
Policy title:	Naming Rights	Date adopted:	TBD
Policy number:	[TBD]	Effective date:	TBD
Policy owner:	Community Services	Last amended:	N/A

Purpose

- 1 This policy establishes how the City of Airdrie (the “City”) grants the naming rights to certain City-owned facilities and spaces.

Scope

- 2 This policy applies to all naming rights opportunities, proposals, and agreements where a sponsor pays a fee to the City in return for naming rights of a City-owned asset.
- 3 This policy does not apply to:
 - (1) City offices or City facilities not for public use, such as City Hall and fire halls;
 - (2) City assets for which the City has established another naming process, such as the *Street Naming Policy* P-09/2001, the *Memorial Policy* MED-05-C, and the *Naming of City Assets Policy* P-ADM-18-C;
 - (3) where the name of the City asset is a requirement of a government grant or funding agreement.

Opportunity types and valuation

- 4 Naming rights may be sought for:
 - (1) the exterior of a City Asset such as buildings, facilities, outdoor spaces, festivals, events, and the sub-component of a City Asset; and
 - (2) City assets such as attractions, events or festivals that are owned, operated, managed by the City.
- 5 Council decides on proposals for the following opportunities:
 - (3) naming of a building;
 - (4) naming of an entire park or outdoor facility (not a subcomponent of a City asset);
 - (5) naming a City attraction, festival, or event;
 - (6) the estimated valuation of the naming rights opportunity is at least \$75,000; and

- (7) the gross value of the naming rights agreement is at least \$75,000.
- 6 Administration decides on all proposals that Council does not approve under section 5 of this policy, as exemplified in Appendix "A" of this policy.
 - 7 The estimated value of an opportunity is determined using a market-based approach combined with key metrics including visibility, the number of impressions, and the level of exposure.
 - 8 For opportunities or proposals subject to section 5 of this policy, Administration obtains a valuation of any outstanding naming rights opportunities from an independent third-party on an as-needed basis.
 - 9 Where Administration decides on a proposal, Administration may obtain a third-party valuation if needed.

Sponsor benefits, commitments, and limitations

- 10 The City offers naming rights to prominent City assets that offer Sponsors increased brand awareness, advertising exposure, enhanced brand recall, and positive association.
- 11 Naming rights benefits are limited to those expressly stated in a naming rights agreement and exclude any influence on City business decisions or any advantage, benefit, or preferential treatment, actual or perceived for the Sponsor outside of the Sponsorship agreement.
- 12 Naming rights agreements must have a minimum term of at least five years.
- 13 The City considers a condition of exclusivity for the Sponsor's products or business type if the commensurate value is included in the proposal.
- 14 The naming rights agreement sets out further limitations, including, at minimum, those listed in Appendix "B" of this policy.

City benefits, commitments, and limitations

- 15 Naming rights must provide actual and clear benefit to the City.
- 16 The Sponsor is responsible for the design, production, installation, and repair of signage. These costs may be included in the opportunity valuation or within the proposal.
- 17 The City follows its procurement policies when procuring an item or services on the Sponsor's behalf to fulfill the sponsorship agreement.
- 18 If fulfillment of a naming rights agreement results in a tangible asset, like signage, the City becomes the owner of that asset.

- 19 The City allocates naming rights revenue to the following in order of priority:
- (1) fulfillment of any City obligations under the naming rights agreement;
 - (2) funding the overall operating budget of the City or of a particular department;
 - (3) contribute towards the capital or lifecycle cost of a City-owned asset;
 - (4) enhance service delivery for an area in which the funding was targeted; and
 - (5) other investment priorities identified through the City's operating and capital budget planning processes.
- 20 Where a naming rights proposal includes value-in-kind,
- (1) the monetary value being received by the City is based on industry competitive rates for the items being provided by the Sponsor;
 - (2) the value-in-kind must be for items that are offsetting budgeted line items (i.e. a product or service that was needed and budgeted for specifically); and
 - (3) naming rights must not give any entitlements to the sponsor, such as preferred vendor, or it impact the City's fair and open competitive procurement process.

Advertising the opportunities

- 21 For opportunities subject to section 5 of this policy, the City puts out a call for an expression of interest in accordance with City policy and advertises the opportunity on its public website and the local newspaper for at least one month, and any other targeted marketing that Administration finds appropriate for the type of asset.
- (1) If the received proposals do not at least meet the appraised value or do not satisfy this policy, then Administration may hire a consultant to assist with the search for sponsors.
- 22 For opportunities not subject to section 5 of this policy, the City advertises the opportunity on its public website.
- 23 Administration must establish proposal application procedures for potential Sponsors.

Proposal review and approval

- 22 Proposals must be in writing and outline the marketing benefits to be exchanged between both parties, the duration of the naming rights, and the total value and net value of the proposal.

- 23 Subject to section 5 of this agreement, Administration presents the proposal(s) to Council in closed session during a Council meeting. Council may decide on the proposal(s) or Council may request further information, via Administration, for more information about a proposal. If Council approves a proposal, the approval is made by resolution in open session.
- 24 Proposals are evaluated on, but not limited to, the following criteria:
- (1) the valuation of the naming rights opportunity;
 - (2) the net value of the proposal in relation to the valuation;
 - (3) the number and quality of proposals received;
 - (4) how the proposal may enhance the development, delivery, awareness, or continuance of one or more City assets; and
 - (5) how the sponsor and proposal aligns of the City's mission, vision, and values and the City's policies.
- 25 If a proposal is approved, the City and the applicant must enter into a naming rights agreement, to the satisfaction of Administration and the City's legal counsel. The sponsorship agreement must comply with, at minimum, the terms and conditions set out in Appendix "B".
- 26 At any time, the City may receive and consider non-competitive sponsorship proposals but the City is not obligated to accept or approve.
- 27 This City is not obligated to accept any proposal or to give reasons for denying a proposal.

Restrictions

- 28 The City will not consider proposals from sponsors that fall within the restricted types set out in Appendix "C".
- 29 The City will not consider sponsorship proposals where the sponsored name of the City asset or the naming rights agreement:
- (1) could reflect negatively on the City's public image or prove detrimental to the City's integrity and/or reputation or non-compliance of City policy or strategies; or
 - (2) could be seen to promote religious, political, or potentially divisive messages specific to any group or subgroup of Airdrie residents.

Definitions

30 In this policy:

- (1) “Administration” means the staff and operations of the City of Airdrie under the direction of the City Manager;
- (2) “City assets” means physical assets, events, program, services and other wholly-owned and operated City assets or activities. Examples of other City assets or activities may include buildings, parks, other City-owned real property, components within real property assets (i.e. meeting rooms, playgrounds, etc.), as well as vehicles, equipment, publications, websites, and digital applications;
- (3) “City Manager” means the duly appointed Chief Administrative Officer of the City of Airdrie or their delegate;
- (4) “City of Airdrie” or “City” means the City of Airdrie as a municipal corporation and the geographical area within its jurisdictional boundaries, as the context requires;
- (5) “Council” means the duly elected Council of the City of Airdrie;
- (6) “fulfillment costs” means the expenditures required to meet the terms of the sponsorship agreement, including production, design, installation, operational, maintenance, removal, disposal value, and disposal costs;
- (7) “naming rights agreement” means a type of sponsorship where a commercial entity pays a fee to the City to name or re-name a City asset, or part of a City asset, for a limited time;
- (8) “net value” means the amount of cash or fair market value of any in-kind benefits the City will receive after any of the City’s fulfillment costs are subtracted from the total value of the sponsorship agreement;
- (9) “opportunity” means the availability of a City asset to be subject to a naming rights agreement;
- (10) “organization” means an organized group of people that has a particular purpose, including a business, society, or association;
- (11) “proposal” means the proposition by an organization or a person to enter into a naming rights agreement with the City for a City asset in return for fee and possibly also value-in-kind;
- (12) “Sponsor” means the other party to an agreement with the City for naming rights of a City asset; and
- (13) “total value” means the total amount of cash and fair market in-kind benefits the Sponsor pays to the City under a naming rights agreement.

- *Addressing Bylaw*, B-01/2000
- *Memorial Policy*, MED-05-C and *Memorial Policy Guidelines*
- *Naming of City Assets Policy*, P-ADM-18-C
- *Street Naming Policy*, P-09/2001

Appendices

Appendix A: Naming Rights Decision Maker

Appendix B: Minimum Terms and Conditions of a Naming Rights Agreement

History

Date adopted / Resolution number: TBD

Council amendments: N/A

Administration reviews: N/A

Date rescinded: N/A

Appendix “A”

Naming Rights Decision Maker

Council decides	Administration decides
<ul style="list-style-type: none"> • Name of a building (e.g. Genesis Place) • Name of an entire park or outdoor facility (e.g. Northeast Regional Park) • Name of large event, attraction, or festival • The valuation of the naming right is \$75,000 or more • The gross value of the proposal is \$75,000 or more 	<p>Where the valuation or proposal is less than \$75,000:</p> <ul style="list-style-type: none"> • Subcomponent of a facility, like a lobby, meeting room, rink, arena, dressing room etc. • Subcomponent of a park or outdoor facility, like a trail, pathway, playground, fieldhouse, sports field, etc. • Part of an event, like a performance stage or beer garden

Appendix “B”

Minimum Terms and Conditions of a Naming Rights Agreement

At minimum, naming rights agreements must include terms for the following:

1. The City does not endorse the products, services, or ideas of the sponsor
2. Sponsor must not imply that their products, services, or ideas are sanctioned or endorsed by the City or Council.
3. The City retains full ownership and control over the City Asset.
4. Setting out the limits of the rights in and to the City Assets being granted by the City to the Sponsor in exchange for cash and/or value in-kind.
5. How the sponsorship or naming rights are time-limited and scope-limited, within the parameters set out within this Policy.
6. Termination rights by the City if a Sponsor:
 - a. breaches its obligations under it;
 - b. takes action to bring the City into disrepute or otherwise conflict with the City’s values, policies, or community standards or
 - c. has a material change in its circumstances, such as bankruptcy, insolvency, or criminal activity associated with the named party.
7. The Sponsor may not use the City’s intellectual property or otherwise commit any act which the City determines, in its sole and unfettered discretion, to be objectionable and/or a risk to the City’s reputation, integrity, image or rights.
8. The City does not relinquish to the sponsor any aspect of the City’s right to manage and control City-owned assets and City facilities. Any new or replaced asset resulting from a sponsorship agreement will be owned by the City, unless specified otherwise.

Appendix “C”

Restricted Sponsors

The City does not consider sponsorship proposals from organizations or persons:

- (1) whose primary brand or product is tobacco or e-cigarettes;
- (2) whose primary brand or product is alcohol or cannabis, including associated paraphernalia;
- (3) whose purpose or whose facility is related to religious and belief system activities;
- (4) who sells or promotes pornography;
- (5) who present imaging that is derogatory, prejudicial, harmful to, or intolerant of any specific group or individual, or otherwise in conflict with the *Canadian Code of Advertising Standards*, the *Canadian Human Rights Act*, or the *Alberta Human Rights Act*;
- (6) whose program delivery and products are in direct competition to City programs;
- (7) who cannot do business with the City due to ongoing litigation or are in litigation with the City;
- (8) who have outstanding taxes or fines owing to the City; and
- (9) who are registered as local elector organizations or political parties.