



# Monterey County

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## Board Report

Legistar File Number: A 17-106

April 18, 2017

**Introduced:** 4/6/2017

**Version:** 1

**Current Status:** Agenda Ready

**Matter Type:** BoS Agreement

- a. Approve the Assignment Agreement authorizing the Sports Car Racing Association of the Monterey Peninsula (SCRAMP) to assign the current Sponsorship Agreement with Mazda North American Operations (MNAO) to the County of Monterey
- b. Authorize the Chair to execute the Assignment Agreement.
- c. Approve the request for the County of Monterey to execute an extension of the Mazda Sponsorship Agreement through March 31, 2018.
- d. Authorize the Chair of the Board to execute the Amendment No. 4 to the Sponsorship Agreement.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve the Assignment Agreement authorizing the Sports Car Racing Association of the Monterey Peninsula (SCRAMP) to assign the current Sponsorship Agreement with Mazda North American Operations (MNAO) to the County of Monterey.
- b. Authorize the Chair to execute the Assignment Agreement.
- c. Approve the request for the County of Monterey to execute an extension of the Mazda Sponsorship Agreement through March 31, 2018.
- d. Authorize the Chair of the Board to execute the Amendment No. 4 to the Sponsorship Agreement.

### SUMMARY/DISCUSSION:

On March 1, 2006, SCRAMP and MNAO entered a sponsorship agreement granting MNAO the exclusive title sponsor of the Laguna Seca Raceway (Raceway). Through a series of amendments, SCRAMP and MNAO extended the agreement through April 30, 2017. On January 1, 2017, the County entered a three-year management agreement with SCRAMP for the operation and management of the Laguna Seca Recreational Area (LSRA). The County, SCRAMP, and MNAO agreed to have the Sponsorship Agreement assigned to the County for the purposes of further extending the Sponsorship Agreement as the agreement ends April 30, 2017. The County shall succeed to the rights and obligations of SCRAMP under the Sponsorship Agreement, including the right to receive any remaining sponsorship monies payable by MNAO under the Sponsorship Agreement.

If the Sponsorship Agreement is assigned to the County, the County requests to extend the current Sponsorship Agreement with MNAO through March 31, 2018. The extended Sponsorship Agreement would generate \$1.5 million in sponsorship revenue for the Laguna Seca Raceway in FY 2017-18. In addition, from March 1, 2017 until September 30, 2017, MNAO shall have the exclusive right of first negotiation to enter a new or continued exclusive sponsorship agreement with the County concerning the Raceway.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this agreement as to form.

FINANCING:

The assignment of the Sponsorship Agreement does not have an impact on the FY 2016-17 budget. Revenue from the extension of the Sponsorship Agreement through March 31, 2018 will be reflected in the FY 2017-18 recommended budget (Fund 001, Department 1050, Unit 8441, Appropriations Unit CAO029).

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This agreement correlates with the Board's Economic Development policy area. The naming rights at Laguna Seca Raceway increases the revenue base through business expansions that add economic vitality to the County.

Check the related Board of Supervisors Strategic Initiatives:

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

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Approved by: Dewayne Woods, Assistant County Administrative Office (x5309)

Attachments: 1 - Assignment of Sponsorship Agreement; 2 - Amendment No. 4 to Sponsorship Agreement