



# CITY of NOVI CITY COUNCIL

cityofnovi.org

**Agenda Item H**  
**October 8, 2007**

**SUBJECT: Approval of agreement with Emagine Novi to air a 30-second video for six months, place a poster for six months, and staff an informational table for two weekends for Paid-on-Call recruitment in the amount of \$10,000.**

**SUBMITTING DEPARTMENT:** Fire Department/Neighborhood and Business Relations

**CITY MANAGER APPROVAL:**

A handwritten signature in black ink, appearing to be 'D. ...', is written over the 'CITY MANAGER APPROVAL:' text.

EXPENDITURE REQUIRED	\$ 10,000
AMOUNT BUDGETED	\$17,400
APPROPRIATION REQUIRED	N/A
LINE ITEM NUMBER	101-000.00.508.450

## BACKGROUND INFORMATION:

The Novi Fire Department accepted a 2006 SAFER grant for recruiting of Paid-on-Call Firefighters. The grant includes \$17,400 per year for four years for marketing and advertising.

A core objective of the proposed marketing/advertising program is to attract Novi residents to become Paid-on-Call Firefighters. As Paid-on-Call Firefighters must live in Novi or within one mile of the city limits, recruiting efforts must be primarily focused on the Novi community.

City staff has produced a professional, 30-second recruitment video currently airing on Channel 13. To further recruitment efforts, the video has been formatted to also be played on the "big screen" and aired in a local theatre. Quotes for advertising have been obtained from several area theatres, including Emagine Novi, AMC Livonia, and United Artist Commerce.

## DISCUSSION:

Emagine Novi has supplied a quote for \$10,000 to run the recruitment video on a continuous loop in all 18 theatres from open to close for six months. The agreement would also include the opportunity to place a recruitment poster in the lobby for the same six-month period and set up an informational display table for two weekends and interact with theatre attendees.

Emagine Novi estimates approximately 150,000 patrons visit the theatre each month and the theatre's location is very close to the geographic center of Novi. Emagine Novi is locally owned and operated and only airs local advertising.

In contrast, United Artist Commerce, located at Fourteen Mile Road and M-5, is nearby, but located out of Novi. The cost to air the video for six months is \$5,400 in 14 theatres, but their patron count is estimated at 50,000 per month and they only offer advertising twenty minutes prior to each movie.

The AMC Livonia, located at Seven Mile and Haggerty Roads, would run the video for \$6,000 for six months on 20 screens. They estimate their patron count to be 100,000 per month and only offer advertising twenty minutes prior to each show.

Both United Artist and AMC are nationally owned and air regional and national advertising. The ads do not loop and air only once. Local advertisements are played first, followed by the regional and then national ads. Thus the Paid-on-Call ad would play farthest from the movie start time.

The advantage of contracting with Emagine Novi is resounding for several reasons. By simple comparison with the other quotes, when measured with SAFER grant objectives, Emagine is located in Novi, offers continuous looping advertising, has the highest monthly patron count, would allow display of an advertising poster, and encourages one-on-one recruitment with Fire Department staff at an informational table on two weekends.

**RECOMMENDED ACTION: Approval of agreement with Emagine Novi to air a 30-second video for six months, place a poster for six months, and staff an informational table for two weekends for Paid-on-Call recruitment in the amount of \$10,000.**

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Capello				
Council Member Gatt				
Council Member Margolis				

	1	2	Y	N
Council Member Mutch				
Council Member Nagy				
Council Member Paul				

## **NON-EXCLUSIVE ADVERTISING AGREEMENT**

THIS AGREEMENT ("Agreement" or "Advertising Agreement") is made on September 14, 2007 by and between CH Novi, LLC d/b/a Emagine Novi, a Michigan limited liability company having its principal office at P.O. Box 841, Troy, Michigan 48099-0841 ("NOVI"), and The City of Novi having its principal place of business at 45175 W. 10 Mile Road, Novi, MI 48375. ("CITY").

### **Recitals**

- A. CITY is in the business of representing and promoting the City of Novi.
- B. NOVI operates a first-run luxury movie theatre in Novi, Michigan known as Emagine Novi.
- C. CITY and NOVI wish to enter into a non-exclusive Advertising Agreement upon the terms and conditions set forth herein.

**THEREFORE**, the parties agree as follows:

### **1. OBLIGATIONS OF THE CITY OF NOVI**

(a) CITY will provide NOVI with a 15-30 second completed advertising spot that represents the Novi Fire Department to run continuously in NOVI for a length of 6 months on every movie screen between features played at Emagine Novi.

(b) CITY may provide a completed 1-sheet sized poster per dimensions and instructions given by NOVI to compliment the advertisement which will also be displayed in the NOVI lobby during the same 6-month period.

(c) CITY may request permission during the same 6-month agreement to set up a table in the NOVI lobby to distribute information to our guests for up to two approved weekends (not necessarily consecutive) to talk with customers and represent business. Requests for such weekends should be submitted at least 4 weeks prior to desired weekend(s).

**2. OBLIGATIONS OF NOVI**

- (a) NOVI shall display the advertisement provided for 6 months on our movie screens between features.
- (b) NOVI shall display the 1-sheet sized poster provided for the same 6 month period in the NOVI lobby in a place chosen by NOVI management.
- (c) NOVI will work with CITY to set-up desired time to represent business for up to 2 weekends during the 6-month agreement.

**3. CONSIDERATION**

- (a) CITY will compensate NOVI for the aforementioned services as follows:

Advertising Package Exhibit	\$10,000.00
TOTAL DUE	<u>\$10,000.00</u>

(b) Payments due hereunder from CITY to NOVI shall be payable as follows:

Upon execution of this Agreement:	<u>\$ 10,000.00</u>
Total	\$ 10,000.00

**4. TERM**

The term of this Agreement shall commence on or approximately Monday, October 15th, 2007 and extend through Monday, March 17th, 2008.

**5. FIRST RIGHT OF REFUSAL**

Provided that CITY is not in default under any of its obligations contained herein, it shall be granted a first right of refusal to continue its advertising exhibit under such terms and conditions as the parties shall mutually agree upon. This clause shall be null and void should the parties fail to agree on such terms on or before January 15, 2008.

**6. NON-EXCLUSIVE AGREEMENT**

CITY specifically acknowledges that the terms and conditions of this Agreement do not convey any exclusivity to CITY. NOVI shall have the absolute right to exhibit such other products and services in its lobby, or to display such other on-screen merchant's ads, that NOVI, in its sole discretion, determines to be appropriate from time to time.

**7. CHOICE OF LAW; JURISDICTION; ARBITRATION**

(a) This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Michigan, without regard to application of conflict of laws principles.

(b) Subject Section 10(c) below, (a) each party irrevocably consents to the jurisdiction of the courts of Michigan, or, if appropriate, the United States District Court for either the Eastern District of Michigan, in connection with all actions and proceedings arising out of, or in any way related to, this Agreement, and (b) each party irrevocably agrees that such courts are the sole courts of appropriate jurisdiction to adjudicate any matters or disputes arising out of, or in any way related to, this Agreement.

(c) In the event any dispute arises as to an interpretation of this Agreement, the parties shall make a good faith effort to resolve said matter. In the event that the parties have not resolved the dispute set forth above within a 30-day period after a party has given the other party notice that it desires to invoke the provisions of this Section 10(c), the parties shall appoint an arbitrator under the then-prevailing Commercial Arbitration Rules of the American Arbitration Association. Any arbitration pursuant to this Section 8(c) shall be conducted in Southfield, Michigan. The arbitrator's decision shall be final (i.e., not subject to appeal) and binding, with the same effect as an arbitration pursuant to Michigan Compiled Laws Annotated §600.5001, and may be certified to any court of competent jurisdiction for the entry of a judgment. If the arbitrator finds that the claims of either party in such arbitration are substantially without merit, the arbitrator may award to the prevailing party its reasonable costs and expenses incurred in the arbitration (including legal fees). In all other instances, the fees and expenses of the arbitration panel shall be borne equally by the parties to the arbitration and each of the parties shall bear its own other fees and expenses (including legal fees) incurred in the arbitration. The parties shall release and hold harmless the arbitrator from his decision with respect to said disputed provision or provisions and shall assert no claims against the arbitrator resulting from his actions in conjunction with the specific provisions of this Article. Notwithstanding the foregoing, nothing in this Agreement shall prohibit any party from instituting litigation with the purpose of enforcing the final award under this Section 10(c).

#### **8. ATTORNEY FEES**

In the event of any litigation arising out of this Agreement, the prevailing party in any such litigation shall be entitled to recover its reasonable attorneys' fees and costs and expenses of litigation from the non-prevailing party.

#### **9. NOTICES**

All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, on the date of mailing if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, and properly addressed as set forth in the introductory paragraph to this Agreement, or on the date transmitted, as reflected on the transmission report, if transmitted via facsimile to the party to whom notice is to be given. Either party may change its address or fax number for purposes of this paragraph by giving the other party written notice of the new address or number in the manner set forth above.

#### **10. SEVERABILITY**

In the event that one or more of the provisions of this Agreement is held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, the validity, legality and enforceability of the remaining provisions contained herein shall not be diminished.

**11. HEADINGS**

The headings in this Agreement are for reference purposes only and will not in any way affect the meaning or interpretation of this Agreement.

**12. WAIVER**

The failure to insist upon strict adherence to one or more or all of the provisions of this Agreement on any one or more occasions, shall not be construed as a waiver, nor shall such course of action deprive a party of the right thereafter to require strict compliance with same.

**13. INDEPENDENT CONTRACTOR**

This Agreement does not constitute and shall not be deemed to be a partnership or joint venture, or any principal and agent relationship, between CITY and NOVI.

**14. COUNTERPARTS**

This Agreement may be executed in counterparts both of which shall be deemed to be originals.

In witness whereof, the parties have executed this Agreement on the date first written above.

**CH NOVI LLC,**  
d/b/a Emagine Novi,  
a Michigan limited liability company

**THE CITY OF NOVI**

\_\_\_\_\_  
By: Ruth Daniels  
Its: V.P. SALES & MARKETING

\_\_\_\_\_  
By:  
Its:

**On Screen Entertainment**  
**Proposal**  
**For**  
**Digital Advertising –**  
**AMC Theaters / UA / Regal / Cinemark**  
 AMC Forum is #1 highest grossing theater in the state!  
 Livonia 20 is the 2<sup>nd</sup>!

**Net Weekly Costs:**

Theater	Local	#Screens	Avg. Wkly Attend	Segment 3		Segment 4		Virtual Carousel
				:15	:30	:15	:30	:15
AMC Forum	Stlg. Hts	30	<del>45,000</del>	\$250.00	\$300.00	\$200.00	\$250.00	\$100.00
100,000 * AMC Livonia*	Northville/	20	<del>44,000</del>	\$200.00	\$250.00	\$150.00	\$200.00	\$80.00 \$6,000
AMC Laurel Park		10	13,500	\$100.00	\$200.00	\$80.00	\$100.00	\$60.00
50,000 * UA Commerce		14	19,000	\$150.00	\$225.00	\$100.00	\$150.00	\$70.00 \$5400
Regal Monroe		8	8,000	\$80.00	\$125.00	\$70.00	\$80.00	\$50.00
Cinemark Warren		16	16,000	\$150.00	\$200.00	\$100.00	\$125.00	\$70.00
AMC Meridian	Lansing	6	5,500					\$75.00

*from 2006*

**Digital Explanation:**

**Segment 3** – you will receive one :15 or one :30 second ad with or without voice over. This segment runs closer to the start of the film.

**Segment 4** – you will receive one :15 or one :30 second ad with or without voice-over running a little farther out than segment 3.

**Virtual Carousel** – you will receive two :15 ads without voice running farthest out from the start of the film.

Production is extra and at a nominal fee. - \$525,650 15375, 525  
 For production specs and information, go to <http://adspecs.ncm.com>

**Julie M. Hill**  
 Regional Account Director  
 248-615-1074  
[Julie.hill@ncm.com](mailto:Julie.hill@ncm.com)

*no repeats.  
 regional/national  
 only once in 20  
 minutes*