

Meeting Agendas/Info

CITY COUNCIL COMMUNICATION:	ITEM _____
01-587	OFFICE OF THE CITY MANAGER CITY OF DES MOINES, IOWA
AGENDA:	SYNOPSIS -
NOVEMBER 19, 2001	Approve two-year renewal option for advertising agreement with Ad In the Hole, LLC (Ron Sorenson, General Manger, P.O. Box 41143, Des Moines, Iowa 50310) for the sale of advertising in the cups and on the tee-markers at Des Moines' municipal golf courses.
SUBJECT:	
GOLF COURSE ADVERTISING	FISCAL IMPACT - \$12,000 in revenues from advertising sales.
TYPE:	RECOMMENDATION -
<u>RESOLUTION</u> ORDINANCE RECEIVE/FILE	Approve two-year renewal option for advertising agreement with Ad In the Hole, LLC for the sale of advertising in the cups and on the tee-markers at Des Moines' municipal golf courses.
SUBMITTED BY:	BACKGROUND -
DONALD M. TRIPP PARK AND RECREATION DIRECTOR	On February 26, 2001, by Roll Call No. 01-093, the City Council approved a one-year advertising agreement with a two-year option to renew with Ron Sorenson, General Manger of Ad In The Hole, LLC. As of the September quarterly report, Mr. Sorenson had sold 51 percent of the tee-markers and 15 percent of the cups for a total of \$6,629.50. Due to the late start of this first year's ad sales, Mr. Sorenson is confident that sales should double this next season. Based on communication with Mr. Sorenson, over 50 businesses contacted this past season had already committed their marketing funds, but requested follow-up communication for next season's advertising opportunities. Park and Recreation Department staff and Mr. Sorenson both believe this is a viable advertising opportunity for business and will continue to grow. Under the terms and conditions of the agreement, Mr. Sorenson is

required to sell the tee-marker ad prior to selling the cup ad. The City shall receive 75 percent of tee-marker ad sales and 25 percent of cup advertising sales. The agreement will become effective upon City Council approval and expire on December 1, 2003.

Previous to the agreement with Mr. Sorenson, a ten-year advertising agreement with Benchcraft reached the termination date. The company provided free tee-markers in exchange for the sale and collection of advertising in the tee-markers at each course. In this arrangement the City received no revenue.

On August 28, 2000, by Roll Call No. 00-3590, the City Council tabled the Citizen's Golf Advisory Committee's recommendation to place advertising in the cups at Des Moines' municipal golf courses. The Council requested additional information concerning this form of advertising in the Des Moines metro area.

On September 11, 2000, by Roll Call No. 00-3728, the City Council voted to deny the sale of advertising in the cups.

On December 12, 2000, Mr. Sorenson requested the City Council reconsider the sale of advertising in the cups at Des Moines' municipal golf courses. The City Council, by Roll Call No. 00-4529, approved a one season trial period for the sale of advertising in the cups.

During the trial period, Golf Pros indicated there has not been significant negative public comment on the advertising.

The Park and Recreation Department, with the recommendation of the Citizen Golf Advisory Committee, researched and issued bids for the purchase of new tee-markers. This change will allow the City, through a contract, to sell advertising on the tee-markers to capture the revenues on an annual basis less a percentage to the contractor.

Since it is in the best interest to have one company representing the City for the sale of advertising at the municipal golf courses, a new bid was issued through the City of Des Moines Purchasing Division. The Purchasing Division issued bids on January 24, 2001. Bid Number V01-117 "Golf Course Advertising" was mailed to eight companies with one bid response. The advertising agreement between the City of Des Moines and Ad In the Hole, LLC is on file in the City Clerk's office.
