

COUNCIL POLICY

SPONSORSHIP, NAMING RIGHTS, & ADVERTISING



CITY OF
Lethbridge

Policy Number:	CC70
Approved by:	[PENDING COUNCIL APPROVAL]
Effective Date:	Nov. 23, 2023
Next Revision Date:	Nov. 23, 2025
Policy Owner:	ENMAX Centre

PURPOSE

The City of Lethbridge is committed to providing high quality programs and services for residents. To enrich the lives of residents by enhancing projects, programs and services, the City welcomes sponsorship and advertising from qualified businesses and organizations whose support aligns to the City's values and priorities.

POLICY STATEMENT

The purpose of the Sponsorship, Naming Rights, & Advertising Policy is to create an authorized environment and city-wide program for sponsorship and advertising that establishes the principles and conditions under which the City will pursue and accept sponsorship and advertising agreements and that:

- a) Safeguards the City's image, values, priorities, assets and interests;
- b) Aligns with City projects, programs and services;
- c) Provides the City with Guidelines based on recognized industry standards that can be adjusted by the City Manager
- d) Provides guidelines and procedures which facilitate opportunities for sustainable revenue generation.
- e) Provides a base for Operating Parties that have contracted rights to sponsorship of City facilities.

Applications and Exemptions

This policy applies to:

- a) All City business units, departments and divisions;
- b) All City-owned and managed assets including but not limited to built and natural infrastructure, transportation, facilities, events, communications, programs and services, special projects, features (i.e. rooms, ice pads, playgrounds) and other relevant properties;

COUNCIL POLICY

SPONSORSHIP, NAMING RIGHTS, & ADVERTISING



CITY OF
Lethbridge

- c) Commercial naming rights within City owned facilities unless allocated such by dedication;
- d) Paid advertising on City property, at City events and in City publications, unless otherwise assigned to a third party for a specific purpose within a department;
- e) City owned facilities that are leased or operated by a third party for which there are provisions in such lease or operating agreements that this Policy shall apply ("Operating Party").

This policy does not apply to:

- a) Private-public partnerships (P3s);
- b) Philanthropic contributions, gifts or donations;
- c) The City of Lethbridge Naming Authority;
- d) Outgoing grants or sponsorships given by the City;
- e) External grant requirements;
- f) City of Lethbridge Streets, Parks, and areas the City Naming Committee addresses;

General

- a) The City does not endorse the products, services or ideas of any sponsor or advertiser; therefore, any advertising or sponsorship must not communicate the City's endorsement.
- b) Sponsorship and advertising sales are a revenue generation activity intended to provide, net of expenses, additional financial support and/or tax relief from operational expenses. This may apply to new projects and/or current operations and programs.
- c) In order to expedite the sponsorship process, a formal competitive process is not required. However, in the event of a competitive situation between two or more companies with rights and fees being equal, the City will follow an evaluation process, procurement policies where applicable, and develop a matrix by which benefits can be evaluated. The evaluation will include the Department Manager, Sponsorship Representative, and in some cases a working group.
- d) Sponsorships shall take into consideration capacity implications on City staffing and financial resources.
- e) All political advertising must indicate that it is paid by a party or candidate, to avoid any impression that the City is supporting any particular party or candidate.

For specific and up to date Guiding Principles and Conditions please refer to Guiding Principles and conditions are outlined in an attached: City of Lethbridge Sponsorship Guiding Principles.

COUNCIL POLICY

SPONSORSHIP, NAMING RIGHTS, & ADVERTISING



CITY OF
Lethbridge

Sponsorship/Advertising Criteria

- a) Sponsorships and advertising must conform to all applicable federal and provincial statutes and all applicable City bylaws, policies and practices.
- b) Sponsorships and advertising must conform to the standards set out by the Canadian Advertising Standards Council as amended from time to time.
- c) The sponsorship must not unduly detract from the character, integrity, aesthetic quality or safety of a City asset or unreasonably interfere with its enjoyment or use.
- d) The City will consider all sponsorship proposals but retains the discretion not to accept sponsorship from any entity at its sole discretion.
- e) The sponsorship must not confer a personal benefit to any particular City employee, elected official, or an Operating Party.
- f) The City shall retain ownership and control over all City-owned and managed assets.
- g) Benefits provided to the sponsor by the City are limited to those stated in the sponsorship agreement.
- h) The Category Exclusivity rights clause provides exclusivity rights to the asset being sponsored and does not imply exclusivity privileges with the City itself.
- i) Sponsorship Agreements will be developed by the Solicitor's Office in both a template format, and where applicable a specific agreement to unique terms. Where a corporation requires their agreement be used, it is to be reviewed by Solicitor's Office ahead of a finalization.

Restrictions on Sponsorship and Advertising

- a) The City will not solicit nor accept sponsorship or advertising from companies or organizations whose business contradict any bylaw or policy of the City.
- b) The City will not solicit nor accept sponsorship or advertising from companies or organizations that will compromise the City's reputation or the City's public image.
- c) The City will not solicit nor accept sponsorship or advertising from companies or organizations:
 - Whose business is derived from pornography or sexual services;
 - Who promote or sell alcohol, tobacco, or potentially other addictive substances to children and youth;
 - Whose business is derived from armaments and weapons manufacturing or other unsafe products or sale of such weapons excluding recreational firearms;
 - Who are not in good standing with the City (i.e. currently in violation of a bylaw or under litigation);

COUNCIL POLICY

SPONSORSHIP, NAMING RIGHTS, & ADVERTISING



CITY OF
Lethbridge

- That discriminate by way of race, religion, or identity in employment, through its marketing or advertising practices.

DEFINITIONS

The following definitions are provided for the exclusive purpose of this policy and shall not be construed to apply to any other document or context.

TERM	DEFINITION
<u>Advertising</u>	A license or lease of City owned property and space and is universally accepted as a commodity transaction rather than a partnership. Unlike sponsorship, there are no additional benefits and the commercial use and or lease of City space is based on predetermined rates.
<u>Category Exclusivity</u>	Category Exclusivity gives a sponsor the rights to be the only company within its business category (product or service) associated with a property being sponsored. A property can have more than one area of exclusivity and a business may be required to have more than one category of exclusivity such as Telus internet, cellular, home security, TV etc. to cover all their lines of business. The category does not necessarily reflect a title sponsor, but is significant.
<u>Commercial Naming Rights</u>	A type and level of sponsorship whereby a company or organization purchases the <u>exclusive rights in their industry</u> to name a physical structure such as a facility or event with a commercial name, typically for a defined period of time under specific contractual terms.
<u>Donation</u>	Donation is a direct payment or gift in kind to support an organization and its activities with the donor not receiving a benefit. Donations are not sponsorships and not part of this policy.
<u>Operating Party</u>	City owned facilities that are leased or operated by a third party for which there are provisions in such lease or operating agreements that this Policy shall apply.
<u>Pouring and Product Rights</u>	Where applicable pouring or product rights is a type of sponsorship in which a corporation, an organization or an individual purchases the exclusive right to supply beverages or products at a City facility in exchange for financial contribution and/ or other considerations (i.e. providing dispensing equipment) over a long-term agreement.
<u>Recognition</u>	Recognition of a person is not considered sponsorship, or advertising, and is a different program entirely. While this program is important to the community, it will remain with the respective departments that provide a service of recognition for the life of the product, and that asset, will be removed from inventory. Examples of recognition are a

COUNCIL POLICY

SPONSORSHIP, NAMING RIGHTS, & ADVERTISING



CITY OF
Lethbridge

	<p>meeting room dedicated in memory of a respected colleague, or a family that would like a park bench in honour of a particular passed family member. However, in the case of naming a major asset for the purpose that goes beyond recognition, for a period of time that involves payment, then that becomes more than recognition and is considered to be in the realm of a unique sponsorship.</p>
<u>Sponsorship</u>	<p>A mutually beneficial business relationship where a corporation or organization provides a rights fee in cash or in a value in kind arrangement for the right to commercial potential associated with an asset (property) owned by the City.</p>
<u>Sponsorship Asset</u>	<p>A sponsorship asset, also referred to as a 'property', has a broad application which includes but is not limited to real property (buildings/facilities/green space), events, communications (i.e. leisure guide, web site and social media) programs and services, special projects (i.e. volunteer program), features (i.e. rooms, ice pads, playgrounds), pouring assets, and other relevant properties.</p>
<u>Sponsorship Program</u>	<p>A City-wide initiative that will focus on the selling of sponsorship assets determined by departments and sponsorship representatives in a joint effort to generate additional revenue and reduce tax support or enhance services. The policy and guidelines assist in continuity of sponsorships with organizations that operate city facilities separate from the City programs.</p>
<u>Title Sponsorship</u>	<p>The highest level of sponsorship on a property such as an event or program. This level is typically the largest contributor for a property and includes rights to name the property.</p>
<u>Value In-kind Sponsorship</u>	<p>A payment (full or partial) of a sponsorship rights fee in goods or services equal to a cash amount and provided in lieu of cash. Other terms: In kind, VIK, Contra.</p>

RESPONSIBILITIES

Parties involved in sponsorship/advertising decisions undertake the following specific responsibilities. Approval of Sponsorships will follow the aggregate values outlined:

COUNCIL POLICY

SPONSORSHIP, NAMING RIGHTS, & ADVERTISING



CITY OF
Lethbridge

City Council shall:

- I. Approve any sponsorship which:
 - i. Involves the naming or renaming of a City asset in excess of an aggregate investment over \$250,000.
 - ii. Involves the naming or renaming of a City building overall, regardless of sponsorship value.
 - iii. Recommended by the City Manager to go to Council.
 - iv. The provisions of the policy not be satisfied.
- I. Sponsorship may be approved by the following individuals:
 - i. By the City Manager or designate when the aggregate value of the sponsorship is less than \$250,000 and involves a City Department.
 - ii. Operating Parties may approve sponsorship and advertising contracts, other than Naming facilities or structures, as per their own process or policy and within the scope of their contractual agreements with the City.

City Manager shall:

- I. Create and administer Sponsorship and Naming Rights Guidelines to set out and facilitate Sponsorships and Advertising as described in this Policy when applicable. These guidelines are intended and will apply to City Departments.

ENMAX Centre shall:

- I. Be responsible for sponsorships that relate to City Departments:
 - i. Manage the City's sponsorship and advertising program, and provide the authorized personnel to engage in sponsorships for the City;
 - ii. Lead sponsorship and advertising planning, program development, evaluation, and sales in conjunction with City departments and their respective General Managers;
 - iii. Provide program guidance and assistance to support the City's departments and where applicable Boards and Commissions;
 - iv. Provide program information to the general public;
 - v. Ensure communications guideline continuity;
 - vi. Manage city-wide sponsorship and advertising agreements it secures. The stewardship of the sponsorship will be the responsibility by both the department and ENMAX Centre.

COUNCIL POLICY

SPONSORSHIP, NAMING RIGHTS, & ADVERTISING



CITY OF
Lethbridge

-
- vii. Conduct annual policy review and revise the Sponsorship, Naming Rights and Advertising Policy for Council consideration as necessary.

Operating Parties shall:

- I. Abide by the process of contracting with a sponsor which must follow the terms set out in this Policy, they and subject to any contrary terms in their lease or operating agreements, an Operating Party may engage and manage their own sponsorship agreements and do not require involvement by the ENMAX Centre.

PROCEDURES

Accountability

- a) Funds received by the City for sponsorship and advertising throughout City Departments are to be credited to the ENMAX Centre, less any sponsorship cost, programming costs, allocation to reserves as required by the sponsorship or department, which funding those expense items will be provided to the designated department.
- b) An annual tracking record will be kept to provide the outcome of the sponsorship program, and the reduction of tax support and/ or the addition of funds provided for the city departments programs.
- c) In the case of Operating Parties - subject to any contrary terms in their lease or operating agreements, an Operating Party may retain the revenue generated as a result of entering into a sponsorship or advertising agreement for a program or assets outlined in their agreement with the City.
- d) Operating Parties are responsible for all associated expenses related to their sponsorship or advertising agreements they enter into with third parties.
- e) If, during the term of the Operating Party's lease or operating agreement a new asset available for sponsorship or advertising is discovered/created, the Operating Party and the City must determine who will manage such asset, prior to any sponsorship or advertising agreements being entered into for such asset.

Delegation of Authority

- a) The City staff are authorized to enter into sponsorship and advertising agreements pursuant to the sponsorship guidelines.

COUNCIL POLICY

SPONSORSHIP, NAMING RIGHTS, & ADVERTISING



CITY OF
Lethbridge

- b) City Operational departments that are associated with the asset must adhere and work with the sponsorship agreement terms in achieving a successful outcome and maintaining the benefits outlined.
- c) In the case of City Assets and Services contracted to Operating Parties, those Operating Parties are authorized to enter into sponsorship and advertising agreements in accordance with their lease or operating agreement with the City. Any areas not part of the agreement that are being considered for sponsorship or advertising requires consultation with the City, through the City department the Operating Party typically communicates with for approval to proceed.

Documentation

- a) All Sponsorships must be for a fixed term. An agreement must be entered into for each sponsorship arrangement consistent with the size, complexity and scope of the sponsorship and in accordance with the City's policies, procedures, and delegations associated with agreements.
- b) All sponsorship and/or advertising contracts must contain provisions that at a minimum include: insurance, indemnification, force majeure, a set term (time period), financial terms (which are required), morality clause, and a clear outline of the benefits being received in return of financial payment.
- c) All Sponsorships and Advertising Agreements will require a contract. For Sponsorship and Advertising Agreements entered into by the City, there must be consultation with Solicitor's Office to ensure appropriate terms and conditions are being identified. Template sponsorship agreements have been developed.
- d) Operating Parties will develop their own contracts, but they must follow the requirements of this policy. When requested, Operating Parties shall provide their Sponsorship and Advertising Agreements to the City for review.

Evaluation

- a) Any sponsorship and advertising opportunities will be evaluated to determine fit and alignment to the City's image, values and brand and to assess that all provisions in the policy are satisfied.

POLICY REVIEW

This policy shall be reviewed by city council, once per term, as stipulated in *CC1 Policy Development, Implementation, And Evaluation*. The policy or associated procedures may be reviewed sooner if required due to changes in the business or risk environment.

COUNCIL POLICY

SPONSORSHIP, NAMING RIGHTS, & ADVERTISING



CITY OF
Lethbridge

This policy in addition to the review terms in this section, shall also be reviewed following the first two years of the program.

SUPPORTING REFERENCES AND RESOURCES

- Canadian Code of Advertising Standards
- City of Lethbridge Sponsorship Guiding Principles
- The Municipal Naming and Addressing Bylaw

REVISION HISTORY

Review Date	Description
Feb. 7, 2023	New Policy
Nov. 23, 2023	Updated template and formatting for council policies. Updated policy to reflect reference to Operating Parties, minimum standard requirements for contractual agreements, and clarifies roles and responsibilities in relation to processes.