

ADVERTISING AND SPONSORSHIP OPPORTUNITIES

The proposed Bellevue Health and Aquatic Center is projected to draw between 500,000 to 650,000 attendees annually. The attendees include all segments of the population and demographics. These attendees include the competitors and spectators at major high profile events that will draw regionally and statewide. These attendance numbers and the opportunity for a large number of targeted impressions provide an attractive marketing opportunities for local, regional, and national businesses as well specific businesses endemic to the aquatic industry. The variety of elements in the BHAC also can help target specific markets such as families with young children, seniors, active adults, and families in the Bellevue School District and in the Lake Washington School District if the facility becomes a regional center.

The community programs and events also provide opportunities for companies and organizations that particularly wish to be associated with specific programs. These may include learn to swim, fitness, youth, or special needs programs. There are also opportunities for businesses and organizations that wish to be associated with the area high school and club sports teams and programs. The sponsorship and advertising opportunities can be divided into facility opportunities and program opportunities. An example of a facility opportunity would be sponsorship and signage on the Scoreboard. An example of a program sponsorship would be sponsorship of the swim lesson program or of the scholarship/grant program for families that cannot afford the lesson fees.

Best practice facilities often can generate up to 5% to 6% of their total gross facility and program revenue through advertising and sponsorships, with the majority of this advertising and sponsorship revenue linked to the main competition pool and the video scoreboard.

Any sponsorship and advertising programs developed would be subject to any City of Bellevue or partner guidelines and regulations (such as the Bellevue School District) on advertising and sponsorship. Sponsorship programs can also include cost relieving Value in Kind (VIK) product or services. For example, many of the top event and multi-purpose aquatic centers have a sponsorship agreement with a swimwear company linked to events and programs that provides an outfitting/equipment VIK allowance. This type of sponsorship can help alleviate the cost of outfitting staff and lifeguards and providing training equipment. These VIK programs are ideally developed during the year prior to the facility opening.

Projections and Opportunities for the Bellevue Aquatic Center

When conducting Feasibility Studies and projecting the business and financial operating it is important to recognize this potential but to be very conservative on forecasting these soft dollars into the projected revenue stream. There are several specific elements that will impact the potential for generating significant sponsorship and advertising revenue at the Bellevue Aquatic Center.

- Success Factors
 - Professional Staff to support the effort: Sponsorship and advertising revenue does not just walk in the door, it takes an organized and professional effort to maximize the potential
 - The Management Model for the BHAC has a full time Marketing and Membership Coordinator and the top Aquatic Director position should both have some background in sponsorship to tackle these opportunities. Best in

- Class private or public/private partnership facilities will provide good examples of this management role.
 - The funding for these positions in the projected budget (in both the SF/ISG Study and the City/ARC 2020 Study) is robust and the facility should be able to attract strong professional expertise in this area.
 - SPLASHForward's work in the private sector will also be a factor in supporting these efforts
 - The strong network of swimming and aquatic sport clubs and users groups in the region will be a great direct resource and connection to businesses and potential sponsors and advertisers.
 - SPLASHForward will play an important role in developing and facilitating these relationships and opportunities.
 - These factors provide the base for successful sponsorship and advertising campaign for the BHAC
- Factors limiting potential Sponsorship and Advertising opportunities
 - The funding of the BHAC will likely require some private donor or corporate funding. These elements of the Capital Campaign (see Funding Section) will likely include some naming rights or donor/sponsor recognition within the Aquatic Center that would limit the available options for traditional annual sponsorship/advertising opportunities.
 - It is important for the Capital Campaign leadership, and ultimately Aquatic Center management, to balance upfront Capital Campaign funding, ongoing annual sponsorship and funding opportunities, program and outreach support, and long term replacement and maintenance fund in order to insure the long term financial viability of the Aquatic Center and its programs.
 - The Capital Campaign contributions, even those spread over several years and linked to facility signage, would not show as annual revenue.
 - Capital Campaign efforts often include the link for a percentage of funds in support of programs, which can be part of the annual sponsorship revenue.

During the Feasibility Study process Bellevue City Parks Staff requested that the initial City/ARC 2020 Study and the SF/ISG Study do not include any sponsorship or advertising revenue, but the SF/ISG Study financial projections does include a line item with \$0 to insure that this potential revenue stream is recognized in the analysis.

Although it is not factored into the current financial projections SF/ISG would project a conservative \$50,000/year in sponsorship/advertising revenue and VIK value in the first two years. This level is only 1% of total gross revenue in Year Two. The upside potential will be dependent on the remaining sponsorship/advertising opportunities based on commitments during the Capital Campaign.

The City/ARC 2020 Study did not address any potential sponsorship or advertising revenue.

ADVERTISING AND SPONSORSHIP NEXT STEPS

- Naming and Sponsorship platforms will be developed as part of the *SPLASHForward* Fundraising Feasibility Study
 - Once a Capital Campaign is started it will be important to coordinate the development of these opportunities with the City of Bellevue and the Bellevue School District to insure these meet guidelines.
- Where applicable, potential ongoing sponsorship or advertising within the facility or programs can be discussed with potential donors and businesses during the Capital Campaign
- Based on the Capital Campaign remaining sponsorship and advertising opportunities can be identified
- When searching for and hiring the Aquatic Director and the Marketing and Membership Coordinator the City of Bellevue or the eventual Aquatic Center management entity should include some marketing/sponsorship experience in the skill set.
- Any actual efforts to pursue annual sponsorship and advertising would begin during the construction phase of the BHAC based on when the key positions are hired.
 - NOTE: These efforts can build on the contacts and opportunities identified during the Capital Campaign.