



Legislation Details (With Board Report)

File #: A 22-296 **Name:** Approve and authorize the Monterey County Laguna Seca Representative to execute a five-year Sponsorship Agreement between Rolex Watch USA and the County of Monterey, with one right of first refusal option

Type: BoS Agreement **Status:** Passed

File created: 6/1/2022 **In control:** Board of Supervisors

On agenda: 7/12/2022 **Final action:** 7/12/2022

Title: Approve and authorize the Monterey County Laguna Seca Representative to:

- a. Execute a five-year Sponsorship Agreement between Rolex Watch USA, Inc. and the County of Monterey for Calendar Years 2022 through 2026, including sponsorship and marketing-specific rights as Event Title Sponsor and Official Timepiece of the Monterey Motorsports Reunion for WeatherTech® Raceway at Laguna Seca, with a retroactive term beginning May 4, 2022 and ending December 31, 2026, for a total Sponsorship fee amount of \$1,975,000 over the initial term; and
- b. Execute an amendment to the Sponsorship Agreement to extend the term for four (4) additional years, should Rolex Watch USA, Inc. elect to exercise its renewal option.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Board Report, 2. Attachment A-Proposed Sponsorship Agreement Rolex, 3. Completed Board Order Item No. 74

Date	Ver.	Action By	Action	Result
7/12/2022	1	Board of Supervisors	approved	Pass

Approve and authorize the Monterey County Laguna Seca Representative to:

- a. Execute a five-year Sponsorship Agreement between Rolex Watch USA, Inc. and the County of Monterey for Calendar Years 2022 through 2026, including sponsorship and marketing-specific rights as Event Title Sponsor and Official Timepiece of the Monterey Motorsports Reunion for WeatherTech® Raceway at Laguna Seca, with a retroactive term beginning May 4, 2022 and ending December 31, 2026, for a total Sponsorship fee amount of \$1,975,000 over the initial term; and
- b. Execute an amendment to the Sponsorship Agreement to extend the term for four (4) additional years, should Rolex Watch USA, Inc. elect to exercise its renewal option.

RECOMMENDATION:

It is recommended that the Board of Supervisors approve and authorize the Monterey County Laguna Seca Representative to:

- a. Execute a five-year Sponsorship Agreement between Rolex Watch USA, Inc. and the County of Monterey for Calendar Years 2022 through 2026, including sponsorship and marketing-specific rights as Event Title Sponsor and Official Timepiece of the Monterey Motorsports Reunion for WeatherTech® Raceway at Laguna Seca, with a retroactive term beginning May 4, 2022 and ending December 31, 2026, for a total Sponsorship fee amount of \$1,975,000 over the initial term; and
- b. Execute an amendment to the Sponsorship Agreement to extend the term for four (4) additional years, should Rolex Watch USA, Inc. elect to exercise its renewal option.

SUMMARY/DISCUSSION:

All Fields Sports, contracted Sponsorship and Sales Representative for WeatherTech® Raceway at Laguna Seca

(WRLS), negotiated a new \$1,975,000 Sponsorship Agreement (Agreement) with Rolex Watch USA, Inc. (Rolex). Rolex wishes to enter into a five-year Sponsorship Agreement with the County for the 2022 to 2026 Calendar Years, including a right of first refusal option to renew the Agreement for an additional four-year term (2027-2030). The initial term of the proposed Agreement shall retroactively begin on the May 4, 2022 and end on December 31, 2026, unless sooner terminated in accordance with the Agreement. During the term of the Agreement, Rolex shall be named the Event Title Sponsor and Official Timepiece of the Monterey Motorsports Reunion for WRLS.

Rolex shall pay the County the 2022 annual sponsorship fee upon execution of the proposed Agreement. Starting with Calendar Year 2023, Rolex shall pay annual sponsorship fees prior to June 1st of each contract year.

Staff requests the Board of Supervisors approve and authorize the Monterey County Laguna Seca Representative to execute a retroactive five-year Sponsorship Agreement with Rolex and to execute one amendment to the Agreement extending the term for an additional four years, should Rolex elect to exercise its renewal option.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel reviewed the Agreement and approved it as to form.

FINANCING:

Rolex will pay a Sponsorship fee of \$1,975,000 over the initial five-year Agreement term. These revenues will help support LSRA's operating and capital improvement needs. The annual sponsorship revenue is included in the fiscal year revenue budgets in Fund 453, Laguna Seca Recreation Area (Unit 8536, Appropriation Unit CAO046, for Fiscal Year (FY) 2021-22 and Unit 8579, Appropriation Unit PFP067, effective FY 2022-23).

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommended action supports the Board of Supervisors Strategic Initiatives for Economic Development, Administration, and Infrastructure by proactively seeking funding sources to enhance the County's ability to offer quality events at Laguna Seca facilities. This will generate revenue intended to help finance WRLS operations, maintenance and capital improvements which, in turn, will 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: Ryan Bell, Administrative Operations Manager (831)755-8912

Reviewed by: Bryan Flores, Chief of Parks

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

Attachment: Proposed Rolex Sponsorship Agreement
(Attachment is on file with the Clerk of the Board)