parking structures and many other revenue generating assets. The team secured a \$4.1 million pouring rights agreement with Pepsi and a multi-million dollar snacks agreement for the Cook County Forest Preserve. Currently, the sales team is working on partnerships for the bike share, digital boards and park trails.

City of St. Catharines, Ontario, Canada

Superlative was hired to provide fundraising consulting services for the City's Spectator Centre, the new home of the Ontario Hockey League's Niagara IceDogs. The 100,000 square foot sports and entertainment facility, located in the heart of downtown St. Catharines, was completed in September 2014.

The project team delivered a comprehensive asset inventory and valuation within 30 days, including the revenue potential of naming rights, suite/club seat sales, pouring rights and other sponsorships. Subsequently, Superlative secured a 25-year, \$5.26 million naming rights agreement with Meridian Credit Union, making it the most lucrative naming rights agreement in the Ontario Hockey League.

Superlative also sold the 25 luxury suites in only two weeks, generating an additional \$2.6 million in contractually obligated revenue. Superlative then secured over \$2 million in club seats sales and an additional \$2.5 million in sponsorship sales. Sponsorship sales included:

- 10-year agreement with Canadian Automobile Association for \$400,000
- 10-year agreement with Coca-Cola for \$750,000
- 10-year agreement with Molson for \$500,000
- 10-year agreement with Casino Niagara for \$300,000

Rockford Park District

Superlative was selected in June 2015 to serve as the sole naming rights and sponsorship consultant for the Rockford Park District's Sportscore Downtown and Sportscore II. The Rockford Park District is the third largest park and recreation system in Illinois and its network includes four sports complexes, five golf courses, four museums, two ice arenas, an equestrian center and numerous recreational paths and public gardens.

Superlative secured a 20-year, \$4.36 million naming rights agreement between the new Sportscore Downtown and University of Wisconsin Health. Superlative also secured a 20-year, \$4.62 million naming rights agreement between the Sportscore II and the MercyRockford Health System.

South Towne Exposition Center & Salt Palace Convention Center

The Superlative Group was hired by SMG, South Towne Exposition Center (STEC) and Salt Palace Convention Center to value the assets and develop a marketing plan to sell naming rights to the convention centers. Within a few months, Superlative delivered a comprehensive asset inventory and valuation for naming rights to the centers, as well as exhibition halls and pre-function areas. The project team also provided opportunities for category sponsorships throughout the facility. Superlative secured a 10-year, \$1.59 million pouring rights agreement with Coca-Cola and currently have an exclusive negotiating agreement for naming rights to the STEC.

City of Woodbury, Minnesota – in partnership with Minnesota United Football Club

Superlative was selected in April 2015 to secure naming rights and sponsorship partners for Minnesota United Football Club's soccer stadium (National Sports Center), indoor multisport complex (Bielenberg Sports Complex) and the team kits. The project team completed a full asset inventory and valuation on the Bielenberg Sports Complex prior to the sale of naming rights and sponsorships. Superlative just finalized a 14-year, \$4 million naming rights agreement to the Beilenberg Sports Complex with HealthEast.

Grand Rapids RAPID

Superlative was hired by the Interurban Transit Partnership of Grand Rapids to develop a revenue-generating, corporate sponsorship-marketing program. This includes naming rights to the Silver Line and Laker Line bus rapid transits and stations as well as sponsorships for the Downtown DASH routes, Park-N-Ride facilities and transit centers. The project team is currently working on the valuation of the RAPID's tangible and intangible assets to identify potential marketing opportunities and to estimate their value.

Ongoing Engagements

City of Frisco, TX

Superlative was hired by the City of Frisco to begin a citywide sponsorship program. The project team was tasked with valuing and assessing city events, facilities, parks and other intangible/intangible assets. Events included in the valuation included Frisco Freedom Fest, Prelude to Freedom Fest, Merry Main Street, Frosty, Daddy Daughter Dance, Easter Eggstravaganza and Mother Son Dance. Facilities and other assets include the Frisco Athletic Center, Frisco Fun Radio, Frisco Fun Guide, Harold Bacchus Community Park, Senior Center, Frisco Heritage Center and Frisco Fire Safety Town. A comprehensive asset inventory and valuation was delivered and the project team has recently begun the sales phase.

Miami-Dade County, FL

Superlative has been hired by Miami-Dade County under a five (5) year contract to perform County-wide asset inventory, to evaluate the marketability and sponsorship potential for those assets and to develop a strategic sales campaign in order to secure marketing partnerships. Opportunities include naming sponsors, category partners, and other corporate sponsors for

County agencies, including Miami International Airport, Jackson Health System, Miami-Dade Transit, Zoo Miami and Port Miami. The project team is currently in the process of securing a beverage rights agreement as well.

City of Fort Lauderdale, FL

Superlative was hired by the City of Ft. Lauderdale to act as the exclusive naming rights consultant for the Fort Lauderdale Aquatics Complex. The engagement includes developing and implementing a strategic marketing plan, identifying and soliciting potential naming rights partners and negotiating a naming rights agreement. The project team is currently finalizing the valuation determining the feasibility and value of all aquatic complex assets.

Conclusion

Imagine, being able to generate \$800,000 a year in revenues from corporate partners. Throughout this exercise, we hope to answer the question of how can corporate partners make City events, programs or even capital projects possible and ultimately enhance the experiences of our residents, without compromising the image and values of our community. The key to a successful program, is communication, dispelling any myths or misplaced perceptions and engaging the public in the process. Once Superlative completes the tasks within this proposed contract, we will have a better understanding of what avenues could be pursued in formulating corporate partnerships. Ultimately corporate sponsorships can be as dynamic or as understated as the City requires.