



CITY OF RAPID CITY

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MEMORANDUM

TO: Parks & Recreation Advisory Board

FROM: Joel P. Landeen, City Attorney

DATE: 03/5/2021

RE: Fitzgerald Stadium Naming and Sponsorships

As you are aware, the City and Black Hills Sports (BH Sports) are in the process of renovating Fitzgerald Stadium. As part of this process, BH Sports has been engaged in fundraising to help cover the cost of their share of the stadium improvements and to ensure a sufficient cash flow to help fund the stadium's future maintenance and replacement needs. One of the efforts BH Sports has made to achieve this goal is to seek long term partnerships with organizations in the community to sponsor the stadium and the Post 22 Baseball program. As part of these partnerships, BH Sports has negotiated advertising packages for these sponsors which include the right to name portions of the stadium. The stadium was named Fitzgerald Stadium by a City Council Resolution on April 2, 1978. BH Sports current lease with the City states that the rights to name the facilities and premises are jointly held by BH Sports and the City. It further states that any naming of the fields, buildings and improvements shall be my mutual consent of the parties and that such consent shall not be unreasonably withheld.

The draft agreements are based on the City's sponsorship and naming agreements for the soccer fields and for The Monument. The agreements being presented to you to review are the larger agreements and are for the naming of the stadium complex, the field turf, and the broadcast/announcers booth. The sponsorships are as follows:

1. Black Hills Surgical Hospital/Medical Facilities Corporation – Naming of the stadium. This agreement is structured as a 10 year agreement with a 10 year renewal at the sponsors' sole discretion. The annual fee is \$25,000 for a total contribution of \$250,000. In addition, there is an agreement that MFC will contribute an additional \$10,000 per year as a donation for the same time period. There is not a draft agreement with MFC yet, but we should have one prior to the Thursday meeting. The

- terms and structure will be similar to the agreements already provided. A copy of the Letter of Intent with MFC has been attached for your review in the interim.
2. Black Hills Orthopedic & Spine and The Rehab Doctors – Naming the Field Turf. This agreement is also structured as a 10 year agreement with a 10 year renewal at the sponsors’ sole discretion. The annual fee is \$15,000 per year for a total contribution of \$150,000.
 3. Midco – Naming the broadcast booth. This will also be a 10 year agreement. The annual fee is \$12,000 for a total contribution of \$120,000. There is not a draft agreement with Midco yet, but we should have one prior to the Thursday meeting. The terms and structure will be similar to the agreements already provided. A copy of the Letter of intent with Midco has been attached for your review in the interim.

While the sponsors are paying for “naming” rights, it is the intent of the parties to co-brand the stadium and continue to incorporate the Fitzgerald name into the facility. The parties recognize the importance of having a connection to the stadium’s past history and to respect the legacy of Floyd Fitzgerald. BH Sports have been in communication with members of the Fitzgerald family, and it is my understanding that they are aware of, and not opposed to what is occurring.

I would note that the attached agreements currently exceed BH Sports’ lease with the City. We are working on updating the lease and as part of that project we will be synchronizing the terms of these agreements with the term of BH Sports’ lease with the City. We would anticipate the updated lease agreement to be brought forward for approval in the near future. If for some reason the lease agreement were not approved, these agreements would be terminated and any funds paid would need to be refunded.

Pursuant to the City’s policy for naming City owned parks and facilities and the City’s current lease with BH Sports, we are providing you with these agreements for your review and recommendation. Once you have made your recommendation, the agreements shall be presented to the City Council for their review and approval.