



STAFF REPORT

DATE: October 25, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Devra Selenis, VP, Communications and Partnerships
SUBJ: APPROVING THE FIRST AMENDMENT TO THE CONTRACT FOR NAMING RIGHTS NEGOTIATION SERVICES WITH THE SUPERLATIVE GROUP, INC.

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approval will allow the continuation of the current contract with The Superlative Group, Inc. ("Superlative") for Option Years 6 and 7 to provide additional opportunities to generate revenue from naming rights agreements.

FISCAL IMPACT

Continuing the contract for an additional two years will provide additional opportunities for Superlative to seek naming rights partners to generate additional revenues for SacRT. Superlative receives compensation (30% of revenues) only if a naming rights agreement is successfully negotiated, so there is no cost to SacRT to continue the agreement.

DISCUSSION

On September 13, 2016, SacRT received proposals in response to the solicitation for Naming Rights Negotiation Services. On January 10, 2017, SacRT executed a Contract with Superlative for a 5-year term, which is set to expire on January 9, 2022.

The early years of the contract required Superlative to perform a detailed study/analysis for each light rail line and station in order to determine values before approaching potential parties. In June 2019, SacRT approved the first 10-year revenue generating station sponsorship agreement with UC Davis Health, renaming the 39th Street Station to the 39th Street/UC Davis Health Station as a result of the contract with Superlative. In early 2020, like many businesses, Superlative was significantly impacted as a result of the COVID-19 pandemic, experiencing a drastic reduction in potential interest in naming rights.

With business and ridership slowly returning to a new normal, this First Amendment is to exercise Option Years 6 and 7 to extend the Contract term to January 9, 2024, allowing more time for revenue-generating naming negotiations.

RESOLUTION NO. 21-10-0116

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

October 25, 2021

APPROVING THE FIRST AMENDMENT TO THE CONTRACT FOR NAMING RIGHTS NEGOTIATION SERVICES WITH THE SUPERLATIVE GROUP, INC.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Board hereby approves the First Amendment to the Contract for Naming Rights Negotiation Services by and between the Sacramento Regional Transit District (therein "RT") and The Superlative Group, Inc. (therein "CONSULTANT"), whereby SacRT exercises Option Years 6 and 7 and the term is extended to January 9, 2024.

THAT, the Board Chair and General Manager/CEO are hereby authorized and directed to execute the foregoing amendment.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary