

## **STAFF REPORT**

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**DATE:** December 11, 2023  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Devra Selenis, VP, Communications and Partnerships  
**SUBJ:** APPROVING THE SECOND 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 Year 8 to provide additional opportunities to generate revenue from naming rights agreements. In October 2021 (Resolution No. 21-10-0116), the Board previously exercised the right to extend the Contract term by two years (Option Years 6 and 7).

### FISCAL IMPACT

Continuing the contract for one year 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. There is no additional cost to SacRT to continue the agreement.

### DISCUSSION

On September 13, 2016, SacRT received a single proposal from Superlative in response to the competitive Request for Proposals for Naming Rights Negotiation Services. On January 10, 2017, SacRT executed a Contract with Superlative for a 5-year term, which was originally set to expire January 9, 2022. With the previous extension for Option Years 6 and 7, it is now set to expire on January 9, 2024.

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 returning to a new normal, this Second Amendment (Option Year 8) will allow an additional year for Superlative to seek revenue-generating naming

negotiations. Option Year 8 is the last of the three option years agreed to in the original terms of the Contract with Superlative. Since there is no cost to SacRT and SacRT anticipates difficulty finding another vendor to offer these services, Staff recommends extending the contract term one more year.

RESOLUTION NO. 2023-12-120

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

December 11, 2023

**APPROVING THE SECOND 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 Second Amendment to the Contract for Naming Rights Negotiation Services by and between the Sacramento Regional Transit District (therein "SacRT") and The Superlative Group, Inc. (therein "Consultant"), whereby SacRT exercises Option Year 8 and the term is extended to January 9, 2025, is hereby approved.

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

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PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Tabetha Smith, Assistant Secretary