



Legislation Text

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Fiscal Note

Under the binding letter of intent authorized by this resolution, the City would agree to provide right-of-way access, security services and other customary governmental services at no charge, in the event that 2016 Olympic cycling events are held in the Madison area. The City would also agree to suspend normal fees and charges for any required licenses and permits and would grant exclusive ticket sales, media and advertising rights to the Olympic organizers. The potential costs and foregone revenues associated with this agreement have not been estimated, and any budgetary impacts would require future Council authorization. The Option Agreement for Advertising Space also authorized by this resolution would grant to the Olympic organizers an exclusive option to purchase all Transit advertising space during the 12 week "Games Advertising Period" at a pre-determined price, consistent with rates that would normally be in place at that time if the Olympic games were not present.

Title

Authorizing the Mayor and Clerk to execute an Option for Advertising Space and Letter of Intent concerning the City's participation in the 2016 Olympics and Paralympic Games Cycling Events.

Body

Preamble

The City of Madison, State of Wisconsin and Dane County have been invited by the City of Chicago and Chicago 2016 to participate in the staging of the road cycling, cycling time trial and mountain biking events ("Cycling Events") during the 2016 Olympic and Paralympic Games. The City of Chicago and Chicago 2016 have asked the City of Madison to be a party to a binding agreement with Dane County and the State of Wisconsin (the "Letter of Intent") and an Option for Advertising Space under which each governmental entity will guarantee and agree, to the extent of its statutory and corporate authority, to fulfill certain obligations with respect to the Cycling Events and the 2016 Games.

Under the Letter of Intent, the City of Madison agrees to provide the following to the City of Chicago, Chicago 2016 and the Chicago Organizing Committee for the 2016 Games ("CHICOG"):

- (i) to the extent of its authority, access to all City streets, highways, sidewalks, public spaces and right-of-ways necessary to the planning, development and staging of the Cycling Events;
- (ii) security, medical and other governmental services that it customarily provides and that are necessary for the planning and hosting of the Cycling Events, at no cost;
- (iii) the suspension or waiver of the imposition of and collection of fees and charges otherwise imposed or collected by the City for permits and licenses issued to CHICOG;
- (iv) the exclusive right to manage and sell tickets, suites and specialty seats and to not subject CHICOG to any taxes or parking charges in relation to the sale of the aforementioned;
- (v) exclusive broadcasting and media rights, and to manage and operate retail outlets and concessions along the route;
- (vi) assistance in combating ambush marketing by advertisers and eliminating illegal street vending; and
- (vii) exclusive use of all commercial outdoor signage along the Cycling Road Course which is under the control of the City.

Under the Option Agreement for Advertising Space, the City agrees to the following as related to any and all Metro Transit Advertising Space:

- (i) City will provide to Chicago 2016/CHICOG, and will require any future Contractor or third party that may manage the sale of the City's Metro Transit Advertising Space, an exclusive option to buy ads on up to 100% of its Metro Transit Ad Space during the twelve-week Games Advertising Period;
- (ii) Chicago 2016/CHICOG may exercise its option with respect to some or all of the Ad Space

- between July 1, 2013 and June 30, 2015, with the option to expire in June 30, 2015. Thereafter, the City may sell or use any ad space as to which the option has not been exercised;
- (iii) the City will cooperate with Chicago 2016/CHICOG in their efforts to prevent the use of the Ad Space in a manner which claims a false association with the 2016 Games or which infringes on Olympic copyrights/trademarks;
 - (iv) the purchase price of such ad space shall be the average purchase price for such space for the calendar years of 2010, 2011 and 2012, plus 7% per annum compounded for each of years 2013 through 2016; and
 - (v) the Option agreement terminates and becomes null and void if Chicago is not selected as the host City for the 2016 games.

Now, therefore, be it resolved, that the Mayor and Clerk are hereby authorized to execute a Letter of Intent and Option for Advertising Space whose terms are described above.