

HOFFMAN ESTATES PARK DISTRICT MEMORANDUM # 16-024

To: Administrative and Finance Committee
From: Dean Bostrom, Executive Director
Craig Talsma, Deputy Director/Director of Finance & Administration
Date: February 12, 2016
Re: Windsor Outdoor, LLC Agreement

Background

The District entered into an agreement with Windsor Outdoor, LLC (Windsor) in May of 2014 to sell advertising space on the marquee signs located at 1685 W Higgins Road and 650 W Higgins Road. The signs became operational on November 1, 2014. This agreement is attached in its entirety. Within section 5 - Base Gross Advertising Revenues, Windsor promises to minimally generate full levels of gross advertising revenue as set forth below:

Year one	Nov 2014 – Oct 2015	\$ 90,000
Year two	Nov 2015 – Oct 2016	\$180,000
Year three	Nov 2016 – Oct 2017	\$270,000

If Windsor does not generate these minimal levels of Gross Advertising Revenues, then the District at its discretion, and without providing an opportunity to cure, with no future requirement to Windsor, may terminate this agreement.

Windsor has gone through many changes over the last year and staff continues to meet with them. Windsor has reorganized and is now BRT Outdoor Signs (BRT). Though Windsor did not meet our needs, staff has been continuously communicating our future direction and BRT is acceptable to changes.

Implications

The Gross Advertising Revenue generated by Windsor is as follows:

Year one	Nov 2014 – Oct 2015	\$ 66,464
Year two	Nov 2015 – Oct 2016	\$ 41,192 (to date)

Windsor did not generate the minimal levels of Gross Advertising Revenue, allowing the District to terminate this agreement. Furthermore, Windsor acknowledges that its performance has been unsatisfactory, and agrees to termination of the aforementioned agreement and wishes the opportunity to continue with a new agreement.

The District has also created a FT Advertising and Sponsorship position to represent the District in selling marquee sign space, advertising and sponsorship opportunities. This individual will start on February 22, 2016. Staff believes that the District could still benefit by allowing BRT to work with the Advertising and Sponsorship Manager. Therefore we have discussed this opportunity with BRT. The new agreement, attached, would allow BRT Outdoor to maintain their current clients, if their advertising remains contiguous, and to sell to new prospects and receive 15% commission.

There is no fixed term for the new agreement, and it may be cancelled by either party by providing 30 days written notice.

Recommendation

Staff recommends that the A&F Committee recommend to the full board approval of termination of the agreement between the District and Windsor Outdoor, LLC, and acceptance of the new agreement between the District and BRT Outdoor.