

	<i>Sponsorship and Naming Rights</i>	
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Policy Statement

The Town of Okotoks (Town) values the economic benefits and social impacts that partnerships through sponsorship, advertising, and naming rights provide to the community. This Policy leverages municipally owned assets to receive financial or in-kind support in exchange for recognition, exposure, advertising, activation opportunities, and/or other marketing benefits for a third party. The Policy outlines the scopes of municipal assets and events that may be considered for sponsorship, advertising, and naming.

Objectives

- To provide accountability and transparency in identifying assets and events that are suitable for sponsorship, advertising, or naming rights.
- To develop mutually beneficial partnerships between the Town and Sponsors with the goal to enrich Town programs, services, and other assets.
- To create an environment that encourages Sponsorship agreements on municipal assets for revenue generation that is open to ideas from potential partners that provides ease to quickly respond to new opportunities as they arise.

1. Definitions

- 1.1. **Advertising** means the sale to an external company, organization, association or individual of advertising space on a municipal asset for the purposes of influencing, education, or informing the public.
- 1.2. **Agreement** means a Sponsorship agreement between the Town and the Sponsor.
- 1.3. **Asset** refers to existing or new programs, events, services, fleet or infrastructure facilities, equipment, publications, online platforms, and other municipally owned items, owned and operated by the Town.
- 1.4. **Asset Bundling** means the grouping together of assets to provide increased benefit to the sponsor and increases efficiencies and revenue to the Town. Asset bundling may include assets across different program areas.

- 1.5. **In Kind Sponsorship** refers to the provision of goods or services to support an event, project, or service where the value of these contributions is quantifiable and, except for events, serves to offset budgetary expenses.
- 1.6. **Naming Rights** is a form of sponsorship where a sponsor's name is added to a Town facility or Town complex for an extended term.
- 1.7. **Program** is any recurring indoor or outdoor activity conducted, sponsored, contracted, or assisted by the Town including, but not limited to public swim, public skate, fitness class, childcare service, educational class, or life skills training.
- 1.8. **Sponsorship** means a mutually beneficial contractual agreement between the Town and an external company, organization, association or individual where the Town leverages a municipally owned asset or event to receive financial support in exchange for recognition, exposure, activation opportunities, and/or other marketing benefits for the third party.
- 1.9. **Sponsorship Band** provides a threshold range of annual sponsorship fees expected and length of term of sponsorship associated with each asset type.

2. Coordination of Sponsorship Activities

- 2.1. The Chief Administrative Officer (CAO), as the sole employee of Town Council, will coordinate and administer a sponsorship program on behalf of the Town in accordance with the provisions of this Policy and report annually or as required to Council.

3. Policy Application

- 3.1. This Policy identifies that:
 - 3.1.1. All sponsorship assets are outlined in the Sponsorship Inventory Assets listing maintained by the CAO; and
 - 3.1.2. Sponsorship agreements shall align with all applicable laws and legislation.
- 3.2. This Policy does not apply to:
 - 3.2.1. Recognizing significant local events, people, or geographic features through the naming of streets, parks, and municipal buildings/facilities considered as commemorative naming;
 - 3.2.2. Unsolicited donations, philanthropic donations or gifts, which are eligible for an income tax receipt; or
 - 3.2.3. Leases for land, buildings, spaces, or leases involving other assets.

4. Sponsorship Guiding Principles

- 4.1. The following general guiding principles for sponsorship include:

- 4.1.1. Target sustainable revenue growth;
- 4.1.2. Enhance and improve Town facilities and services;
- 4.1.3. Safeguard and promote the Town’s brand, values, image, and assets;
- 4.1.4. Support business development and investment in the community;
- 4.1.5. Align sponsorship assets with sponsors to ensure appropriate fit that benefits the Town, the sponsor, residents and/or assets; and
- 4.1.6. Optimize revenue growth through innovative and response approaches to sponsorship development.

5. Sponsorship Bands

5.1. The fee charged for sponsorship will be determined according to current and future anticipated demand for the asset; current and past revenues for the asset; and the number of other assets available in the asset inventory. The following sponsorship bands are to provide a guide for the threshold of fee value and duration for sponsorship of the various asset types:

Sponsorship Band	Description
Principal sponsor	<ul style="list-style-type: none"> • Maximum three (3) per principal asset • Over \$41K per annum* • Minimum five (5) year contract with a preference for a ten year contract • Includes naming rights
Major sponsor	<ul style="list-style-type: none"> • Five (5) to 15 per asset, but may vary • \$25-40K per annum* • Minimum two (2) year contract
Supporting sponsor	<ul style="list-style-type: none"> • Under \$25K per annum*
Community supporter	<ul style="list-style-type: none"> • Transactional*

*amounts exclude applicable taxes

6. Sponsor Benefits and Commitments

- 6.1. Sponsorships must not result in any competitive advantage, benefit, or preferential treatment of the sponsor outside of the terms of a sponsorship agreement.
- 6.2. Sponsors are prohibited from implying that their products, services, or ideas are sanctioned or endorsed by the Town.
- 6.3. Activation and fulfillment costs of a sponsorship are above and beyond the sponsorship rights fees and will be at the sponsor’s expense, unless otherwise identified in the agreement.

7. Sponsorship Costs, Expenditures, and Revenues

- 7.1. Sponsorships must not create ongoing financial obligations for the Town.
- 7.2. Sponsorships must not result in any added costs or expenditures for the Town outside of the terms of the sponsorship.
- 7.3. Where the Town is procuring activation or fulfillment activities on a sponsor's behalf, at the sponsor's expense, the Town's Purchasing Policy will be followed.
- 7.4. When activation or fulfillment of sponsorships results in a tangible product, ownership of that product will default to the sponsor, unless specifically stated otherwise in the agreement.
- 7.5. When activation or fulfillment of sponsorships results in an intangible product or benefit, ownership will default to the Town, unless specifically stated otherwise in the agreement.
- 7.6. In evaluating potential sponsorships, the Town will consider all costs to be incurred when determining the viability of the revenue including, but not limited to, operating, maintenance, production/design fees, disposal value and disposal costs. Where appropriate, the net value of the annual revenues/costs will be considered.

8. Standards and Limitations

- 8.1. The Town reserves the right to refuse a sponsorship with a potential sponsor that, in the sole discretion of the Town, is an inappropriate sponsor for the Town. Examples of inappropriate sponsors may include, but are not limited to those that:
 - 8.1.1. Do not meet the requirements of this Policy;
 - 8.1.2. Do not align with the Town's objectives of providing welcoming and inclusive services and programs to the community;
 - 8.1.3. Could reflect negatively on the Town's public image or prove detrimental to the Town's integrity and/or reputation;
 - 8.1.4. Present a real or potential conflict of interest for the Town or for the potential sponsor;
 - 8.1.5. Do not align with the audience or mandate of a specific asset;
 - 8.1.6. Involve a sponsor who is not in good financial standing with the Town;
 - 8.1.7. Involve a sponsor that is disqualified from doing business with the Town due to on going litigation, prior litigation, or other infringements against the Town;
 - 8.1.8. Involve a sponsor that produces, distributes, sells or promotes products or services that may reflect negatively, at the sole discretion of the CAO, on the Town's public image or be detrimental to the Town's integrity or reputation;
 - 8.1.9. Involve a sponsor that promotes religious, political, or other potentially divisive messages specific to any group or faction; or

- 8.1.10. Involves images or message that are, at the sole discretion of the CAO, violent, offensive, derogatory, prejudicial, hateful, discriminatory, harmful to or intolerant of any specific group or individual.

9. Soliciting Sponsorships

- 9.1. Sponsorships may arise from competitive processes, non-competitive processes, direct solicitation, unsolicited proposals, or through a third party.

10. Internal Sponsorships

- 10.1. A sponsorship asset may be requested to market Town programs and services subject to the following:
 - 10.1.1. Consideration of requests for internal use of sponsorship assets will balance the interests or revenue generation against the need to cost effective marketing, which promote Town programs and services; and
 - 10.1.2. A sponsorship asset may be granted at full cost, at a reduced cost, or at no cost subject to the recommendation of the CAO, that will consider whether the sponsorship asset is unsold and the level of demand, internally and externally, for the sponsorship asset.

11. Legacy Sponsorships

- 11.1. The Town recognizes and appreciates there are existing agreements whether formal or not, including indoor and outdoor assets across the organization. Any existing sponsorships will be inventoried and identified for review and updated to bring them in line with this Policy.