



COUNCIL POLICY

Policy Title: Naming Rights Guidelines- City-Owned, Civic Partner-Operated Facilities

Policy Number: CSPA012

Report Number: CPS2003-65

Approved by: Council

Effective Date: 2003 September 22nd

Business Unit: Community Strategies

BACKGROUND

Administration was asked for policy to cover naming rights because in the past, Council was faced with requests for decisions on which they had no familiarity, prior knowledge nor a decision framework.

PURPOSE

These guidelines apply to Civic Partners seeking to name or re-name City-owned facilities or land under their control and operation. Specifically, they pertain to sale of naming rights of a whole facility whereas sponsorship of components within remains the authority of the Civic Partner.

POLICY

These guidelines are premised on an effort to balance The City's stewardship and fiduciary responsibilities with the provision of an enabling environment for its partners to pursue revenues it deems necessary for financial viability. "Civic Partner" organizations function with a volunteer board of directors who are responsible for management and stewardship of programs and facility. Their provision of these programs and services contribute to Calgary's overall public good. The City similarly acknowledges its own stewardship responsibility and interest in protecting City property and creating public value. These are guidelines that apply to City-owned, but Civic Partner-operated facilities where those civic partners are interested in selling naming rights for the full facility.

Section heading in the guidelines include: purpose, definitions, principles, specific guidelines, responsibilities, and naming rights agreements.

Please see the attached [Policy document](#).



PROCEDURE

Where guidelines are met, the General Manager may approve and advise City Council of the naming rights sale. Unresolvable issues may be forwarded to the City Manager and in cases of an impasse at the Administrative level, the matter is forwarded to Council. See also the section on responsibilities.

Please see the attached [Policy document](#).

AMENDMENTS

None

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Guidelines

1. Purpose

1.1 These guidelines apply to Civic Partners seeking to name or re-name City-owned facilities or land under their control and operation. Specifically, they pertain to sale of naming rights of a whole facility whereas sponsorship of components within remains the authority of the Civic Partner.

1.2 These guidelines are premised on an effort to balance The City's stewardship and fiduciary responsibilities with the provision of an enabling environment for its partners to pursue revenues it deems necessary for financial viability. "Civic Partner" organizations function with a volunteer board of directors who are responsible for management and stewardship of programs and facility. Their provision of these programs and services contribute to Calgary's overall public good. The City similarly acknowledges its own stewardship responsibility and interest in protecting City property and creating public value.

2. Definitions

2.1 Asset Analysis

A comprehensive look at an asset's overall value as it relates to corporate sponsorship or naming opportunities.

2.2 Civic Partner

An arms-length, not-for-profit organization that has a formal and legal relationship to provide services, programs and/or manage and care for City assets in conjunction with, or on behalf of, The City of Calgary.

2.3 Lease

A contract which gives an exclusive right to use and occupation of land. Things on the land, buildings, trees, ball diamonds, etc. are considered to be part of the land and unless the terms of the lease state otherwise, form part of what is leased and that which the tenant has exclusive rights to.

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2.4 Licence of Occupation

A contract that gives the right to enter upon and use land but does not give an exclusive right of possession. As with a lease, land includes things on the land.

2.5 Naming Rights

A type of sponsorship in which a sponsor purchases the exclusive right to name an asset. Usually naming rights are considered in a commercial context, that is the naming right is sold or exchanged for significant cash or other revenue support. This arrangement is usually documented in an agreement signed by the interested parties.

2.6 Naming Rights Agreement

Means an agreement executed pursuant to Section 6.

2.7 Value Assessment

A determination of the true value that a sponsor will receive as a purchaser of specified naming rights and may include tangible and intangible benefits.

3. General Principles

1. High quality, sustainable community, cultural and recreational programs and facilities are desirable.
2. The City supports revenue generation from naming and sponsorship arrangements when these arrangements directly benefit the Calgary community and The City.
3. The pursuit of naming rights by a Civic Partner is not intended to reflect on other aspects of their relationship with The City.
4. Decisions that flow from these guidelines should be considered and made within the context of prudent business practices.
5. In the interest of maintaining public trust and civic pride, transactions covered by these guidelines are to uphold community values and observe all applicable laws.
6. Negative impacts to taxpayers, program users, and The City are to be minimized.
7. It is necessary for The City of Calgary to be recognized at a given facility for those programs, facilities, structures etc., where it has, or makes, an ongoing significant contribution to capital or operating costs. Clear and permanent identification of The City as a supporter

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for the life of the facility will be displayed in adherence to branding guidelines established by The City.

4. Guidelines

The following specific guidelines shall be applied when considering the sale of naming rights of City-owned facilities and/or land controlled by a Civic Partner. These guidelines are based on best practices, are to be followed in naming rights decisions and will be incorporated into The City's agreements with its Civic Partners where applicable.

1. An asset analysis and market valuation is to be completed to determine the value of the asset in the marketplace.
2. A risk/benefit analysis must be completed prior to the acceptance of any naming rights offer.
3. Public support for the sale of naming rights of the facility shall be demonstrated.
4. The proposed name/naming rights purchaser must support the image and values of the Civic Partner organization, The City and the community.
5. The Civic Partner shall not relinquish to the purchaser any aspect of their right to manage and control the facility.
6. Proceeds received by the Civic Partner for the naming rights sale are to be used for:
 - the enhancement and maintenance of the named facility
 - the provision of programs and services directly related to their mandate
 - investments whose proceeds contribute to the delivery of their mandated services.
7. For the purposes of section 4.6, the decision as to the specific elements supported will be made by the Board, taking into consideration the Civic Partner's mandate and their Agreement with The City of Calgary.
8. Signage/branding, publicity, and advertising shall conform to all applicable federal and provincial statutes, and to all applicable municipal bylaws and policies.
9. The sale must not result in additional cost to The City.
10. The terms and conditions of the naming rights agreement must not conflict with the terms and conditions of the existing lease, license, and agreement(s) with The City.
11. The naming rights agreement shall be for a fixed term.

5. Responsibilities

Parties involved in naming rights negotiations and decisions undertake the following specific responsibilities.

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5.1 CITY COUNCIL WILL:

1. Approve and revise these guidelines as necessary.
2. Ensure processes that balance the need for information to be freely available and directly accessible to citizens with potential requirements for confidentiality in negotiations.
3. Make decisions on City support for the naming rights sale as necessary in these guidelines.

5.2 CITY ADMINISTRATION WILL:

4. Designate a key contact who will:
 - Act as the main contact and information conduit
 - Participate in naming rights negotiations on an advisory basis if requested by the Civic Partner
 - Respond in a timely manner
 - Consult with other City resources as appropriate
 - Assess the extent to which guidelines have been met
 - Ensure timely ongoing communications to Council and other members of Administration.
5. Where guidelines are met --- forward the summary to the General Manager (formerly Executive Officer) who will advise City Council of the naming rights sale.
6. Where guidelines are not clearly met --- make best efforts to resolve points of contention.
7. Where issues cannot be satisfactorily resolved by the Key Contact --- forward the matter for resolution by the Chief Executive Officer.
8. In cases of an unresolvable impasse at the Administrative level --- report to Council with a recommendation.

5.3 CIVIC PARTNER WILL:

9. Provide their City Liaison (where one exists) and the Civic Partnerships Division with written notice of the intent to pursue the naming rights sale in advance of commencing such activity.
10. Maintain regular communication with The City's designated Key Contact (see 5.2(1)).
11. Undertake due diligence efforts to ensure that these Guidelines have been considered.
12. Provide a written summary of the naming rights sale which addresses the application of the Guidelines above and includes, at minimum:

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- Results of asset analysis and market valuation
- Results of risk/benefit analysis, inclusive of possible contentious issues, if any, and proposed methods of resolving those issues
- Sponsor purchase amount for naming rights
- Proposed term
- Intended use of funds
- Identification as to whether The City is desired to be a signator to the agreement

13. Fund their naming rights activity.

6. Naming Rights Agreements

The sale of the right to name or re-name City-owned facilities or land is evidenced in a written contract that contains terms acceptable to The City. In most cases, indemnification and termination clauses would be required as part of the agreement. All such agreements are to be reviewed by the City Solicitor prior to finalization in order to ensure that The City's legal interests are protected.