



## CITY OF MARSHALL AGENDA ITEM REPORT

<b>Meeting Date:</b>	Tuesday, July 13, 2021
<b>Category:</b>	CONSENT AGENDA
<b>Type:</b>	ACTION
<b>Subject:</b>	Consider approval of Amendment to the Sponsorship Agreement between the City of Marshall and Viking Coca-Cola
<b>Background Information:</b>	<p>On September 13, 2016, the Marshall City Council did approve an exclusive 10-year contract between Viking Coca-Cola and the City of Marshall. The Sponsorship Agreement is effective January 1, 2017 through December 31, 2026. The Sponsorship Agreement indicates that Viking Coca-Cola would be the exclusive soft-drink and non-alcoholic beverage provider for the Red Baron Arena &amp; Expo, and for softball/youth baseball fields “encompassing the “property” as defined within said agreement. The Sponsorship Agreement indicates that Viking Coca-Cola will pay an annual sponsorship fee in the amount of \$18,000.00 each and every year of the 10-year agreement. Annual payments have been received from Viking Coca-Cola for the years 2017, 2018, 2019 and 2020.</p> <p>However, the interruption of business caused by the Covid-19 pandemic, has caused the parties hereto to have discussions to consider restructuring the terms of the sponsorship agreement. That representative from the City of Marshall and Viking Coca-Cola have had discussions concerning the modification of the annual payment terms regarding existing contract. After several discussions, the parties have agreed to amend the contract and existing payment terms. It has been agreed that sponsorship payment for the year 2021 would be eliminated. Therefore, Viking Coca-Cola would make no sponsorship payment to the City of Marshall. In consideration of that termination of payment, the parties have agreed to extend the contract an additional year and that the \$18,000.00 annual payment would be made during the extended year of 2027. The amendment to the agreement has been reviewed and approved by Viking Coca-Cola. City staff continues to recommend that the amended terms of the agreement as now renegotiated be approved.</p>
<b>Fiscal Impact:</b>	The City will ultimately receive the same annual payments as initially contracted plus product placement sales as concluded within the agreement.
<b>Alternative/ Variations:</b>	No alternative action recommended.
<b>Recommendations:</b>	City Staff recommends that an Amendment to the Sponsorship Agreement between the City of Marshall and Viking Coca-Cola be approved for signature. A copy of the amendment to contract is attached.