



Memorandum

To: Mike Geisel, City Administrator
 Jeannette Kelly, Finance Director

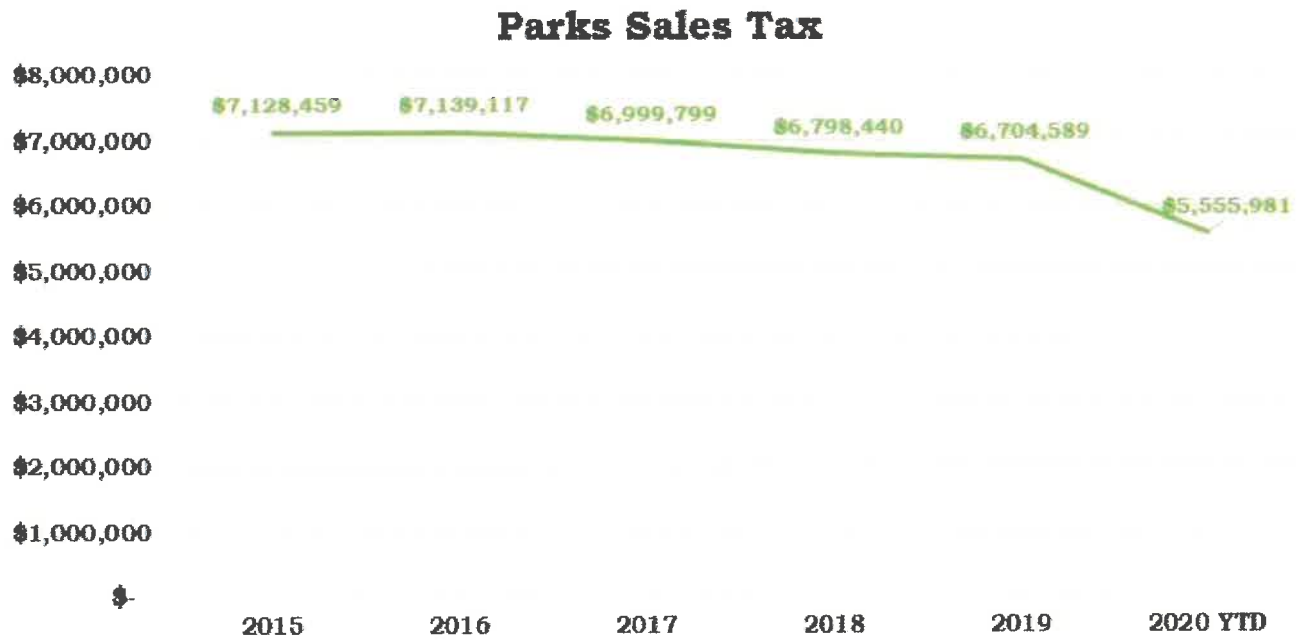
From: Tom McCarthy,
 Director of Parks, Recreation & Arts

Date: 11/5/2020

Re: Independent Sponsorship

As you are aware, we have had a serious decline of our ½ cent sales tax this year and over the past five previous years. As we continue to strive to deliver exceptional facilities, programs, events and top tier Parks, Recreation and Arts experiences to the residents of Chesterfield we have slowly had to find dollars in our budget to keep all these things running and in good repair. The graph below was prepared outlining our parks revenue decline over the past few years by our Finance director Jeannette Kelly.

Sales Tax Revenues						
	2015	2016	2017	2018	2019	2020 YTD
Parks Sales Tax	\$ 7,128,459	\$ 7,139,117	\$ 6,999,799	\$ 6,798,440	\$ 6,704,589	\$ 5,555,981



The option we feel which would afford us the best opportunity to raise additional funds is to contractually hire an independent Sponsorship Sales Representative on a contingency fee basis. We have dealt with individuals in similar positions when we worked with Taste St. Louis, Pedal the Cause and some of our other large festivals over the years. The City's 25th anniversary is another example of doing this in the past. The birthday celebration generated substantial funds was done by working closely with several key employees and a

25th birthday group of past strategic elected officials. We feel that the right person representing the Parks, Recreation and Arts Department on a percentage of sales basis with no guarantees, monthly fees or health benefits could most likely generate in the neighborhood of \$100,000 in the first year and potentially \$150,000 or more as the program gets off the ground. We have researched the going rate for one of these professional individuals and they typically receive 15%-20% starting with a bonus when they reach a certain dollar amount raised. We are thinking that we can get someone at a contingent 15% rate and if they reach the \$100,000 level, their rate would increase to 20% on everything over \$100,000.. There are some businesses and vendors which we have current agreements or relationships with that would be excluded from the contract base. The consultant would only get paid after the City receives the sponsorship payments and if it is a multi-year deal they would get paid yearly on the dollars when received. We would work closely with our City attorney to create a contract that is both fair and equitable for both parties involved. There are also other parameters that we would put in place to make sure that sponsorships and marketing opportunities would fit with our mission and the overall City experience we would like our residents and guests to experience. Several opportunities that could be explored that we already do, (but this person would have the connections to potentially get larger dollars and more activations with corporations and businesses across Missouri) are: concert sponsorships, festival activation for vendors, ticketed big act performer sponsorships, large park project sponsorships, turf field donations, pavilions, ball field quads, stage and amphitheater naming sponsorships for a season or long-term naming rights. With the large naming right deals these would be brought back to Council for direction and approval.

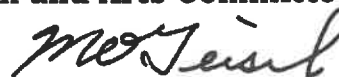
By going with this new opportunity of having a professional, sponsorship salesperson we would be able to knock on more doors, get into larger organizations and raise more dollars at no cost to us. As much as I would like to say we can do it all, we have limited resources and we are fairly good at raising some small dollars, but we do not have the expertise nor the time required to bring in the large donors that are out there and we need to start going after.

We have discussed this at our last Parks, Recreation and Arts Citizens Advisory Committee meeting on October 7th and a vote taken with an affirmative unanimous recommendation to move this forward to the Parks, Recreation and Arts Committee of Council for their approval and then on to the full Council if they are in favor.

With your approval I would like to move this forward to the Committee of Council.

If you would like to discuss this please let me know.

Please forward to the Parks, Recreation and Arts Committee for further discussion, review and recommendation.

 2020-11-5