



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Economic Development Division

m e m o r a n d u m

TO: Diane Wolfe Marlin, Mayor

FROM: John A. Schneider, MPA, Community Development Manager
Brandon S. Boys, AICP, Economic Development Manager

DATE: July 19, 2017

SUBJECT: **A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF A PROMOTIONAL AND MARKETING AGREEMENT FOR PYGMALION TECHNOLOGY CONFERENCE (Fein-Bursoni, Inc., FY 2017-2018)**

Introduction

The Pygmalion Festival has been a major annual creative event in the Urbana-Champaign community for the past twelve years. As a regional event, the Festival provides the City with revenue through attracting visitors who shop, eat, and stay in Urbana. The Festival is the largest of its kind in downstate Illinois, attracting roughly 15,000 patrons this past year alone. The Pygmalion Festival includes tech, food, music, made and lit components and the Festival's target demographic attracts many young visitors from outside of the region.

In 2015, the Festival expanded to include the technology conference, and festival promoter Seth Fein plans to hold the third annual technology conference in Urbana this year at the Krannert Center for the Performing Arts. In FYs 15-16 and 16-17 the City entered into an agreement with Mr. Fein to provide \$5,000 in direct incentives towards the Technology Conference, along with in-kind donations of crowd control barriers. Mr. Fein has approached the City to request sponsorship and support for the 2017 third-year technology conference in Urbana. Plans for the technology conference include hosting a technology demo event at the Krannert Center for the Performing Arts as well as speakers of national and local esteem.

Discussion

The City Council is asked to consider continuing support for promotion and marketing of the Pygmalion Tech Conference, with a \$5,000 sponsorship. The organizers have also requested that the City again provide the in-kind use of crowd control barriers—a service that is regularly provided to major community events free of charge—as has been done in years past for the Festival. The estimated market value of this in-kind service is \$15,000.

The attached draft resolution and agreement (**Exhibit A: Adopting Resolution with attached proposed FY2017-18 Pygmalion Technology Conference Agreement**) would provide up to \$5,000 in City sponsorship for the third annual Pygmalion technology conference on a reimbursement basis and up to an additional \$15,000 of in-kind support for the use of racking. This proposed sponsorship would aid the organizers' efforts to promote both the conference and the community to a regional audience.

The event organizers have offered to recognize the City of Urbana as a presenting sponsor of the technology conference in its materials and promotions along with other presenting sponsors, including Krannert Center for the Performing Arts and the City of Champaign as outlined in the attached sponsorship proposal (**Exhibit B: Pygmalion Festival 2017 Sponsorship Proposal**).

This proposed sponsorship would aid the organizers' efforts to promote both the conference and the community to a regional audience. A locally hosted technology conference provides a unique opportunity to market the City of Urbana to a targeted demographic of skilled professionals, young entrepreneurs, and technology innovators from outside the area.

Fiscal Impacts

The Pygmalion Festival successfully raised over \$300,000 in cash sponsorships for the 2016 festival and is expected to raise a similar level of support this year (**Exhibit C: Pygmalion Festival 2016 Sponsorship Recap**). The City's \$5,000 contribution is expected to support leveraging these additional cash sponsors.

The proposed Pygmalion Tech Conference agreement under consideration would commit the City to an expenditure of up to \$5,000 from an existing General Fund line item in the FY2017-18 budget.

Options

The City Council has the following options with respect to this proposed agreement:

1. The City Council may approve the resolution as presented.
2. The City Council may approve the resolution with changes, understanding that any changes must be agreed to by Fein-Bursoni, Inc.
3. The City Council may deny the resolution.

Recommendation

Staff recommends that the City Council approve the attached resolution.

Prepared By:



Brandon S. Boys, AICP
Economic Development Manager

- Exhibits:
- A – Draft Adopting Resolution with attached proposed FY2017-18 Fein-Bursoni/City Pygmalion Tech Conference Agreement
 - B – Pygmalion Festival 2017 Sponsorship Proposal
 - C – Pygmalion Festival 2016 Sponsorship Recap

Exhibit A

RESOLUTION NO. _____

**A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF A
PROMOTIONAL AND MARKETING AGREEMENT FOR PYGMALION
TECHNOLOGY CONFERENCE**

(Fein-Bursoni, Inc., FY 2017-2018)

WHEREAS, the City of Urbana (“City”) is a home rule unit of local government pursuant to Section 6 of Article VII of the State of Illinois Constitution of 1970; and

WHEREAS, the City has determined that supporting marketing and promotion services provides a benefit to the City; and

WHEREAS, Fein-Bursoni, Inc. (“Pygmalion Festival”) is well positioned to provide those promotion and marketing services for the City; and

WHEREAS, the City deems it beneficial for its residents and its business community to host the first annual special event known as the Pygmalion Technology Conference (hereinafter, the “Tech Conference”) within the City’s corporate limits; and

WHEREAS, the Pygmalion Festival has arranged for, marketed, promoted, staged, and offered successful events in past years; and

WHEREAS, the City and the Pygmalion Festival seek to form a mutually beneficial arrangement whereby the Pygmalion Festival undertakes the promotion, marketing, sponsoring, and staging of the Tech Conference.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1.

A Promotional and Marketing Agreement For Pygmalion Technology Conference by and between the City of Urbana, a Municipal Corporation, and Fein-Bursoni, Inc, a Domestic Corporation, in substantially the form of the copy of said Agreement attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 2.

The Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is hereby authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED BY THE CITY COUNCIL this ____ day of _____, _____.

AYES:

NAYS:

ABSTAINED:

Charles A. Smyth, City Clerk

APPROVED BY THE MAYOR this ____ day of _____, _____.

Diane Wolfe Marlin, Mayor

Authorized by City of Urbana Resolution No. _____

**PROMOTIONAL AND MARKETING AGREEMENT
FOR PYGMALION TECHNOLOGY CONFERENCE**

This Promotional and Marketing Agreement for the Pygmalion Technology Conference (hereinafter, "Agreement") is entered into this 1st Day of July, 2017 by and between the City of Urbana (hereinafter, the "City") and the Fein-Bursoni Inc. (hereinafter, the "Organizer") (collectively, the "Parties").

WHEREAS, the City is a home rule unit of local government pursuant to Section 6 of Article VII of the State of Illinois Constitution of 1970; and

WHEREAS, the Organizer is a domestic corporation pursuant to the Business Corporation Act of 1983 (805 ILCS 5); and

WHEREAS, the City deems it beneficial for its business community and its residents to arrange for, market, promote, stage, offer, and conduct a special event within the City's corporate limits known as the Pygmalion Technology Conference (hereinafter, the "Event"); and

WHEREAS, the City and the Organizer seek to form a mutually beneficial arrangement whereby the Organizer undertakes the promotion, marketing, sponsoring, and staging of the Event.

NOW for good, valuable and mutual consideration which each Party acknowledges as having in hand received and for the mutual exchange of the covenants, terms and conditions contained in this Agreement, the Parties agree as follows:

A. CITY'S OBLIGATIONS TO THE ORGANIZER:

1. Event Funding: The City shall make available to the Organizer up to but not more than five thousand dollars (\$5,000) which the Organizer shall apply to defray the Organizer's costs of promoting, marketing, and staging the Event (hereinafter, "Event Funding").

2. Disbursement of Event Funding: The City shall disburse Event Funding on a reimbursement basis and based on receipts for expenditures made by the Organizer which shall be presented to the City. The City shall provide such reimbursement within fourteen (14) days following the Organizer's presentment to the City of receipts for which the Organizer seeks reimbursement. The Organizer shall present its requests for reimbursement no more frequently than once per month.

3. In-Kind Services: In addition to the Event Funding, the City shall provide in-kind services the reasonable value of which shall not exceed fifteen-thousand dollars (\$15,000). The City shall make available to the Organizer up to nine-hundred (900) feet of crowd control barriers for up to three (3) days as in-kind support for the Event.

4. Payment of Event Funding and In-Kind Services: The City shall have the sole discretion whether to reimburse the Organizer for any receipt which the Organizer presents to the City for reimbursement but such reimbursement shall not be unreasonably withheld. The City shall value the in-kind services which it provides to, for, or for the benefit of the Organizer and the Event

based on the rates which the City customarily charges for the provision of the same or similar services in connection with special public events held within the City's corporate limits.

B. THE ORGANIZER'S OBLIGATIONS TO THE CITY:

1. Promotional, Marketing and Staging Activities: The Organizer shall use its reasonable best efforts to develop, promote, market, stage or otherwise arrange for the development, promotion, marketing, and staging of the Event and all aspects related thereto. In the event that the Organizer contracts with a third person to undertake the immediate aforesaid activities, the Organizer shall make a reasonable effort to assure that such person performs the immediate aforesaid obligations in the same or better manner than would be required of the Organizer by reason of this Sub-Paragraph. In the development, promotion, marketing, and staging of the Event, the Organizer and its agent, if any, shall comply with all applicable City ordinances, policies and procedures concerning such public special events. Further, the Organizer shall undertake reasonable measures to assure that all other persons who are or become involved with the promotion, marketing, and staging of the Event comply with all City ordinances, policies and procedures concerning such special public events.

2. City Sponsorship Recognition: The Organizer shall identify the City as a sponsor of the Event on any and all promotional and marketing material and information provided to or made available to the public in connection with the Event including any and all posters, signs, banners, mailers, print advertisements, radio and television advertisements, entertainment stage decorations, and any other means by which the Event is promoted, marketed, and staged.

3. Refund of Event Funding: In the event that the Organizer elects not to promote, market, and/or stage or arrange for a third person to promote, market or stage on its behalf the Event, the City shall be relieved of any and all responsibility to provide any form of Event Funding or in-kind services as provided in Sub-Paragraphs A.1. and A.3. of this Agreement. If the City has provided any Event Funding and/or in-kind services to the Organizer for the Event prior to the date when the Organizer elects to cancel the Event, the Organizer shall promptly refund any and all such Event Funding along with the reasonable value of any in-kind services provided which in-kind services will be valued as provided in Sub-Paragraph A.3. of this Agreement.

4. Reporting: The Organizer shall provide to the City a written report summarizing the execution and outcomes of the Event no later than May 1, 2018. The report will provide budget highlights for the Event including the total cost of the Event and will outline how the City was recognized as a sponsor. The report will also describe the benefits generated by the Event within the City's corporate limits by estimating attendance, listing business participants, and discussing other positive community impacts created by the Event.

C. MISCELLANEOUS TERMS:

1. Term of Agreement: This Agreement shall remain in full force and effect from the date first appearing above through June 30, 2018.

2. Default and Opportunity to Cure: In the event that either Party believes that the other Party has defaulted on any covenant, term or condition contained in this Agreement, the non-defaulting Party shall provide written notice to the other Party of such default. The aforesaid written notice shall state or describe the nature of the default, whether by act or omission, and the Paragraph

and/or Sub-Paragraph, as the case may be, which governs the obligation which is alleged to be in default. Within ten (10) calendar days of the effective date of such notice of default (as provided for in Sub-Paragraph C.5. below), the recipient of such notice shall (i) cure the default and provide documented evidence of the nature and/or manner of such cure; (ii) respond in writing to such notice which writing shall advise that the recipient reasonably believes that it is not in default and which describes the reasons for such belief; or (iii) provides a written plan of cure in those instances where the cure of the default cannot be completed within the aforesaid ten (10) calendar day period.

3. Dispute Resolution: In the event that the Parties cannot resolve any dispute between them, they shall submit to mediation in an effort to resolve any such dispute. The Parties shall agree on the selection of the mediator and that mediator's rules and/or procedures shall govern any such mediation. The Parties shall share equally in the cost of the mediation. In the event that the Parties fail to resolve their dispute through mediation, then either or both Parties shall be free to initiate and maintain an action to construe, interpret and/or enforce this Agreement in the Circuit Court for the Sixth Judicial Circuit, Champaign County, Illinois and the laws of the State of Illinois shall govern the resolution of any such dispute.

4. Termination:

a. This Agreement may be terminated by the City immediately and without written notice if the Organizer –

- (i) defaults on this Agreement without reasonable cure as provided for in Sub-Paragraph C.2. and which default/dispute is not resolved through mediation;
- (ii) files a voluntary petition or is the subject of an involuntary petition for bankruptcy protection in a United States Bankruptcy Court;
- (iii) files a notice of intent or other paper with the Secretary of State for the State of Illinois which evidences an intent to liquidate or dissolve;
- (iv) loses its incorporated status as a domestic corporation by reason of any act or omission on the part of the Organizer;
- (v) becomes involuntarily dissolved for any reason by the Secretary of State of the State of Illinois and where the Organizer fails to apply for reinstatement within ten (10) business days of notice of such involuntary dissolution;
- (vi) enters into any arrangement with creditors which could reasonably be deemed, construed, or interpreted as a common law composition of creditors;
- (vii) is placed in receivership by any lawful court order or decree;
- (viii.) acts or fails to act in such a manner as would injure or likely injure the City in any way, or cast the City or any business located within the City in a negative light unless, in the case of a business, such negative light is reasonably supported by evidence (e.g., an announcement that a business has closed or moved from the City when in fact such business has moved or closed); and/or

- (ix) acts or fails to act in a manner which threatens or which may reasonably threaten human life, health or safety or property.

In the event that the City elects to terminate this Agreement for any one or more of the reasons provided in this Sub-Paragraph, the City's obligation to provide Event Funding to the Organizer shall automatically cease and become wholly null and void. In addition to any other remedy which the City may have as a matter of law or right, the City shall be entitled to seek, obtain and recover a refund from the Organizer of any and all Event Funding advanced to or paid to the Organizer.

b. In the event that the City has provided no Event Funding to the Organizer, this Agreement may be terminated by either Party by giving written notice to the other Party of its intent to terminate and such termination shall be deemed effective fourteen (14) days after the effective date of such written notice (as defined by Sub-Paragraph C.5. below). Any Party providing such notice of termination shall offer the other Party an opportunity to meet and discuss such termination prior to the effective date hereunder. In the event of such termination, the Organizer shall refund to the City any and all Event Funds advanced to or paid to the Organizer as of the date of termination.

5. Notices: All notices required to be given shall be in writing such notices shall be deemed proper and effective as hereinafter provided:

a. If by First Class U.S. Mail: All such notices shall be sent by registered or certified mail with a return receipt requested. If any such notice is placed in an envelope properly addressed to the intended recipient and bearing proper postage, such notice shall be deemed effective four (4) days from the date of placement with the United States Postal Service.

b. If by facsimile: All such notices shall be deemed effective if transmitted to the intended recipient's facsimile machine and the same shall be deemed effective on the next business day following transmission if the sender's facsimile machine provides a printed receipt that the facsimile was received by the intended recipient's facsimile machine. If no such printed receipt is provided, then the notice shall be deemed effective four (4) days after its transmission.

c. If by overnight courier: All such notices shall be deemed effective if placed in a properly addressed overnight courier envelope properly addressed to the intended recipient with delivery charges to be paid by the sender of such notice, and such notice shall be deemed effective the next business day following delivery of such notice.

d. If by personal delivery: All such notices shall be deemed effective if hand delivered by an employee of the sender to an employee of the intended recipient and such notice shall be deemed effective on the next business day following delivery of such notice.

e. No other form of notice, including e-mail notice, shall be deemed effective whether or not such notice was in fact received by the intended recipient.

Notices shall be delivered to the following locations unless a Party informs the other Party in writing of a different location to where notices should be directed:

TO THE CITY:

Economic Development Manager
City of Urbana
400 S. Vine St.
Urbana, IL 61801

TO THE ORGANIZER:

President
Fein-Bursoni, Inc.
819 W Vine St.
Champaign, IL 61820

6. Waiver: The failure of any Party to enforce any covenant, term or condition contained in this Agreement or to take action to enforce the same shall not be deemed to constitute a waiver of that Party's right to enforce or take action to enforce such covenant, term or condition. Notwithstanding the foregoing, if a Party fails to enforce or undertake any action to enforce any covenant, term or condition contained in this Agreement and knows that the other Party has relied on such forbearance to its financial detriment, then such knowledge shall constitute a waiver by the Party which has or had the right to enforce or initiate an action to enforce such covenant, term or condition.

7. Assignment: The Organizer shall not have the right to assign or otherwise transfer to any third person the Organizer's obligations provided for in this Agreement without the express written consent of the City. If the City consents to any such assignment, the Organizer shall remain fully responsible for the performance of its obligations as required by this Agreement as if it would be performing such obligations and the third person to whom the Organizer makes such assignment shall be bound to perform the Organizer's obligations as if a party to this Agreement. Notwithstanding any assignment of the Organizer's obligations under this Agreement, whether in whole or in part, which is consented to in writing by the City, the Organizer, not the City, shall be responsible for compensating any such third person for its or their work and/or services. Nothing in this Agreement shall be deemed, construed or interpreted as authorizing the Organizer to bind the City into any agreement with any third person in the absence of the City's express written consent to be bound into any agreement with any such third person.

8. Binding Effect: This Agreement shall be binding upon and shall inure to the benefit of the City and the Organizer and their respective successors and assigns.

9. Human Rights: The Organizer, in all respects, shall comply with the City's Human Rights Ordinance and, if requested in writing by the City, the Organizer shall provide such hiring information as requested by the City as if requested pursuant to the City's Equal Opportunity in Purchasing Ordinance.

10. Representations and Warranties: Each Party represents and warrants that the individual executing this Agreement is duly authorized to do so.

11. Supersedious: This Agreement shall supersede and replace any and all agreements respecting the subject matter of this Agreement, whether oral or in writing, entered into by and between the Parties heretofore.

[END OF AGREEMENT, SIGNATURES FOLLOW.]

FOR THE CITY:

Diane Wolfe Marlin, Mayor

ATTEST:

Charlie A. Smyth, City Clerk

FOR THE ORGANIZER:

Seth Fein, President

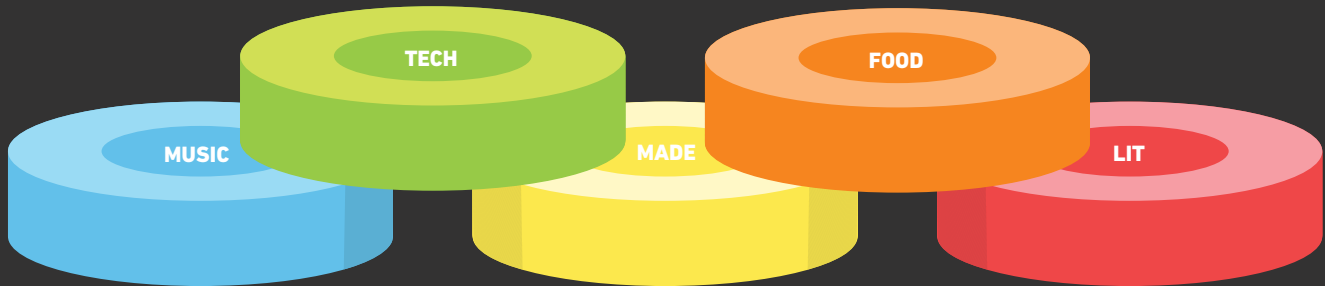
ATTEST:

Justine Bursoni, Secretary



PYGMALION

URBANA - CHAMPAIGN, ILLINOIS ◦ SEPTEMBER 20 - 24, 2017



DESCRIPTION + HISTORY

PYGMALION is owned and operated by the parent company **Fein-Bursoni Inc**, a multi-faceted organization comprised of the event, **Smile Politely**, **Justine Bursoni Photography**, **Nicodemus Agency**, and more.

Fein-Bursoni Inc is incorporated in the State of Illinois, and **Seth Fein** and **Justine Fein-Bursoni** are the owners of the company.

The organization has been **operating since 2005** in Champaign-Urbana, & 2017 marks the **13th year of PYGMALION**, growing in size and scope over the course of nearly a decade & a half of production.



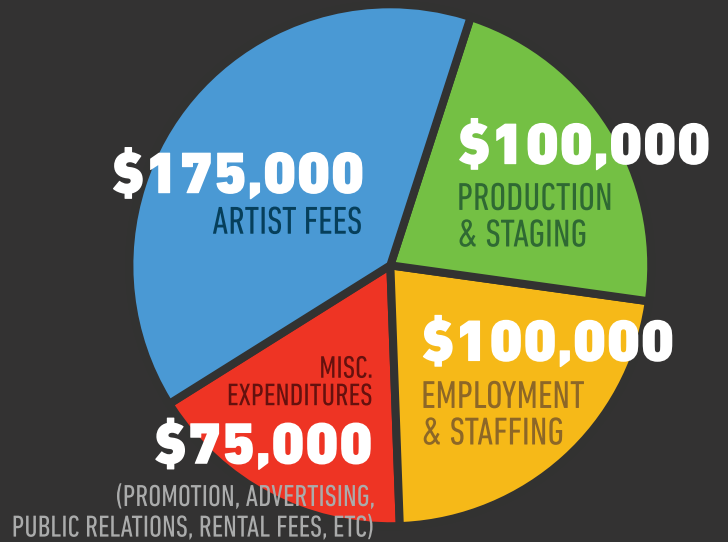
BUDGET

\$450,000 BUDGET IN 2016-17

(IN-KIND AND CASH CONTRIBUTIONS)

PYGMALION has 70 sponsors & partners to the event, ranging from municipalities to restaurants to tech companies to arts organizations & more.

Our 2017 partners are listed here:
theypygmalionfestival.com/partners



OUTCOMES



The 2016 installment of the event brought roughly **15,000 patrons** into the fold amongst all branches of the programming. Per Visit Champaign County, **PYGMALION** generates **\$1.02M** in economic impact, **supporting 489 jobs**, and **generating \$86,772 in local taxes**.



REQUEST FOR 2017-18



PYGMALION is requesting a \$5,000 cash sponsorship from the City of Urbana in 2017, plus the use of all City of Urbana festival racking from Public Works. We have already coordinated and arranged for pick up and drop off with John Collins at Urbana Public Works.



THE CITY OF URBANA'S CONTRIBUTION TO THE EVENT WILL PROPEL ONCE AGAIN TO THE PRESENTING SPONSOR STATUS ALONGSIDE



HERE ARE THE BENEFITS THE CITY OF URBANA WILL RECEIVE IN RETURN:

- **PRESENTING SPONSOR** of **PYG DEMO** on Thursday, September 21st at Krannert Center (estimated attendance 3000 projected for 2017 for the DEMO)

- **LOGO REPRESENTATION** on all Festival Guides (10,000+) distributed throughout the weekend of the festival to all festival attendees, as well as distributed online leading up to the festival

- **TEN (10) VIP Passes** presented to City of Urbana weekend of the festival, which provides **access to VIP areas** and invitations to **exclusive VIP events**



- **Access to extra VIP ticket buying option** (only available to festival partners)

- **LOGO REPRESENTATION** on all promotional materials (thousands of handbills / posters / fliers distributed throughout Champaign-Urbana and Midwest markets)

- **Engagement via social media platforms (Facebook, Twitter, Instagram)** throughout the promotional campaign (July - September 2017)

- **LOGO PRESENCE** on **HOME, MUSIC, TECH,** and **PARTNERS** pages of the website



PYGMALION

THANK YOU FOR YOUR SUPPORT



2016 Pygmalion Festival Sponsors

Total Sponsors = \$450,000

Total Cash Sponsors = \$325,000

Total In-Kind Sponsors = \$125,000

List of all 2016 Pygmalion Sponsors (cash and in-kind)

Beckman Institute	NCSA -National Center for Supercomputing Applications
Big Grove Tavern	Neutral Cycle
Black Dog Smoke & Ale House	Ninth Letter
Bridge Incubator	Page Roasting Company
Cafe Kopi	Papa Del's Pizza Factory
CARR Reading Series	Parkland College
Champaign County Economic Development Corporation	Pavlov Media
Champaign Public Library	Pekara Bistro
City of Champaign	Pepsi Bottling Co.
City of Urbana	Personify
Columbia Street Roastery	Pixo
Deep Silver Volition	Polyvinyl Records
DP Dough	PopStop Inc.
Eastland Suites	Prominic
II-VI EpiWorks	Research Park at University of Illinois
Espresso Royale	Roland Realty
Exile on Main Street	Small Business Development Center
Fairlawn Real Estate	Share the Vision + UIUC Office of Technology
Farren's Pub	Management
Fleurish Floral Art	Skeff Distributing
Flying Machine Coffee	Smile Politely
Goose Island Beer Company	Syngenta
Huawai	Ticketfly
Hyatt Place	Tito's Vodka
IFLY CU / CMI	Topo Chico
Illinois American Water	Too Far Media
IPRH - Illinois Program for Research in the Humanities	Triptych Brewing
Illinois Public Media	U of I Community Credit Union
JSM	University Group
Kessler Optical	University of Illinois Library
Krannert Center for the Performing Arts	Urbana's Market at the Square
MailChimp	Visit Champaign County
Maize Mexican Grill	Watson's Shack & Rail
Martin Hood Friese Ltd	Weiskamp Screen Printing
Mobile Meter	WLUW
Miga	Wolfram Research
MTD	WPGU