

# INDIAN WELLS CITY COUNCIL

## January 30, 2025



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**To:** City Council  
**From:** City Manager Department  
**Prepared by:** Chris Freeland, City Manager  
**Subject:** **Sponsorship for City of Indian Wells as a Host City Sponsor for Epson Tour Championship 2025 and 2026**

### RECOMMENDED ACTIONS:

Council **REVIEWS** and **PROVIDES** direction on the Finance Committee's recommendation to continue serving as the Host City Partner for Epson Tour Championship for 2025 & 2026; and

**FINDS** the project to be exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15060.

### DISCUSSION:

The Epson Tour serves as the official qualifying series for the LPGA Tour and will enter its 45th competitive season in 2025. Supported by its title sponsor, Seiko Epson Corporation, the Tour's mission is to develop the world's premier female professional golfers, preparing them for success at the LPGA level. Over the past decade, the Tour has grown from 15 tournaments with \$1.6 million in prize money to over 20 events awarding a total of \$5 million. To date, more than 600 players have graduated from the Epson Tour to the LPGA Tour, with former participants collectively earning 466 LPGA titles.

Each year, the top 15 money earners on the Epson Tour graduate to the LPGA Tour for the following season. Notable alumni include Olympic Gold Medalist and top-ranked American Nelly Korda, current World No. 2 Lilia Vu, and major champions such as Celine Boutier and Hannah Green. The season concludes with an LPGA card presentation ceremony during the Epson Tour Championship.

On November 2, 2023, the City Council formally approved the City of Indian Wells' sponsorship as the Host City for the Epson Tour Championship for 2024 and 2025. This decision followed the Finance Committee's recommendation on October 26, 2023.

The City of Indian Wells provided a \$100,000 sponsorship for the 2024 Epson Tour Championship.

Due to the success of the tournament, the LPGA/Epson Tour wishes to extend the agreement with the City of Indian Wells through 2026, with the potential to extend for future years. As part of the Epson Tour's request to extend its relationship with the City of Indian Wells, is an expansion of sponsorship benefits that last throughout the year for an additional sponsorship.

### Sponsorship Benefits

The Host City sponsorship agreement between the City of Indian Wells and the Epson Tour Championship provides a range of benefits designed to elevate the City's visibility, enhance its brand value, and support its strategic goal of increasing tourism while solidifying its position as a premier golfing destination.

Specific benefits and impacts include:

#### *Economic and Brand Exposure*

- Advertising Impressions: Over 2.5 million impressions through LPGA and Epson Tour ad campaigns, with an additional estimated five million impressions across the Los Angeles and San Diego markets via billboard campaigns.
- Media Value: Total earned media value is estimated at \$5,446,727, including:
  - Over 848 article mentions valued at \$4.3 million.
  - Television coverage generating \$453,000.
  - Public relations, digital content, and on-site marketing.

#### *Charitable Contributions*

The Epson Tour donated \$2,500 to the First Tee program. Additionally, the Indian Wells Cup (a community Pro-Am event) provided residents and First Tee youth participants with the opportunity to engage with professional players as standard bearers and attend a junior golf clinic.

#### *Tournament Assets for 2024*

The following key assets were incorporated into the sponsorship package:

- Incorporation of "Indian Wells" into the official tournament name, logo, and all collateral materials.
- Representation of City officials in the trophy presentation ceremony.
- Extensive hospitality and promotional benefits, including:

- Two Pro-Am teams (three amateurs per team).
- 24 invitations to the Meet the Pros Party.
- 72 four-day VIP Hospitality passes.
- On-site branding, including two tee signs.
- Discounted ticket pricing and a designated viewing area for Indian Wells residents.
- Daily digital content highlighting Indian Wells Resort and the local community, distributed on Epson Tour platforms.

#### Tourism Impact Delivered in 2024

● Indian Wells Golf Resort (Direct Spend)	\$268,454
● Renaissance Esmerelda Room Nights (428 rooms)	\$139,100
● Additional Local Hotel Room Nights (1,500-1,800)	\$187,500-\$225,000
● Spend at Local Restaurants	\$168,610
● Miscellaneous Revenues	\$3,651

For the Indian Wells Golf Resort, the Epson Tour generated \$268,454 in direct spending at the Indian Wells Golf Resort. This figure does not account for additional economic contributions from spectator spending at the pro shop and other outlets, underscoring the value of the City’s investment in driving economic activity at a key community asset.

The total estimated economic impact was approximately \$800,000 plus media valuations.

Epson wishes to not only continue its partnership with the City of Indian Wells but would like to expand if for the 2026 Epson Tour Championship.

#### *Enhanced Sponsorship Assets for 2025–2026*

In addition to the existing benefits, the following enhancements have been proposed:

- The Indian Wells logo is included in sponsor signage at all Epson Tour events.
- A specialized program that promotes the Epson Tour Championship at Indian Wells at the conclusion of each Epson Tour event (e.g., “Ticket to Indian Wells” or “Road to Indian Wells”).
- Increase in banner ads on LPGA and EpsonTour.com.
- Sponsorship of a recurring social media series and the Epson Tour recap show on YouTube.
- Expanded resident benefits, including a golf clinic and additional VIP passes.
- Provide shaded resident VIP seating section.
- Coordination of an Epson Tour athlete appearance to promote the reopening of the Players Course in November 2025, supported by social media and national media campaigns.

Epson Tour is seeking an increase of the City's sponsorship to match the site fee of the Indian Wells Golf Resort in each year (Estimated at 153,212 a year).

A detailed recap of the 2024 Epson Tour Championship and a sponsorship proposal for 2025–2026 are attached for review. It is also of interest to note that during the 2024 Epson Tour Championship at Indian Wells, the LPGA Chairperson expressed genuine excitement and appreciation with the Indian Wells Golf Resort, highlighting that the agronomic conditions and service levels not only met but exceeded the Tour's high expectations.

The LPGA praised the Golf Resort's meticulous attention to detail, the professionalism of the staff, and the overall quality of the facilities, which contributed to a seamless and exceptional tournament experience. Building on this success, the LPGA has conveyed strong interest in deepening its partnership with the City of Indian Wells. They have specifically expressed a desire to position the Indian Wells Golf Resort as a flagship venue, aiming to make it the marquee event for the Epson Tour. This sentiment underscores the confidence the LPGA has in the resort's ability to deliver world-class tournaments that elevate the Tour's profile and appeal.

### **Finance Committee Recommendation:**

The Finance Committee recommended that Council support the Epson Tour Championship proposal for 2025 & 2026, as presented.

In addition, the Finance Committee recommended the Council authorize the Finance Committee to develop a policy on processing of future sponsorships. This policy will be presented for Council review at a future date.

### **OPTIONS:**

The City Council may consider the following courses of action:

- **Approve the Finance Committee's Recommendation:** Endorse the Epson Tour's proposal to expand its partnership with the City of Indian Wells.
- **Maintain the Current Partnership:** Continue the existing agreement with the Epson Tour for the 2025 and 2026 fiscal years under the current terms.
- **Provide Alternative Direction:** Offer revised guidance or explore other options regarding the City's relationship with the Epson Tour.

## **FISCAL IMPACT:**

The proposed sponsorship expenditures will be incorporated into the City's upcoming Fiscal Year 2025-2027 budget at the estimated Indian Wells Golf Resort rental rate (Estimated at \$153,212 for 2025).

These costs will be funded through the General Fund and allocated under the Resident Amenities program in the City's budget. Approval of this expenditure ensures continued alignment with the City's objectives to promote tourism and enhance its reputation as a world-class golfing destination.

## **CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):**

The action is not a project within the meaning of Section 15378 of the State of California Environmental Quality Act ("CEQA") Guidelines, because it has no potential for resulting in physical change in the environment, directly or indirectly; and that the action is nonetheless exempt from the requirements of CEQA in that the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. (14 CCR 15061(b)(3).)

## **ATTACHMENTS:**

1. Sponsorship Proposal