

Sponsorship, Naming Rights & Advertising Policy

Date	January 20, 2021
To	Executive Committee
From	Citizen Experience, Innovation & Performance
Service Area	Citizen Experience
Item No.	EX21-5

RECOMMENDATION

The Executive Committee recommends that City Council:

1. Approve the Sponsorship, Naming Rights & Advertising Policy as outlined in Appendix A of this report at its meeting on January 27, 2021.
2. Direct Administration to bring an information report to the Executive Committee in the Q4 2021 to provide an update on the implementation of the Policy.

ISSUE

In November 2019, Council directed Administration to proceed with a Sponsorship, Naming Rights and Advertising Program under the model of an Internal Sales Strategy. Administration assessed the potential impacts of COVID-19 on the Program and proceeded with its development in the third quarter of 2020 with the goal to launch in early 2021 pending approval of the Sponsorship, Naming Rights & Advertising Policy by Council.

IMPACTS

Financial

Over the first five years, revenue and expenses are expected to vary from year to year until the program is fully established. It is expected that in the first two years, the Program will achieve net revenue between \$100,000 and \$250,000 annually. This considers potential COVID-19 impacts and that sponsorship development is relationship-based with the

common timeframe from prospect identification to closing taking approximately 18 to 22 months.

The pre-COVID-19 business cases projects the City will generate net revenues in excess of \$3.65 million over the first five years using an Internal Sales Strategy. In 2021, the Program will focus on strengthening existing relationships and building new partnerships, as well as continuing to gain an understanding of how COVID-19 has affected potential stakeholders and financial opportunities.

Revenue generated by the City for Sponsorship, Naming Rights and Advertising Program will be centralized. Funds received are to be credited to a specific sponsorship account that will be part of general revenue and allocated by Council through the budget process.

Policy and/or Strategic

One of the community priorities in the *Official Community Plan: Design Regina* is to achieve long-term financial viability which includes searching for new ways to generate revenue to ensure that the City has the financial resources to meet residents' needs now and in the future. The information in this report highlights the development a new revenue stream.

OTHER OPTIONS

Alternative options would be:

1. Approve the Policy with housekeeping amendments.
2. Refer the Policy back to Administration. If Council has specific feedback on the Policy, it may refer it back to Administration for further revisions. Referral of the Policy back to Administration will affect launch dates of the Program as outlined in report.

COMMUNICATIONS

A formal communications and marketing strategy has been developed to launch the Program in February 2021 pending approval of the Policy by Council.

DISCUSSION

Municipalities including Calgary, Edmonton, Saskatoon and Toronto have Council approved policies in place that guide Administration by providing concrete direction and written support for a Sponsorship, Naming Rights & Advertising Program.

The Partnership Group – Sponsorship Specialists provided a draft policy based on their experience and expertise with these and other municipalities. The Policy was provided to Council for feedback in November 2019 as part of CR19-111. If approved by Council, the proposed policy will allow the City to implement city-wide protocols for sponsorship, naming rights and advertising with principles and conditions for pursuing agreements.

The Policy clearly lays out definitions, scope, guiding principles, requirements, sponsorship/advertising criteria, restrictions, and procedures for delegation of authority, accountability, documentation, evaluation and review. The Policy restricts sponsorship, naming rights and advertising to be pursued with companies or organizations that compromise the City's reputation or contradict any law or City bylaw. Specific restrictions are in place for 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 or 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)
- That discriminate by way of race, religion or sex in employment, marketing or advertising practices

The Policy stipulates that Council approval is needed for any sponsorship which involves the naming or renaming of a City asset, as well as entering into a sponsorship or advertising agreement that exceeds the delegated authority outlined in the Policy.

Delegated Authority, as outlined in the Policy, adheres to guidelines within the *Administration Bylaw, No. 2003-09* whereas:

The City Manager, and Executive Director, Financial Strategy and Sustainability are authorized to approve and enter into Revenue Agreements, provided:

- (a) the term of the agreement or contract does not exceed 5 years;
- (b) where applicable, the agreement includes clauses with respect to policies established by Council in relation to advertising content, the use of environmentally sensitive products or other matters; and,
- (c) the value of the agreement:
 - i. on an annual basis is \$100,000 or less; or,
 - ii. is greater than \$100,000 and the agreement is awarded pursuant to a competitive process to the compliant bidder whose bid meets the specifications and provides the greatest revenue to the City.

Upon Council approval of the Policy, Administration will proceed to launch the program and report on program status in December of 2021.

DECISION HISTORY

November 25, 2019, City Council approved the motion to proceed with developing the Program based on an internal sales approach and bring the final Policy for Council approval (CR19-111 Priorities and Panning Committee Recommendation).

The recommendations contained within this report require City Council approval.

Respectfully Submitted,

Respectfully Submitted,



Jill Sveinson, Director
Citizen Experience



Louise Folk, Executive Director
Citizen Experience, Innovation &
Performance

Prepared by: Corey Nyhagen, Manager, Sponsorship, Naming Rights & Advertising

ATTACHMENTS

Appendix A Council Policy Sponsorship Naming Rights Advertising