



County of Monterey

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

Board Report

File #: A 18-091, **Version:** 1

- a. Approve a Sponsorship Agreement between Lexus USA and the County of Monterey for official luxury auto sponsorship of the WeatherTech Raceway at Laguna Seca.
- b. Authorize the Chair of the Board to execute the Agreement retroactively to March 31, 2018.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve a Sponsorship Agreement between Lexus USA and the County of Monterey for official luxury auto sponsorship of the WeatherTech Raceway at Laguna Seca.
- b. Authorize the Chair of the Board to execute the Agreement retroactively to March 31, 2018.

SUMMARY/DISCUSSION:

On March 20, 2018, the Board of Supervisors passed a General Agenda Item, File #A18-079, approving a five-year sponsorship agreement between MacNeil Automotive Products Limited (“WeatherTech”) and the County of Monterey for exclusive title sponsorship of the Raceway at Laguna Seca Recreational Area and authorized the Chair of the Board to execute the Agreement.

The naming rights agreement with WeatherTech opened the door for an additional sponsorship with an automobile manufacturer as the official car of the Raceway at Laguna Seca Recreational Area. County and the Sports Car Association of the Monterey Peninsula (SCRAMP) staff have negotiated a potential Sponsorship Agreement with Lexus USA. The potential agreement shall be effective upon approval by the Board of Supervisors for a term of two (2) years retroactive to March 31, 2018 and ending on April 1, 2020. County and Lexus shall have the mutual right to extend the Agreement for an additional three (3) year period through March 31, 2023 if Lexus provides written notice to the County on or before December 1, 2019. Beginning on September 1, 2022, and continuing through November 30, 2022, Lexus shall have the exclusive right of first negotiation to enter into a new Sponsorship Agreement with the County for years 2023-2027.

During the term of the agreement, Lexus shall be the “Official Luxury Auto” of the raceway. In consideration for County obligations under the agreement, Lexus shall pay County \$200,000 in 2018 and \$327,000 in each contracted year 2019-2022.

OTHER AGENCY INVOLVEMENT:

The County Administrative Office and SCRAMP collaborated on development of the agreement. County Counsel has approved the agreement as to form.

FINANCING:

The Sponsorship Agreement provides for additional funding which will be available to continue the capital improvements required at Laguna Seca Recreational Area.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The items included in this report relate to the Board of Supervisors Strategic Initiatives on Economic Development.

Mark a check to the related Board of Supervisors Strategic Initiatives:

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

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