

CLEVELAND PUBLIC LIBRARY

Finance Committee
May 15, 2012

**RESOLUTION AUTHORIZING AGREEMENTS WITH TWIST CREATIVE INC.
AND ITS DESIGNEE FOR PRODUCT DEVELOPMENT AND SALES**

- WHEREAS, Twist Creative Inc. ("Twist") is an internationally recognized brand strategy and design firm located in the Ohio City Neighborhood of Cleveland, Ohio. The firm specializes in the creation of branding campaigns, print advertising campaigns, community engagement strategies, identity systems, collateral materials, packaging and interactive development for corporate, healthcare, retail and nonprofit clients.
- WHEREAS, Twist has presented a proposal to the Cleveland Public Library ("Library") for the development of unique and quality consumer products consistent with the Library's mission and derived from the images contained in the archives and collections of the Cleveland Public Library; and
- WHEREAS, Twist proposes, through a newly formed and separate corporate entity, to design, source, manufacture, market and sell products featuring whole or partial images, text or subject matter from the Library's archives and collections for a minimum period of five (5) years, and to provide the Library a minimum of 5% royalty on the net sales of these products during this period; and
- WHEREAS, Twist, through a newly formed and separate corporate entity, further proposes to assume all costs and risks associated with the product development, manufacture, and sales, and to acknowledge the Cleveland Public Library on all products manufactured;
- WHEREAS, The Library Administration believes that Twist's proposal provides an opportunity to increase revenues, boost the public's awareness of the Library's archives and collections, and create new avenues of public access to the Library through a unique set of consumer products;
- WHEREAS, Twist has requested that the Library enter into a Memorandum of Understanding to serve as an interim agreement for the purpose of exploring the development of such products while negotiating a more formal agreement; now therefore be it

RESOLVED, The Board of Library Trustees authorizes the Director to enter into the Memorandum of Understanding with Twist Creative Inc. attached to this Resolution and incorporated herein by reference, and to negotiate and enter into a five (5) year exclusive agreement between the Cleveland Public Library and the legal entity to be formed by Twist in accordance with the terms of this Resolution, subject to approval by the Chief Legal Officer.

CLEVELAND PUBLIC LIBRARY
HISTORIC ARCHIVE PRODUCT DEVELOPMENT
MEMORANDUM OF UNDERSTANDING
04/11/2012

TWIST Creative Inc. presents this memorandum of understanding to the Cleveland Public Library to serve as an interim agreement for the purpose of exploring the development of products derived from the archive of the Cleveland Public Library. Until a new corporate entity is formed, TWIST will serve as the legal entity entering into this agreement.

Proposed Terms: 5 years + 5%

TWIST Creative is offering Cleveland Public Library an opportunity to increase revenue while boosting the public's awareness of the archive and the value it represents in everyday life to the community. We will create this value without any financial risk to CPL for the design, sourcing, manufacturing, marketing or sale of product. All of these financial risks will be taken on by the new legal entity formed through TWIST Creative. In exchange, we ask for a 5-year exclusive partnership with the Cleveland Public Library that will prevent the library from formally entering into or informally promoting any similar product development relationship using the images from its archive. This exclusive relationship would in no way restrict the general public from gaining access to the archive. During this period we will provide the Library a 5% royalty on the net sales of any product featuring any whole or partial image, text or subject matter from the CPL archive.

Proposed Integrity Statement:

OUR MISSION: To create new avenues of access to the library and its archive. Through our unique set of consumer products, the public will have a new opportunity to discover, own and treasure the beloved images and stories originating from the CPL archive.

OUR GUIDING PRINCIPLE: To use the inherent value of the archived items to strengthen and perpetuate the Library's mandate to serve the community. Products featuring the Cleveland Public Library name will be respectful of the CPL brand and will in no way conflict with the mission of the library.

OUR SOURCING: When possible, we will source products that are manufactured here in the United States or locally if possible. No matter where our products are made, we will seek manufacturing partners that meet both our high standards for quality and our ethical standards for manufacturing practices.

CPL Agrees to:

Next Steps:

In order to formalize our agreement with the Cleveland Public Library, our next steps are:

1. Form new legal entity
2. Create legal document governing the partnership between CPL and the new legal entity. TWIST will work with CPL's Chief Legal Counsel to create the formal agreement
3. Undertake first archive sourcing "field trip" to identify images, text and subject matter for the first line of products
4. Develop first line of product concepts
5. Generate sales projections
6. Explore sourcing partners
7. Create marketing plan
8. Obtain approval from the CPL Finance Committee and Board
9. Secure marketing partners
10. Begin investor pitches

SUBMITTED BY



Michael Ozan
President, TWIST Creative, Inc.

APPROVED BY

Cleveland Public Library

Once signed please retain a copy for your records