

City of Costa Mesa
Skate Park Sponsorship Program
Discussion of Elements and Potential Revenue

Below is the list of Programs, elements, a brief explanation, and the consultant's estimate of the minimum amount that could be derived on an annual basis from the sponsor for each element.

1. Asset Management Program Elements:

1. Banner advertising: The skate park will be a lit facility and banners may be displayed on the six light poles throughout the park. Generally, banners in a program such as this have a ratio of 2/3 art/non-advertising display and 1/3 sponsor logo. The City can condition a smaller ratio such as 3/4 art and 1/4 logo, however, a smaller number may reduce the incentive to sponsors, resulting in a smaller fee. PEG estimates that 6 banners could generate \$3,600 per year.
2. Bleacher signage: Currently, there are two bleacher seating areas scheduled for installation in the park. Bleachers are an ideal location for signs mounted on the inside rails facing inward toward the park, and not visible from outside the park. PEG estimates that 2 bleachers, with 3 signs each could generate \$3,600 per year.
3. Entry monument signage: There are 2 entryways into the skate park. Monument signs can be placed at the entrance from the joint use parking lot (with Bark Park), and at the north entry into the picnic/observation area. These would be used to recognize a naming rights, or other significant sponsor. PEG estimates that 2 entryway signs could generate \$2,400 per year.
4. Information kiosks: The skate park, due to the amount of foot traffic in the park and plaza area would be an ideal location for a 3 or 4 sided information kiosk, possibly near the restroom. Generally, the City is provided one panel to be used for notices, postings and City information, with the rest of the panels for the sponsor. These are very similar to bus shelter advertising and PEG estimates that one kiosk could generate \$3,600 per year.
5. Redemption/recycling kiosks: Skate park users will be drinking water and other beverages and in addition to trash cans, a redemption/recycle kiosk will have several benefits. It will encourage recycling, reduce the time spent picking up plastic bottles and cans, and generate revenue for the City. PEG estimates that one recycle/redemption kiosk may generate \$3,600 per year.

6. Shade shelter signage: There is an area in the skate park where a shade/picnic shelter can be placed which will provide two benefits. First, the shade shelter can accommodate advertising built into either the support posts or the roof, generating revenue. In addition, the shelter would be available for party/picnic rentals (element 13 below) where family and friends can watch the skate park and have an area for their exclusive use. PEG estimate the shelter signage could generate \$2,400 per year.
7. Radio Station Licensing fee: Skate park participants may want to bring in their own “boom boxes” and listen to music as they skate. In an effort to control the level of music, some cities have passed ordinances to prohibit boom boxes and provide a license to a radio station to broadcast at the site. PEG estimates the license fee may generate \$2,400 per year.
8. Vending machines: Because of the location of the skate park within an area already containing several activities (bark park, tennis center), PEG would recommend a more formal food concession that would serve all participants. However, until a food concession is established, this site would accommodate several drink and snack vending machines. PEG estimates that 3 vending machines could generate \$2,400 per year.
9. Trash receptacle advertising: Several companies pay to place trash receptacles in parks and the skate park will have several within the skate park. In return, the company would have a small ad on the receptacle. In many cities where this program is implemented successfully, generally, all trash receptacles are wrapped into one program. PEG continues to research the citywide asset management plan and this program will be incorporated for analysis, however, PEG is also exploring this as a stand alone program specific to the skate park and estimates that 6 receptacles could generate \$720 per year.
10. Webcast Licensing: There are several companies who maintain websites for skaters and many skaters like to view a park before going, or to watch live webcast. By providing a license to install a camera to provide a webcast, the City will be both generating revenue and providing a service to skaters. The City may also provide a “link” from the City website to the webcast, which is attractive to advertisers. PEG estimates that 2 webcast license agreements could generate \$3,600 per year.

2. Rental Program Elements:

11. Commercial rentals: Because of the number of skate board industries and active skate boarders in the city, Costa Mesa would be considered a “hub” of skateboarding activity. In addition, due to the natural setting, freeway access, and central county location, the Costa Mesa skate park could be

very attractive site for commercial rentals, fairs, expos, demonstrations, and sponsored events. The City would be renting the entire facility to a promoter, who will pay for the exclusive use of the skate park. These events can draw hundreds of participants and does take the park out of general use. In order to be sensitive to surrounding residents and the skating public, the City should initially limit the number of these to no more than 6 per year, and assess the impacts on the neighborhood and park use. PEG estimates that at an initial 6 events per year, park rentals may generate \$20,000 per year.

12. Film permits: As mentioned above, the skate park site within TeWinkle park is ideal for a number of activities, including film permits. The City's existing Film Permit should allow the skate park to be permitted out to media companies and still photographers. In order to reduce the impact on skate park participants, film permitting would not be allowed after 3pm, when the heavy use is expected. PEG estimates that film permits could generate \$2,950 per year.
13. Picnic shelter rentals: Similar to a picnic shelter rental at a park, the proposed shade shelter would be made available for rental to the public to watch skaters while having a picnic or party. The rental is separate from the structure advertising program discussed above and PEG estimates that picnic shelter rentals could generate \$750 per year.

3. Naming Rights Benefits Package:

1. Naming Rights to the skate park: This will allow the sponsor to have their name on the skate park, such as the PEG Skate Park in Costa Mesa. PEG estimates the value of this element is \$5,000.
2. Use of site 2 weekends per year: The naming rights sponsor will be entitled to exclusive use of the site for 2 weekends per year (in addition to the initial 6 commercial rentals discussed above) for their demonstrations, company gatherings, etc. PEG estimates the value of this element to be \$5,000 per year.
3. Right to use City name and "CostaMazing" logo: The CostaMazing logo is a very vibrant and eye catching logo and sponsors will want to tie into a known and existing community asset. PEG estimates the value of the right to use these is \$1,000 per year.
4. Recreation Review ¼ page ad space: The Recreation Review reaches all homes in Costa Mesa and is a powerful marketing tool for a sponsor. The Review, which also includes Community News (formally Costa Mesa Live), is

distributed 4 times a year to over 40,000 addresses in the city. PEG estimates the value of this element is \$2,000 per year.

5. Link from City website to sponsor website: Many people visit the City website for information each day and a link to the sponsor website will provide the sponsor with increased marketing opportunities. PEG estimates that the value of the web link is \$1,000 per year.

6. Right to on-site promotion distribution: This will allow the company to exclusively distribute promotional material at the skate park. Generally, companies are not allowed to conduct commercial operations on City parks, which includes soliciting or operating a business. The right will allow the sponsor to promote their business through the distribution of material to skate park users. PEG estimates the value of this to be \$1,000 per year.

Taken individually:

Asset Management Annual Revenue Estimate:	\$28,320
Rental Program Annual Revenue Estimate:	\$23,700
Naming Rights Benefits Package Annual Revenue Estimate:	\$15,000
Total Estimated Annual Revenue:	\$67,020

These estimates represent the minimum parameters for negotiations and based on PEG's past experience in marketing other municipal programs. The ultimate value of each element or package is subjective and subject to negotiations. In addition, these are the elements identified by PEG in their feasibility study. There may be other opportunities not yet valued which could be implemented. For example, a sponsor may have a niche for some item not identified and be willing to pay for promotion. As well, potential sponsors may see other partnerships opportunities with the City outside of the skate park.