

Sponsorship, Naming Rights and Advertising Policy

Policy Number: SAMPLE FOR CITY OF REGINA

Business Unit: Citizen Experience, Innovation & Performance

1.0 POLICY STATEMENT

The City of Regina is committed to providing high quality programs and services for residents. To enrich the lives of residents by enhancing projects, programs and services the City welcomes sponsorship and advertising from qualified businesses and organizations whose support aligns to the City's mission, values and priorities.

2.0 PURPOSE

The purpose of the sponsorship and advertising policy is to create an authorized environment and city-wide protocol for sponsorship and advertising that establishes the principals and conditions under which the City will pursue and accept sponsorship and advertising agreements and that;

- safeguards the City's image, values, priorities, assets and interests;
- protects the City from any risk;
- aligns with City projects, programs and services;
- provides City employees with guidelines based on industry recognized best practices;
- provides guidelines and procedures which facilitate opportunities for sustainable revenue generation.

3.0 DEFINITIONS

3.1 Sponsorship

Sponsorship is a mutually beneficial business relationship where a corporation or organization provides a rights fee in cash or in a value in kind arrangement for the right to exploit the commercial potential associated with an asset (property) owned by the City.

Sponsorship is a marketing-based activity and unlike philanthropic programs (donations) there is a commercial expectation on the part of the buyer (sponsor).

3.2 Asset

A sponsorship asset, also referred to as a ‘property’ has a broad application which includes but is not limited to real property (buildings/facilities/green space), events (i.e. I Love Regina Day), communications (i.e. leisure guide, web site and social media) programs and services, special projects (i.e. volunteer program), features (i.e. rooms, ice pads, playgrounds) and other relevant properties.

3.3 Advertising

Advertising is the sale or lease of City owned property and space and is universally accepted as a commodity transaction rather than a partnership. Unlike sponsorship, there are no associative values and the commercial use and or lease of City space is based on predetermined industry standard rates of cost per thousand (CPM).

Advertising does not imply a reciprocal relationship between the advertiser and the property owner and as such the advertiser is not entitled to additional benefits beyond the space being purchased.

3.4 Acceptable Commercial Coverage (ACQ)

ACQ is the level of advertising and or sponsorship presence that is acceptable with any one asset. The ACQ will vary significantly according to an individual asset and is influenced by various measurement variables such as, but not limited to, the user group demographic and psychographic profile associated with an individual asset.

3.5 Commercial Naming Rights

A type and level of sponsorship whereby a company or organization purchases the exclusive rights to name a physical structure such as a facility or event with a commercial name typically for a defined period of time under specific contractual terms.

3.6 Title Sponsorship

Title sponsorship is the highest level of sponsorship designation in a property such as an event or program. The level is typically the largest contributor in a property and includes rights to name the property.

3.7 Values-Centric Assessment / Ethical Scan

A values-centric assessment is a City customized tool that will qualify sponsorship and advertising against preset values criteria while an ethical scan will vet the potential sponsor or advertiser's overall business.

The process provides a guideline that fairly and equitably determine; the acceptable and unacceptable areas of involvement, if a sponsor or advertiser meets the requirements defined by the City's sponsorship and advertising policy or is otherwise affected by the restrictions section of the policy.

3.8 Value In-kind Sponsorship

Payment (full or partial) of a sponsorship rights fee in goods or services equal to a cash amount and provided in lieu of cash. Other terms: In kind, VIK, Contra barter.

3.9 Category Exclusivity

Gives a sponsor the rights to be the only company within its business category (product or service) associated with a property being sponsored. A property can have more than one area of exclusivity and a business may be required to have more than one category of exclusivity such as SaskTel- internet; cellular; home security; TV etc. to cover all their lines of business.

4.0 SCOPE

4.1 This policy applies to all City business units, departments and divisions.

4.2 The policy will apply to all City-owned and managed assets including but not limited to built and natural infrastructure, transportation, facilities, events, communications, programs and services, special projects, features (i.e. rooms, ice pads, playgrounds) and other relevant properties.

This policy will also apply to:

- Commercial naming rights within the City owned facilities unless allocated such as to the Saskatchewan Roughriders / Regina Exhibition Association Ltd. / Economic Development Regina / Provincial Capital Commission
- Paid advertising on City property, at City events and in City publications

4.3 The policy does not apply to:

- Private-public partnerships (P3s)

- Partnered facilities until such time as an existing agreement between the City and an operating organization expires (Such as Mosaic Place)
- Philanthropic contributions, gifts or donations
- The City's Civic Naming Guidelines
- The City's Heritage Naming / Bronze Plaque Program
- Outgoing grants or sponsorships given by the City
- Streets

5.0 PRINCIPALS AND CONDITIONS

5.1 Guiding Principals

- 5.1.1** Sponsorship and advertising presence with a City asset must reflect the target audience and user group demographic and psychographic profile associated with the asset.
- 5.1.2** Sponsorship and advertising with a City asset must be mindful and respectful of the community associated with the asset so as not to disrupt or interfere with the experience of the asset. As such, the City will determine and manage an acceptable level of commercial presence (ACQ) with each City asset.
- 5.1.3** Sponsorships are associative in nature and therefore alignment to predetermined City values is necessary.
- 5.1.4** As a collaborative arrangement, in return for cash or value in kind consideration, a sponsor shall receive benefits commensurate with the assessed fair market value of an asset being sponsored.

5.2 Requirements

5.2.0 General

- 5.2.1** The City does not endorse the products, services or ideas of any sponsor or advertiser.
- 5.2.2** As sponsorship and advertising is a revenue generation activity it is intended to only supplement City funding for the purpose of enhancing City programs and services. Sponsorship or advertising can not displace or be seen to displace City funding, nor be perceived solely as a budget advantage.

- 5.2.3** In order to expedite the sponsorship process, a formal competitive process is not required. However, in the event of a competitive situation between two or more companies with rights fees being equal, the City will defer to the company which aligns best to the values and priorities of the City.
- 5.2.4** Sponsorships shall take into consideration City capacity implications on staffing and financial resources.
- 5.2.5** Sponsorship and advertising must comply with the City’s visual identity guidelines in all relevant situations.
- 5.2.6** All political advertising must indicate this it is paid by a party or candidate, so as to avoid any impression that the City is supporting any particular party or candidate.
- 5.2.7** Advertisement must not communicate the City’s endorsement of product or service over another.
- 5.2.8** The City reserves the right to accept advertising and sponsorship from companies that do not violate this policy.
- 5.2.0 Sponsorship/Advertising Criteria**
- 5.2.9** Sponsorships and advertising must conform to all applicable federal and provincial statutes and all applicable City bylaws, policies and practices.
- 5.2.10** Sponsorships and advertising must conform to the standards set out by the Canadian Advertising Standards Council as amended from time to time.
- 5.2.11** The sponsorship must not unduly detract from the character, integrity, aesthetic quality or safety of a City asset or unreasonably interfere with its enjoyment or use.
- 5.2.12** The City will consider all sponsorship proposals but retains the discretion not to accept sponsorship from any entity at its sole discretion.
- 5.2.13** The sponsorship must not confer a personal benefit, directly or indirectly, to any particular City employee or elected official.
- 5.2.14** The City shall retain ownership and control over all City-owned and managed assets.
- 5.2.15** Benefits provided to the sponsor by the City are limited to those stated in the sponsorship agreement.
- 5.2.16** The category exclusivity rights clause provides exclusivity rights to the asset being sponsored and does imply exclusivity privileges with the City itself.

5.3 Restrictions

The City will not solicit or accept sponsorship or advertising from companies or organizations whose business contradict any bylaw or policy of the City in anyway.

The City will not solicit or accept sponsorship or advertising from companies or organizations that will compromise the reputation of the City's public image.

The City will not solicit or accept sponsorship or advertising from companies or organizations;

- whose business is derived from the sale or production of tobacco;
- whose business is derived from the sale or production of cannabis;
- whose business is derived from pornography or sexual services;
- who promote or sell alcohol or potentially other addictive substances at venues geared primarily to children and youth;
- whose business is derived from armaments and weapons manufacturing or other unsafe products or sale of such weapons excluding recreational firearms;
- who are not in good standing with the City (i.e. currently in violation of a bylaw or under litigation);
- discriminate by way of race, religion or sex in employment, marketing or advertising practices.

6.0 PROCEDURES

6.1 Responsibilities

Parties involved in sponsorship/advertising decisions undertake the following specific responsibilities:

6.1.2 City Council will:

- approve any sponsorship which:
 - involves the naming or renaming of a City asset in excess of an annual investment over \$125,000;
 - involves the naming or renaming of a City building overall;
- approve any proposal which exceeds the preauthorized limits

- become involved should the provisions of the policy not be satisfied
- approve and revise the sponsorship and advertising policy as necessary

6.1.3 Citizen Experience, Innovation & Performance:

- managing the City's sponsorship and advertising program
- planning and development
- evaluation and assessment
- providing program guidance and assistance to support the City's divisions, departments and business units
- providing program information to the general public
- communications guideline continuity
- management of city-wide agreements
- annual policy review

6.1.4 Delegation of Authority

The City staff authorized to enter into sponsorship and advertising agreements within the following pre-authorized limits provided they satisfy all provisions of the policy are:

- City Manager / CAO up to \$185,000 per year
- Executive Director up to \$125,000 per year
- Director up to \$75,000
- Program Staff up to \$35,000

6.1.5 Accountability

- Funds received by the City for sponsorship and advertising are to be credited to a specific sponsorship account that will be part of general revenues and allocated through budgeting process. It will not be allocated to the specific area or naming right of a building as sponsorship agreements will include assets from multiple touch points across the City.
- Sponsorship sales and revenue generation will be centralized and not the responsibility of specific departments.

6.1.6 Documentation

All sponsorships must be documented and arranged in a fixed term. A legally binding agreement must be entered into for each sponsorship arrangement

consistent with the size, complexity and scope of the sponsorship and in accordance with the City's protocol of procedures and delegations associated with agreements.

Sponsorships over \$ 15,000 per year will require a contract. In these cases, the City shall consult with the legal services to ensure appropriate terms and conditions are being identified.

6.1.7 Evaluation

Sponsorship and advertising opportunities will be evaluated to determine fit and alignment to the City's image, values and brand and to assess that all provisions in the policy are satisfied.

Ethical scans will be conducted on all sponsorships \$15,000 or more in value.

6.1.8 Review

The sponsorship and advertising policy shall be reviewed on an annual basis in the first two years of the program start up.

7.0 RELATED POLICIES

City of Regina Signage By-Law
City of Regina Civic Naming Policy (Guideline)
City of Regina Heritage Bronze Plaque Naming program
City of Regina Street and Park Naming policy

8.0 REFERENCES

Canadian Code of Advertising Standards