



Monterey County

Item No.65

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: A 22-297

July 12, 2022

Introduced: 6/1/2022

Current Status: RMA Public Works -
Consent

Version: 1

Matter Type: BoS Agreement

Approve and authorize the Monterey County Laguna Seca Representative to:

- a. Execute an Assignment & Assumption Agreement between MacNeil Automotive Products Limited and the County of Monterey, retroactively effective to March 22, 2022, approving the assignment of Agreement A-14210 from MacNeil Automotive Products Limited to WeatherTech Direct, LLC; and
- b. Execute Amendment No. 1 to Agreement A-14210 between WeatherTech Direct, LLC and the County of Monterey for facility naming rights to update party names, payment timelines, and licensing terms, and to extend the Agreement term through June 30, 2023, for a total not-to-exceed amount of \$5,000,000.

RECOMMENDATION:

Approve and authorize the Monterey County Laguna Seca Representative to:

- a. Execute an Assignment & Assumption Agreement between MacNeil Automotive Products Limited and the County of Monterey, retroactively effective to March 22, 2022, approving the assignment of Agreement A-14210 from MacNeil Automotive Products Limited to WeatherTech Direct, LLC; and
- b. Execute Amendment No. 1 to Agreement A-14210 between WeatherTech Direct, LLC and the County of Monterey for facility naming rights to update party names, payment timelines, and licensing terms, and to extend the Agreement term through June 30, 2023, for a total not-to-exceed amount of \$5,000,000.

SUMMARY/DISCUSSION:

On March 26, 2018, the Board of Supervisors approved a Sponsorship Agreement with MacNeil Automotive Products Limited (MacNeil) for exclusive title sponsorship of the WeatherTech® Raceway at Laguna Seca (WRLS) at Laguna Seca Recreation Area (LSRA). On March 22, 2022, MacNeil transferred the Agreement to WeatherTech Direct, LLC (WeatherTech) for the remainder of the Agreement term. In addition, the County transitioned management of LSRA from the Sports Car Racing Association of the Monterey Peninsula (SCRAMP) to A&D Narigi Consulting, LLC (A&D). The proposed Amendment No. 1 will update Agreement A-14210 to reflect these changes in responsible and interested parties.

Several WRLS events were cancelled in 2020 due to the impacts of event and travel restrictions from COVID-19. The County Administrative Office negotiated a delayed payment schedule and extended contract term in consideration of these impacts. The delayed 2020 payment will be made to the County by January 1, 2023, in the amount of \$500,000. The proposed term extension will continue the County's partnership with the Sponsor and support WRLS as a premier destination for racing enthusiasts worldwide.

The County and A&D receive many requests for the use of WeatherTech Marks in product placement and promotional and advertising materials. Licensing agreements to use the WRLS likeness is an important part of the business model used by A&D to increase profitability. Under Agreement A-14210, A&D is limited to using the WeatherTech trademarks, trade names, service marks insignias or logos for major race events only. The proposed amendment will allow the use of WeatherTech Marks in a broader range of media, expanding the public's awareness of the facility and directly increasing revenue due to product placement agreements.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel reviewed and approved the proposed Amendment No. 1 as to form.

FINANCING:

The Sponsorship Agreement provides additional revenue which will help support continued operations at LSRA. There is no direct cost to the County.


BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommended action supports the Board of Supervisors Strategic Initiatives for Economic Development and Infrastructure. Use of the services will generate revenue to sustain the park facility and promote economic development by attracting domestic and international visitor dollars that will stimulate the local economy.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared by: John Snively, Management Analyst III (831) 759-6617

Reviewed by: Bryan Flores, Chief of Parks

Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities, & Parks 

Attachments:

Attachment A-Proposed Assignment and Assumption Agreement

Attachment B-Proposed Amendment No. 1 to A-14210

(Attachments are on file with the Clerk of the Board)