

Staff Summary Report



Council Meeting Date: 01-08-09

Agenda Item Number: _____

SUBJECT: Request approval and signature of an assignment letter for Ironman Arizona Triathlon, which event has been sold to the World Triathlon Corporation (WTC).

DOCUMENT NAME: 20090108prtd02 **SPORTS ADMINISTRATION/POLICIES (0105-01-07)**

SUPPORTING DOCS: No

COMMENTS: North America Sports, Inc., (NAS) has executed an agreement where it has sold the company events to the World Triathlon Corporation (WTC).

PREPARED BY: Travis Dray, Deputy Parks and Recreation Deputy Manager, 480-350-5182

REVIEWED BY: Mark Richwine, Parks and Recreation Manager, 480-350-5325

LEGAL REVIEW BY: David Park, Assistant City Attorney, 480-350-8907

FISCAL NOTE: The net fiscal impact to the City of Tempe is approximately \$100,000 annually and is comprised of a \$50,000 City cash contribution and the provision of in-kind City services of approximately \$50,000 for the 2009 Race.

RECOMMENDATION: Staff recommends approval of the assignment letter and the authorization for the Mayor to execute it.

ADDITIONAL INFO: In November of 2008, Ironman Arizona sold out in eight hours. Each year, this prestigious triathlon has attracted over 2,000 athletes (plus their friends/family members) who have stayed for approximately four nights each. The TCVB has conservatively estimated the direct economic impact to Tempe is approximately \$4.2 million.

Through this assignment, the former promoter of the Ironman, NAS, is assigning its contract with the City as part of a sale of NAS's assets to WTC. The WTC has previously been the licensee of the Ironman brand and logo to NAS and, as such, has always set the standards by which Ironman AZ. has operated. For example the WTC regulated the event quality, the program, the number of athletes, etc. After assignment of the contract, WTC will continue to ensure that the Ironman experience is one which will offer the highest standard for athletes, volunteers, and the City of Tempe.

December 12, 2008

City of Tempe
31 East Fifth Street
Tempe, AZ 85281
Attn: Mayor and City Council

Tempe Convention and Visitors Bureau
51 West 3rd Street
Suite 105
Tempe, AZ 85282
Attention: Stephanie Nowack

RE: ***Agreement Between the City of Tempe and North America Sports Inc.***

Dear Sir or Madam:

The undersigned represents North America Sports, Inc. ("NAS"). Pursuant to Section 21 of the Agreement between the City of Tempe and NAS dated November 6, 2008 (the "Agreement"), this letter shall constitute notice that NAS is transferring the Race, as defined in the Agreement, to World Triathlon Corporation ("WTC") and is hereby seeking your consent to the assignment of the Agreement to WTC. WTC shall hold itself to the same event quality and standards which have been established and followed by NAS in connection with the staging of the Race in the City of Tempe. NAS will assign to and WTC will be obligated to all of the terms and conditions of the Agreement. Please evidence your consent to the assignment of the Agreement to WTC by signing this letter and returning to the undersigned at your earliest possible convenience.

Very truly yours,

NORTH AMERICA SPORTS, INC.

BY: Graham Fraser, President

Agreed and consented to by
the City of Tempe on this ____
day of January, 2009

Agreed and consented to by
the Tempe Convention and Visitors
Bureau on this ____ day of January, 2009
