SECTION:	COMMUNITY SERVICES
DEPARTMENT/DIVISION:	COMMUNITY SERVICES / RECREATION & CULTURE
SUBJECT:	**SPONSORSHIP AND NAMING RIGHTS POLICY**

STATEMENT

It is the policy of the City of Thunder Bay to actively seek and encourage businesses and other organizations to become sponsors of municipal programs, events, services, facilities, equipment, campaigns, public parks, park amenities and open spaces.

Sponsorship and naming rights arrangements increase the City's ability to deliver quality services and programs to the citizens and visitors of Thunder Bay as an alternative revenue generation strategy.

PURPOSE

This policy provides guidance with respect to the development and management of sponsorship and naming rights agreements between sponsors/naming rights holders and the City of Thunder Bay.

Sponsorship: A mutually beneficial business arrangement between the City of Thunder Bay and an external company, organization or enterprise in exchange for recognition, rights and association, used for commercial advantage. Sponsorship is not a donation.

Naming Rights: a contractual arrangement where a third party provides financial contribution, goods or services in return for access to the commercial/marketing potential associated with rights for the inclusion and public display of the third party's name as part of the name of a City asset. Naming rights shall not impair the City's ability to manage the asset.

Presenting Sponsorship: A specific type of sponsorship where an external party may be positioned as "Presenting" the event in promotions and on-site at the event.

Title sponsorship: A type of sponsorship, typically associated with events, where the sponsor's name is incorporated into the title of the event in exchange for financial contribution, goods or services.

Capital Contribution: Contribution or donation by a third party towards purchase or renewal of a City asset, facility, etc., i.e. a Buy a Brick campaign. May be a single sum or a campaign conducted by the third party, whether independently or in conjunction with the City.

Sponsorship Agreement: The legal document that sets out the terms and conditions the parties have agreed to.

Sponsor (Recognition) Benefits: Recognition opportunities provided to the sponsor as outlined in the Sponsorship Agreement.

GUIDELINES

Communication:
Opportunities for sponsorship and naming rights opportunities shall be openly advertised. Solicitation and negotiation of naming rights are to be conducted by authorized City staff, as delegated by the appropriate General Manager.

If open advertising processes are unsuccessful in soliciting sponsors/naming rights holders, this will not preclude staff from approaching potential sponsors directly or further negotiations or sole sourcing if necessary.

Selection of Sponsors/Naming Rights:

1. The City will select the most appropriate sponsors and/or naming rights holders using the following criteria to evaluate for compliance with this policy:

   (a) Highest value of product, service and/or cash provided to the City;

   (b) Cost to the City to service the agreement;

   (c) Compatibility of products and services with City policies and standards;

   (d) Marketplace reputation of the sponsor;

   (e) Record of the sponsor's involvement in community projects and events.

2. The City will not enter sponsorship and/or naming rights agreements with:

   (a) those entities that are in a legal dispute with the City or are otherwise disqualified from doing business with the City.

   (b) religious organizations, organizations that promote/practice conversion therapy, political parties or members, election candidates, tobacco, vaping, cannabis or pharmaceutical companies.

3. Sponsorship agreements with alcohol or gambling companies or night clubs will not be permitted for events or programs geared to children or youth.

4. The City reserves the right to decline or cancel any sponsorship or naming rights arrangement which is deemed to be inappropriate, unsuitable or detrimental to the City's public image or business. This includes the right to deny naming rights solicited by third parties using City facilities. Third parties will be required to seek approval from the City staff designate for any naming rights of City assets they wish to offer (e.g. Naming rights sold by a third party to a sponsor of their activity/organization for a City-owned facility, or an asset associated with that facility such as a sports field).

5. Sponsorship and naming rights procurement must be in accordance with the Procurement By-law 113-2011.

6. Naming rights must be in accordance with the Civic Naming of Streets, Buildings, Structures and Recreational Facilities Policy (02-02-14) and approved by City Council.

7. The City, in its sole discretion, retains the right to approve the content of any sponsorship creative, branding, messaging, or other activation to be installed, placed, or deployed on any property subject to this policy, including any approved use or reference to the City brand or logo. All sponsors must obtain prior documented approvals of any proposed creative, branding, messaging, or other activations to be implemented as part of a sponsorship of a City program, facility, or service.

8. The sponsor or naming rights holder, its staff, product or service must not present an obvious conflict of interest with the mandate and/or operations of the City of Thunder Bay.

9. Capital contributions will not include naming rights or any associated benefits unless specifically negotiated in advance and will not result in any preferential treatment in procurement, purchasing, policy or operational decisions.

<u>Sponsorship and Naming Rights Agreements:</u>

1. All sponsorship and naming rights arrangements shall be made in writing, including a negotiated timeframe that is approved by the municipality and is deemed an appropriate length of term based on the type of asset or event and contribution value. Agreements will follow corporate standards for legal agreements and will not be assigned in perpetuity.

2. Any benefits associated with a capital contribution will be negotiated and agreed in advance, in writing, and will be for a time-limited duration approved by the municipality and deemed an appropriate length of term based on the type of asset and contribution value. Agreements will not be assigned in perpetuity.

3. The sponsor/naming rights holder must acknowledge that their sponsorship will have no impact on procurement, purchasing decisions or other policies and programs of the City of Thunder Bay. Preferential treatment will not be given to sponsors/naming rights holders for the procurement of future goods or services, or in policies or operations.

Recognition/Benefits:

1. Recognition provided to sponsors/naming rights holders is subject to negotiation.

2. Recognition must be of an acceptable standard and in good taste while adhering to the aesthetic values and purposes of the City's parks, facilities, programs, events and services. The role of the City as owner and operator of its assets shall be ensured throughout the sponsorship arrangement.

3. Naming rights or title sponsorships of existing facilities and events may occur. If the name is intended for an existing facility or event, the City will take into consideration the history and legacy of the current name.

4. Exclusive arrangements may be entered into if it is deemed to be in the City's best interest to do so. Where a sponsorship agreement limits the City's ability to enter into other sponsorships, the agreement shall clearly define the nature and extent of the exclusivity.

5. Official charitable receipts cannot be issued to sponsors for their contribution to the City.

6. The City acknowledges that sponsors may see value in the use of the City of Thunder Bay logo and in these instances, sponsors shall follow the guidelines set forth in the Corporation's Visual Identity Guide.

Exclusions:

This policy does not apply to:

1. the sale of advertising or signage space on City-owned facilities and assets including but not limited to Transit, and printed materials, which involves only the straight purchase of advertising space sold at marketplace rates and does not imply any reciprocal partnership arrangement.
2. City-owned facilities leased to tenants (i.e. Tournament Centre) - does not apply to city owned facilities that are fully leased on an ongoing continuous basis, dependent on negotiations with regards to the lease agreement.
3. Philanthropic contributions, gifts and donations voluntarily transferred to the City.
4. Commemorative or honourific naming rights unless there is a direct financial benefit to the City.
5. Sponsorships provided by the City to external parties.

IMPLEMENTATION

City Council will have authority to approve:

(a) naming rights of City facilities, and/or parks;
(b) any situation where an exception to this policy is needed.

Relevant General Manager will have the authority to:

(a) seek concept approval from City Council prior to initiating negotiations with a potential sponsor for naming rights;
(b) at their discretion, identify sponsorship/naming rights opportunities that may be sensitive in nature and require additional approvals;
(c) approve sponsorship/naming rights agreements that do not involve naming rights of facilities and/or parks; and delegate this authority to relevant Director, Manager, or Supervisor as applicable.

Supervisors responsible for sponsorship selection of agreements/negotiations will:
(a) Communicate at least annually to review sponsorship plans, valuation and benefits in the interest of consistency and best benefit for the corporation.

REFERENCE: Report 2004.236 (Community Services / Recreation & Culture)

APPROVED BY: ***Replacing/Amending:***	City Council	***Date:***	06/26/2023
Originating Department:	Community Services/Recreation and Culture		
Contact:	Director, Recreation and Culture		
Departmental Procedural Manual:	Yes		
Affected Departments:	All		