



Aug 1, 2012



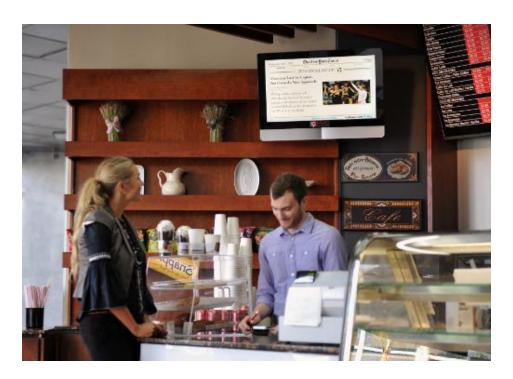


#### **Relevant Council Goal:**

KRA 8: Land Use / Economic Development

**Objective 8:** Enhance the opportunities for Queen Creek

businesses to succeed.





## History

June 2011 Council request

NIW Vision system





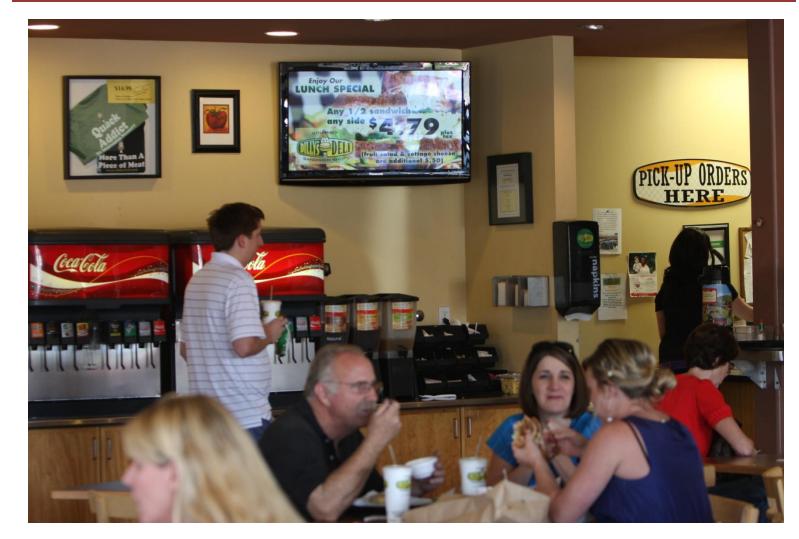


#### Description of Service

- ❖ NIW Vision
- Place high-def monitors in high-traffic locations
- Digital ads scroll continuously
- Typical model
  - NIW Vision installs the system (\$500 install fee)
  - System scrolls through 30 slides every 5 minutes
  - ❖ Town sells 15; NIW Vision sells 15
  - Current price for ad: \$300 per quarter
  - Slides are static; no video
  - Up to 3 of the Town's 15 slides can be used for Town purposes

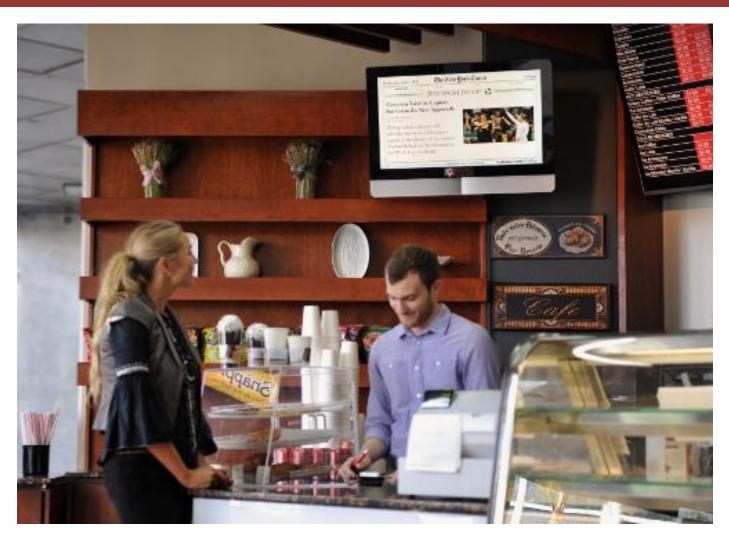


**Photo Examples of Current Display Locations** 



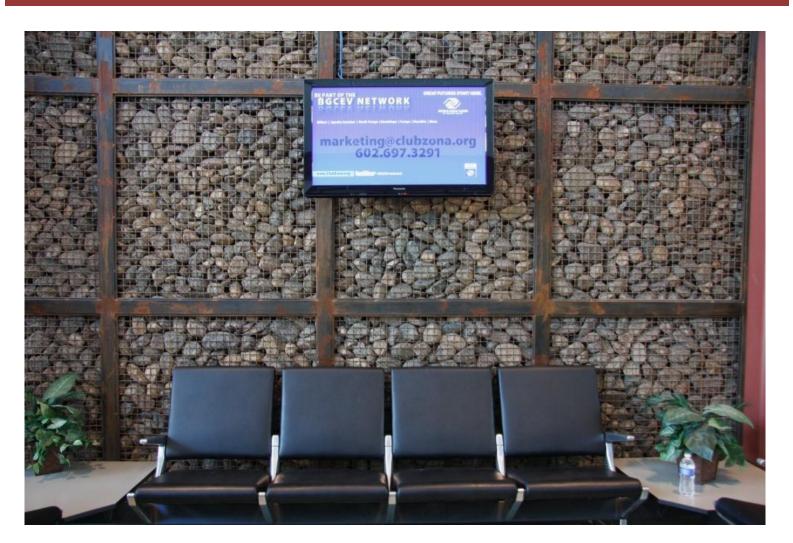


**Photo Examples of Current Display Locations** 





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#### Typical Expense / Revenue Model

- Initial install fee of \$500
- \*Monthly maintenance fee of \$100\*

  \*Monthly fee waived if minimum of 2 slides are sold
- Town sold slides: 60% to Town
- NIW Vision sold slides: 20% to Town



#### Examples of Potential Revenues in Typical Model

Sold Out

Town sells 15 @ \$300 for quarterly revenue of \$2,700 NIW Vision sells 15 @ \$300 for quarterly revenue of \$900 Annual Revenue at "Sold Out": \$ 14,400

50% Sold

Town sells 8 @ \$300 for quarterly revenue of \$1,440 NIW Vision sells 7 @ \$300 for quarterly revenue of \$420 Annual Revenue at "50%": \$ 7,440

**Low Sales** 

Town sells 0 @ \$300 for quarterly revenue of \$0; cost \$300 Maint Fee NIW Vision sells 5 @ \$300 for quarterly revenue of \$300

Annual Revenue at "Low Sales": \$0



### Potential Options

#### **Potential Options**

- Develop an agreement with NIW Vision as described as a typical model
- 2) Develop an agreement as described above, but develop a partnership with a local organization to share responsibilities and revenues
- 3) Develop an agreement with NIW Vision to have them manage all 30 slides
- 4) Continue to work with NIW Vision to determine terms of an agreement that is 100% turnkey no cost to the Town; NIW Vision manages
- 5) Do not pursue the program at this time



### Next Steps

- Met with Marquis Scott (Chamber President) to communicate the details of the NIW Vision Program
- Marquis met with the Chamber Board
- Board voted "NO" due to lack of return on limited resources
- Brought in a different organization to meet with the Chamber
- Determined not to proceed at this time.



### Staff Recommendation

 Staff recommends not considering this program at this time because of the cost/benefit impact to the Town.



# Questions?



#### Examples of Potential Revenues in PARTNER Model

Sold Out

Town & Partner sell 15 @ \$300 for qtly revenue of \$2,700; split to \$1,350 NIW Vision sells 15 @ \$300 for quarterly revenue of \$900

Annual Revenue at "Sold Out": \$5,400

50% Sold

Town & Parnter sell 8 @ \$300 for qtly revenue of \$1,440; split to \$720 NIW Vision sells 7 @ \$300 for quarterly revenue of \$420 Annual Revenue at "50%": \$ 2,880

**Low Sales** 

Town & Parnter sell 0 @ \$300 for qtly revenue of \$0; Split cost of \$300 Maint Fee NIW Vision sells 5 @ \$300 for quarterly revenue of \$300 Annual Revenue at "Low Sales": \$ 600



#### Examples of Potential Revenues in NIW VISION MANAGED Model

Sold Out

NIW Vision sells 30 @ \$300 for quarterly revenue of \$1,800 Town pays \$300 per quarter maintenance fee\*

Annual Revenue at "Sold Out": \$6,000

50% Sold

NIW Vision sells 15 @ \$300 for quarterly revenue of \$900 Town pays \$300 per quarter maintenance fee\*

Annual Revenue at "50%": \$ 2,400

**Low Sales** 

NIW Vision sells 5 @ \$300 for quarterly revenue of \$300 Town pays \$300 per quarter maintenance fee\*

Annual Revenue at "Low Sales": \$ 0

<sup>\*</sup>First year also includes \$500 installation fee



Examples of Potential Revenues in TURNKEY-NO COST Model\*

Sold Out

NIW Vision sells 30 @ \$300 for quarterly revenue of \$900 Annual Revenue at "Sold Out": \$ 3,600

50% Sold

NIW Vision sells 15 @ \$300 for quarterly revenue of \$450 **Annual Revenue at "50%": \$ 1,800** 

**Low Sales** 

NIW Vision sells 5 @ \$300 for quarterly revenue of \$150 Annual Revenue at "Low Sales": \$600

\*First year also includes \$500 installation fee