



Policy Title: Sponsorship of City Assets
Policy Number: Assigned by the City Clerk's Office
Report Number: Report(s) going to Committee/Council
Adopted by/Date: Council / Date Council policy was adopted
Effective Date: Date adopted or later as directed by Council
Last Amended: Date of the last amendment, if any
Policy Owner: Business & Engineering Services

1. Policy Statement

The City of Calgary is responsible for administering the Sponsorship of City Assets, which often have significant economic value. This includes arrangements where an organization external to The City receives recognition as a Sponsor of an Asset in return for supporting it financially. It also includes naming Sponsorships, where the asset is named after a Sponsor for the duration of the Sponsorship arrangement.

Sponsorships provide an opportunity to build community-oriented relationships with private companies and organizations. They also offer additional funding that is important for maintaining and improving the infrastructure and services provided by The City. The City advocates for a balanced approach to sponsorship, ensuring that each arrangement benefits Calgarians and upholds the reputation and integrity of public Assets.

2. Purpose

This Policy establishes clear and consistent guidelines for Sponsorship of City Assets.

3. Definitions

In this Policy:

“All-City Program, Service, or Event” means a program, service or event that impacts the entire city or a significant portion of its population;

“Asset Steward” means the Director (or designate) of the business unit deemed most appropriate to manage Sponsorship applications for a given Asset or class of Assets, as determined by the Policy Steward on the advice of all impacted City teams;

“City Asset” or **“Asset”** means any asset owned by The City and managed directly by The City or by a Partner, or any program, service, or event provided or organized by The City;

“Donation” means a gift from a third party (**“Donor”**) to The City without any expectation of commercial, marketing and/or promotional benefit in return;

“Due Diligence Review” means an evaluation of the soundness of a proposed Sponsorship arrangement. It includes a risk assessment, including a research on a potential Sponsor to

ensure their eligibility to be a Sponsor of a City Asset, a review of the proposed arrangement's compliance with all applicable laws, policies, and regulations, and engagement with impacted parties;

“Large-Scale Sponsorship” means an exclusive or Naming Sponsorship of a Major City Asset, All-City Program, Service, or Event;

“Major City Asset” means a City Asset that serves multiple communities, and has a broad impact and significance at a regional or city-wide level;

“Naming” means the practice of assigning a name to a City Asset through an administrative decision by Council or Administration (differs from naming assets through the sale of naming rights as part of Sponsorship arrangements);

“Naming Sponsorship” means a Sponsorship arrangement where a Sponsor is given the right to name the Asset or a portion of the Asset; this concept is also often referred to as "naming rights."

“Operating Agreement” means a legal agreement between a Partner and The City that outlines the terms and conditions of the Partner's possession and management of a City Asset on behalf of The City. This may be a license of occupation, a lease, or another legal agreement;

“Partner” means an independent organization that has an established relationship with The City and collaborates with The City to manage infrastructure and provide services to Calgarians as defined in the *Investing in Partnership Policy* (CP2017-01);

“Partner Asset” means any asset owned by a Partner, or any program, service, or event provided or organized by a Partner;

“Philanthropic Naming” means the practice of Naming a City Asset according to the wishes of a Donor, in recognition of their significant Donation to The City;

“Policy” means this *Sponsorship of City Assets Policy*;

“Policy Steward” means the designate appointed by the Chief Administrative Officer, acting on behalf of Council, responsible for ensuring adherence to this Policy and overseeing compliance with Policy procedures. In instances where this Policy lacks specifications on meeting requirements, fails to address a particular issue, or requires interpretation, the authority falls to the Policy Steward. The Policy Steward may make recommendations in the form of a Policy guide, procedural document, or formal ruling on the application or interpretation of the policy. These recommendations are informed by analytics, best practices, and risk management considerations.

“Related Authority” means an organization related to The City including but not limited to a City of Calgary wholly owned subsidiary or legislated body;

“Small-Scale Sponsorship” means any Sponsorship that does not include exclusive Sponsorship rights or naming of a Major City Asset, All-City Program, Service, or Event;

“**Sponsorship**” means a contractual arrangement with a defined term over which an external organization (“**Sponsor**”) provides in-kind or financial support for a City Asset in return for commercial/marketing/ promotional benefits associated with being publicly denoted as a sponsor of the City Asset; and

“**Valuation**” means an assessment that determines the appropriate monetary value of a Sponsorship for a particular City Asset. It is prepared by a third party who possesses the necessary skills and experience to execute such assessment in an objective and competent manner.

4. **Applicability**

4.1 This Council Policy applies to all parties involved in Sponsorship of City Assets:

- (a) Members of Council and Executive Committee;
- (b) Administration;
- (c) Partners; and
- (d) Sponsors.

4.2 This Council Policy does not apply to:

- (a) Non-commercial Naming (including Philanthropic Naming) of City assets which is regulated by the *Naming of City Assets* Policy;
- (b) Sponsorship of assets owned by Related Authorities or Partners; and
- (c) The City’s sponsorship of external events, services/activities, or projects.

5. **Sponsorship Principles**

Sponsorship of City Assets shall be based on the following principles:

5.1 **Appropriateness of the Sponsorship Arrangement**

Some Assets, due to their sensitive nature or significant history for Calgarians, may not be appropriate for commercialization and are not offered to potential sponsors. Additionally, not every third party’s name is appropriate for use on a public asset. Some potential sponsors have business practices or interests that are highly controversial, or the business itself may be controversial by nature.

The City does not pursue Sponsorship with organizations that have an image, values, or business interests that do not align with those of The City. In some cases, a potential Sponsor may have an image or interests that would be inappropriate for some Assets, but which fit well

with the purpose or function of others. Care shall be taken to ensure that City Assets are matched with Sponsors that complement the service they provide to Calgarians.

5.2 Public Benefit

The primary goal in securing Sponsorship arrangements for City Assets is to create additional revenue that results in improvement to services, infrastructure, or experiences for Calgarians. The financial costs of securing a Sponsorship arrangement, including any costs associated with its implementation, shall be carefully considered in comparison to the benefits that such an arrangement would deliver.

5.3 Transparency and Accountability

Sponsorship opportunities for City Assets will be publicly advertised (does not apply to Small Scale Sponsorship) to ensure fair and equal opportunities for all potential Sponsors.

The City of Calgary will publicly disclose the Sponsor's identity for all Sponsorships. The City will also advocate in discussions with Sponsors for public disclosure of the Sponsorship's term and fees, while acknowledging and respecting the Sponsor's confidentiality preferences. Some Sponsors may have legitimate reasons for keeping this information confidential, such as protecting their competitive advantage or maintaining their brand strategy. In all cases, the Sponsorship arrangement shall be subject to internal oversight to ensure that the arrangement is in the public interest.

5.4 Valuation-Based Arrangements

Large-Scale Sponsorships shall be based on the monetary value of the Sponsorship opportunity, as determined by the Valuation. When a Sponsorship cannot be secured at a price that aligns with the Asset's formal valuation, arrangements with a lower value may be considered if there is still public benefit.

5.5 Temporary Nature of Sponsorship Arrangements

Sponsorship arrangements shall be temporary in nature, with a defined term that is stated in the Sponsorship agreement.

5.6 Alignment of Sponsorship Arrangement to Partner's Operating Agreement

Sponsorship arrangements for City Assets operated by Partners should be consistent with any legal agreement in place between The City and the Partner related to an Asset.

6. Procedure – Approval of Large-Scale Sponsorship

Large-Scale Sponsorships, those concerning Major City Assets and All-City Programs, Service, or Events, must be approved by City Council if they are Naming Sponsorships or include an exclusivity clause. If exclusive or Naming Sponsorship of All-City Program, Service, or Event is

considered low impact by Policy and Assets Stewards, it shall follow Small-Scale Sponsorship process, but shall be approved by the Asset Steward's General Manager.

Large-Scale Sponsorship approval follows the procedure outlined below:

6.1 Sponsorship Suitability Review

The Asset Steward (or the Partner for Partner-managed Assets) conducts a review to determine whether the Asset in question should be made available for Sponsorship. This review should consider whether the Asset is likely to procure financially viable Sponsorship arrangements. It must also consider whether it is appropriate for the Asset to be affiliated with commercial activities and/or private interests.

Based on the findings of the Sponsorship Suitability Review, the Asset Steward, or the Partner for Partner-managed Assets, makes a formal decision about whether the sponsorships shall be considered for the Asset. If the Sponsorship Suitability Review for City-managed Assets finds major risks associated with making the Asset sponsorable, the Asset Steward or the Policy Steward can refer the Sponsorship Suitability Review to a higher level of approval (General Manager or City Council).

6.2 Sponsorship Valuation

The Asset Steward (or the Partner for Partner-managed Assets) shall obtain an Asset Sponsorship Valuation, which shall inform the terms of any future Sponsorship arrangement.

6.3 Public Advertising of Asset's Availability for Sponsorship

The Asset Steward/Partner shall publicly advertise the Asset's availability for Sponsorship to attract potential Sponsors. This step must be completed even if the initial review and valuation was triggered by an inquiry from an interested potential Sponsor. Publicly advertising an asset's availability ensures that all potential sponsors have the opportunity to submit a proposal. In cases where there are multiple proposals, it enables The City to select the most suitable sponsor from a range of options.

6.4 Negotiation

The Asset Steward or the Partner negotiates with the interested potential Sponsor to draft a Sponsorship agreement that aligns with any special stipulations included in the approved Sponsorship Suitability Review. A third-party broker may assist in these negotiations as well.

6.5 Due Diligence Review of the Proposed Sponsorship Arrangement

The Asset Steward or the Partner conducts a Due Diligence Review to ensure that the proposed Sponsorship arrangement complies with this Policy and any other applicable laws and regulations. If there are others impacted by the proposed Sponsorship arrangement besides

The City, the Sponsor, and relevant Partners, the Due Diligence Review should involve engaging them as well. The results of the Due Diligence Review shall be shared with the Policy Steward for a final assessment of alignment with the Policy requirements before the submission of a report to the Executive Committee and Council.

6.6 Sponsorship Approval by Council via Executive Committee

The Asset Steward (acting on their own behalf or that of the Partner, and in consultation with the Policy Steward) submits a recommendation of approval to the Executive Committee and City Council.

6.7 Sponsorship Agreement Execution

If the Sponsorship arrangement is approved by Council, it is signed by the Asset Steward or Partner and the Sponsor and may then be implemented according to the terms of the arrangement.

7. Procedure – Approval Of Small-Scale Sponsorship

Small-Scale Sponsorships for City Assets are approved by Asset Stewards (for City-operated Assets) and Partners (for Partner-operated Assets). . A higher level of approval by a General Manager or Council may be requested by the Asset Steward or directed by the Policy Steward for City-operated Assets.

Small-Scale Sponsorship approval follows the procedure outlined below:

7.1 Sponsorship Suitability Review

The Asset Steward (or the Partner for Partner-managed Assets) conducts a review to determine whether the Asset in question should be made available for Sponsorship. This review should consider whether the Asset is likely to procure financially viable Sponsorship arrangements. It must also consider whether it is appropriate for the Asset to be affiliated with commercial activities and/or private interests.

Based on the findings of the Sponsorship Suitability Review, the Asset Steward, or the Partner for Partner-managed Assets, makes a formal decision about whether the sponsorships shall be considered for the Asset. If the Sponsorship Suitability Review for City-managed Assets finds major risks associated with making the Asset sponsorable, the Asset Steward or the Policy Steward can refer the Sponsorship Suitability Review to a higher level of approval (General Manager or City Council).

7.2 Negotiation

The Asset Steward or the Partner negotiates with the interested potential Sponsor to draft a Sponsorship agreement that aligns with any special stipulations included in the approved Sponsorship Suitability Review. A third-party broker may assist in these negotiations as well.

7.3 Due Diligence Review of the Proposed Sponsorship Arrangement

The Asset Steward or the Partner conducts a Due Diligence Review to ensure that the proposed Sponsorship arrangement complies with this policy and any other applicable laws and regulations. If there are others impacted by the proposed Sponsorship arrangement besides The City, the Sponsor, and relevant Partners, the Due Diligence Review should involve engaging them as well.

7.4 Sponsorship Approval through Agreement Execution

The Sponsorship agreement is approved by the Asset Steward/Partner signing the Sponsorship agreement with the Sponsor. A higher level of approval by a General Manager or Council may be requested by the Asset Steward or directed by the Policy Steward for City-operated Assets.

8. Amendment(s)

Date of Council Decision	Report/By-Law	Description

9. Review(s)

Date of Policy Owner's Review	Description

PROPOSED COUNCIL POLICY