

## Advertising and Sponsorship Policy for the City of Moose Jaw

### CITY OF MOOSE JAW

<b>POLICY:</b>  <b>Advertising and Sponsorship Policy</b>	<b>EFFECTIVE DATE:</b>  <b>April 22, 2019</b>
<b>SECTION:</b>  <b>PARKS AND RECREATION</b>	<b>APPROVED BY</b>  <b>Council Resolution # 147</b>

#### 1. **Purpose:**

- 1.1 The purpose of the policy is to create a consistent approach surrounding the execution of advertising and sponsorship agreements which will:
- a) Provide a policy to facilitate and support advertising and sponsorship opportunities on City-owned and civic partner-controlled assets including facilities, parks, structures, equipment, programs and events;
  - b) Provide the City with revenue generating opportunities for the purpose of enhanced financial sustainability;
  - c) Uphold the City's stewardship role to safeguard the City's assets and interests and protect the City from adverse effects on the Corporation's image.

#### 2. **Definitions:**

- 2.1 The City – means the City of Moose Jaw, its departments and staff.
- 2.2 Civic Partner – a group that has a formal and legal relationship through an agreement to provide services, programs and/or manage and care for City assets in conjunction with, or on behalf, of the City.

- 2.3 External Party – an outside company, business, club, organization, etc., with no legal affiliation or belonging to the City.
- 2.4 Advertising – denotes the sale or lease of advertising or signage space on City-owned property. Unlike sponsorship, it involves the use of public advertising contracted at predetermined rates for a set period. Advertising does not imply to any reciprocal partnership arrangement since the advertiser is not entitled to any additional benefits beyond access to the space.
- 2.5 Advertising Agreement - a mutually beneficial, contractual agreement that reflects the business arrangement for the exchange of advertising benefits between the City and an external party for a specified term.
- 2.6 Sponsorship – a mutually beneficial business arrangement or partnership between the City and an external party wherein the external party contributes funds, goods or services to the City in return for recognition, acknowledgement, other promotional considerations or benefits.
- 2.7 Sponsorship Agreement - a mutually beneficial, contractual agreement that reflects the business arrangement for the exchange of sponsorship benefits between the City and an external party for a specified term.
- 2.8 Naming Rights - a type of sponsorship in which an external party purchases the exclusive right to name an asset (e.g. event, park, facility). 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 documented in an agreement signed by the interested parties and has a specified end date to the contractual obligations.
- 2.9 Naming Rights Agreement - the acquisition of the right to name or re-name a City asset as evidenced in a written contract that contains terms acceptable to the City.

- 2.10 Gift - an unsolicited contribution to the City for which there is no reciprocal commercial benefit expected or required from the City. As gifts are unsolicited and do not involve a business relationship, they are separate and distinct from sponsorship and this policy.
- 2.11 Donations – are cash or in-kind contributions which assist the City or improve the City's assets. Donations do not constitute a business relationship since no reciprocal consideration is sought. Donations may include the exchange of value to the City for a tax receipt.
- 2.12 Value Assessment - a determination of the value that a purchaser will receive for specific advertising or sponsorship which may include tangible and intangible benefits.
- 2.13 Value In-Kind - value received in the form of goods and/or services rather than cash.
- 2.14 Asset Analysis - A comprehensive review of an asset's overall value as it relates to advertising and sponsorship opportunities.

### **3. Policy:**

#### **3.1 General Principles:**

- a) An external party may contribute, in whole or in part, funds, goods, or services to an approved City facility, public park, structure, sports field, open space, piece of equipment, program, event, or activity where such advertising or sponsorship is mutually beneficial to both parties and in a manner consistent with existing guidelines and policies set by the City.
- b) The City may engage a third-party marketing agency to assist with the solicitation and management of advertising and sponsorship arrangements providing that:
  - i) The arrangement is financially beneficial to the City;

- ii) A formal legal agreement is executed with the third-party marketing agency;
  - iii) The solicitation and management of advertising and sponsorship agreements is consistent with the guidelines and policies set forth by the City; and
  - iv) Advertising and sponsorship agreements are executed directly between the City and the external party that is purchasing the advertising or sponsorship.
- c) Advertising or sponsorship arrangements must support the goals, objectives, policies, and bylaws of the City and be compatible with, complementary to, and reflect the City's values and mandate. In addition, all advertising or sponsorship agreements shall conform to all applicable federal and provincial statutes.
- d) The City considers the sale of naming rights to City-owned and civic partner-controlled assets including facilities, parks, structures, equipment, programs and events as a sponsorship opportunity and will administer naming rights based on the procedures set forth. If the name is intended for an existing facility name, the City will take into consideration the history and legacy of the current facility name.
- e) Issues regarding the interpretation or application of this Policy are to be referred to the City Clerk and the City Manager.

### 3.2 Application:

- a) This policy applies to all City-owned facilities, parks, structures, equipment, programs and events.
- b) This policy does not apply to:
  - i) Gifts, memorials and unsolicited donations;
  - ii) The sale of advertising on printed materials, which involves only the straight purchase of advertising space sold at marketplace

rates, and does not imply any reciprocal partnership arrangement;

- iii) Third parties who lease City property or hold permits with the City for activities or events;
- iv) Naming rights sponsorship arrangements and advertising license agreements that predate this policy; and
- v) The naming of streets.

c) This policy does not:

- i) Imply endorsement of businesses, products or services by the City; or
- ii) Relinquish ownership or control of program and service delivery, event planning, or facility management by the City.

### 3.3 Guidelines:

a) City Council approval is required for:

- i) All advertising and sponsorship agreements that are of a controversial nature or exceed the approval limits set forth in Bylaw No. 5175, City Administration Bylaw.
- ii) Naming rights proposals for City-owned and civic partner-controlled facilities, parks, structures and equipment.

b) Advertising and general sponsorship agreements shall not exceed a term of five (5) years and naming rights sponsorship agreements shall not exceed a term of ten (10) years unless otherwise authorized by City Council. Naming rights sponsorship agreements will include a sunset clause specifying the duration of the naming opportunity and may be subject to renewal upon mutual agreement.

c) All advertising must meet the provisions set forth in the *Canadian Code of Advertising Standards* and shall not contain material which is likely to cause deep or widespread offence.

- d) The City reserves the right to decline any advertising or sponsorship arrangement. In general, the following arrangements will not be considered by the City:
  - i) External Parties that are not in good standing with the City;
  - ii) Businesses that derive revenue from the production of tobacco, cannabis or alcohol products (except for events and facilities licensed through the Saskatchewan Liquor and Gaming);
  - iii) Companies that promote the use of weapons or other life-threatening products; and
  - iv) Sponsorship or marketing concepts that stereotype or otherwise denigrate individuals or groups.
- e) The City will select the most appropriate advertisers and sponsors using the following criteria:
  - i) Quality and timeliness of product and service delivery;
  - ii) Value of product, service, cash provided to the City;
  - iii) Cost/Risk to the City to service the agreement;
  - iv) Compatibility of products and services with City policies and standards;
  - v) Marketplace reputation of the sponsor;
  - vi) Record of external party's involvement in community projects and events.

#### 3.4 Procedures:

- a) The Parks and Recreation Department will complete an inventory valuation of the City's advertising and sponsorship assets and will create a detailed sponsorship package listing the available opportunities, the rights and benefits being offered and the proposed cost. An asset analysis and value assessment will be completed to determine the value of each asset in the marketplace.

b) Requests to engage in advertising and sponsorship arrangements not listed in the sponsorship package shall be made in writing to the Director of Parks and Recreation and shall include:

- i) The value of all funds, goods, and services to be provided and the recognition to be provided in return by the City;
- ii) The proposed term of the agreement;
- iii) The rights and benefits expected in exchange for their advertising or sponsorship;
- iv) Evidence of community support for proposed names or sponsorship opportunities;
- v) The disposition and ownership of any assets resulting from the potential agreement;
- vi) A detailed plan for the production, installation, and maintenance of assets as well as a plan for ongoing capital costs; and
- vii) The responsibility for insurance, license/permits, safety, security, and public health.

c) All advertising, sponsorship and naming rights will be executed in the form of a legal agreement. The City Solicitors office will ensure the appropriate terms and conditions are included in the agreements and will consider inclusion of the following provisions:

- i) A description of the contractual relationship, specifying the exact nature of the Agreement;
- ii) The term of the Agreement;
- iii) Renewal options, if permitted;
- iv) The value of the consideration and, in the case of in-kind contributions, the method of assessment;
- v) The payment schedule;
- vi) Rights and benefits;

- vii) A clause stating who is responsible for costs associated with the production, installation and maintenance costs associated with advertising signage;
- viii) Release, indemnification and early termination clauses as appropriate;
- ix) Insurance clauses;
- x) Confidentiality terms;
- xi) A statement acknowledging that the sponsorship may be subject to provisions of the Municipal Freedom of Information and Protection of Privacy Act; and
- xii) A statement that all parties are aware of, and agree to comply with, the provisions of this Policy.

#### **4. Responsibilities:**

##### **4.1 City Council – is responsible for:**

- a) Approval of the policy and all amendments.
- b) Approval of all advertising and sponsorship arrangements that are of a controversial nature or exceed the approval limits set forth in Bylaw No. 5175, City Administration Bylaw.
- c) Approval of all naming rights proposals for City-owned and civic partner-controlled facilities, parks, structures and equipment.

##### **4.2 City Manager – is responsible for:**

- a) Approval of all advertising and sponsorship arrangements that are within the limits set forth in Bylaw No. 5175, City Administration Bylaw.
- b) Seeking concept approval from City Council prior to initiating negotiations with a potential sponsor for those projects that may be controversial in nature or that include naming rights.



4.3 Director of Parks and Recreation – is responsible for:

- a) Assessing all proposals to confirm date and duration, sponsor contribution, market value assessment of the contribution and appropriate recognition.
- b) Comparing proposals to ensure consistency with advertising and sponsorship proposal agreements.
- c) Ensuring a process is implemented for tracking and managing all advertising and sponsorship agreements that are executed.
- d) Directing resources to develop and manage an inventory valuation of the City's advertising and sponsorship assets and generating a detailed sponsorship package of the opportunities that are available.
- e) Preparing recommendations to City Council in accordance with the policy.
- f) Ensuring all revenues and expenses pertaining to advertising and sponsorship agreements are included in the annual Department budget requests.

4.4 City Solicitor – is responsible for:

- a) Ensuring all advertising, sponsorship and naming rights are executed in the form of a legal agreement.
- b) Ensuring the appropriate terms, conditions and provisions are included in the agreements.