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SUMMARY REPORT # 2019.09 – Naming Rights Contract

The Collier County Board of County Commissioners (BCC) approved a contract regarding the naming rights to Collier assets in July 2018, the largest anticipated to be the Paradise Coast Sports Complex. The agreement was based on the following parameters:

- a. An initial amount of \$82,500 over 4 months payable in monthly installments to complete Phase # 1 for Naming Rights research;
- b. A monthly fee of \$7,500 payable for an additional 20 months to complete Phase #2 for developing a strategic sales campaign for naming rights with companies or individuals for a total of \$150,000;
- c. A 17.5% commission per asset from the sale of naming rights or sponsorships for the same 20-month period, based on the gross revenue to the County from each naming rights contract with each company or individual;
- d. A 17.5% commission for Phase 3 for ongoing implementation of a strategic plan for the sale of naming rights or sponsorship monthly on all gross revenue to the County for an additional 36-month period;
- e. A 7.5% commission on any naming rights contact initially contacted by County Staff and which results in a Naming Rights agreement or sponsorship.

Total # Transactions	Total Amount of Transactions	Questioned Costs	Taxpayer Savings	Description	Total # Observations	# Open Observations
21	\$ 182,501.24	\$ 68,017.20	\$ 458.98	Number of invoices	6	0

In our review of subsequent vendor activity and payment requests, we noted the following issues, which were communicated to BCC management:

- (1) No naming right sponsor has been secured to date, and the best naming rights prospects to date appeared to be local firms with community ties that preceded the contract;
- (2) Contract language regarding the basis for 7.5% commission conflicted with statements made at the BCC meeting;
- (3) Observed documentation for client contacts was not robust;

- (4) Some contacts were for local businesses who appeared to not have sufficient capital for a major sponsorship;
- (5) Other contacts were largely foundations from across the State of Florida, some of which appear unlikely sponsorship candidates, i.e. Barbara B. Bush Foundation for Family Literacy in Tallahassee; and,
- (6) There were questionable travel receipts, which were detailed to BCC staff, and rejected for payment.

MANAGEMENT RESPONSE TO THE RECOMMENDATIONS

Effective February 26, 2020, the Board of Collier County Commissioners terminated the naming rights contract for convenience.