

City Council Agenda Memo

From: Michael Logan, Swiftel Center General Manager
Council Meeting: May 23, 2023
Subject: Resolution 23-048: Swiftel Center Naming Rights
Presenter: Michael Logan, Swiftel Center GM

Summary:

This Resolution would authorize the City Manager to enter into a facility naming rights agreement with Dacotah Bank.

Background:

Swiftel / Brookings Municipal Utilities (BMU) entered into an annual Naming Rights Agreement with the City of Brookings in 2003. This agreement is renewed on an annual basis. Swiftel / BMU's agreement was \$50,000 per year.

It is the goal of the City of Brookings and management firm, Oak View Group, to secure a long-term naming rights partnership that aligns with the current and future value of the facility. The proposed naming, advertising, and sponsorship agreement with Dacotah Bank would align with these goals.

City of Brookings, Oak View Group, and current facility advisory board staff recommend entering into a new naming, advertising, and sponsorship agreement with Dacotah Bank and to designate the new name of the facility to be "the Dacotah Bank Center."

Item Details:

Scope of Agreement

- Name - the proposed new name of the facility will be Dacotah Bank Center
- Term - the proposed term of this agreement will be effective May 1, 2023 and expire on April 30, 2033.
- Annual Fee - the proposed annual fee of this agreement will be \$150,000 over a 10-year period.
- Advertising Ability - the proposed advertising opportunities are presented in exhibit A (pages 15-16) of the included agreement.
- Exclusivity - the proposed agreement will give Dacotah Bank exclusive advertising rights in their business category. This includes banking, mortgage and trust, wealth management, and financial services.

Timeline of Naming Rights Transition

The proposed name change will begin immediately upon contract execution and will have an estimated completion by the end of quarter three, 2023.

- Work begin date: May 2023
- Work completion date: estimated end of 3rd Quarter, 2023

Legal Consideration:

City of Brookings and Oak View Group Legal counsel has reviewed the naming, advertising, and sponsorship agreement.

Strategic Plan Consideration:

Fiscal Responsibility – the execution of the proposed naming, advertising, and sponsorship agreement will allow the facility to increase its sponsorship revenue which would align with facility goals.

Financial Consideration:

The naming rights will generate \$150,000 a year in revenue for the next 10 years. The current rate is \$50,000 a year.

Options and Recommendation:

The City Council has the following options:

1. Approve as presented
2. Amend
3. Deny
4. Move the item to a study session
5. Do nothing

Staff recommends approval of the resolution as presented.

Supporting Documentation:

1. Memo
2. Resolution
3. Naming Rights Agreement