

# City of San Angelo

## Policy for Selling Naming Rights

### I. Purpose

This policy shall apply to the selling or granting of naming rights for any public property owned, controlled or leased by the City of San Angelo, or any feature or component of a City public property (e.g. a playing field in a park or sports complex, a room in a facility, a fountain). The aim of this policy is to:

1. Create a clear and consistent process for entering into agreements with third parties that mutually benefit both parties.
2. Optimize opportunities to generate non-tax revenue for the City and its partners.
3. Ensure the City's stewardship of public assets and interests.

### II. Definitions

A. "Naming Rights" shall mean a type of sponsorship in which a third party purchases the exclusive right to place its name on a City Property or Facility as described herein. Sponsorship naming rights are considered in the commercial context only, in which the naming right is sold or exchanged for cash, goods, in-kind services or other revenue support. This agreement and its terms, including the display of advertising/signage in conjunction with the granting of a naming right, must be documented in a contract between the City (or its lessees, such as the San Angelo Stock Show and Rodeo Association) and the interested party, and shall have a specified end date to the contractual obligations.

B. "City Property or Facility" shall mean any City-owned, -leased or -controlled real property, public facilities such as buildings or parks, and features or attributes of a facility.

C. "Naming Rights Agreement" shall mean a mutually beneficial, contractual agreement that reflects the business arrangement and obligations for the exchange of commercial and/or marketing benefits between the City (or its lessee in the case of the San Angelo Fairgrounds) and a third party for a specified term. Such agreement shall be a written contract evidencing the right to name or re-name City-owned, -leased or -controlled property or facility. All such agreements are to be drafted and/or reviewed by the City Attorney's office prior to consideration by the City Council.

D. "Advertising" shall mean the display of a third party's signage on a City Property or Facility in exchange for cash, goods, in-kind services or other revenue support. The independent contractor with whom the City has contracted to provide

advertising services shall have the exclusive right to sell advertising on City Properties or Facilities. This agreement and its terms must be documented in a contract between the independent contractor and the third party, and shall have a specified end date to the contractual obligations.

### **III. Policy**

**A.** This policy does not apply to existing naming rights agreements, until the term of said agreements expire. Further, the name of the Convention Center shall remain the McNease Convention Center, at least until its next remodeling.

**B.** All naming rights proposals and contracts shall be subject to review and approval by the City Council.

**C.** Naming rights sponsorships will not result in any loss of City jurisdiction or authority.

**D.** The City shall have sole discretion on the number, types and sizes of advertising placed on City property in association with the granting of a naming right. Full graphic designs must be submitted to and approved by the City prior to the installation of any advertising.

**E.** The term of any Naming Rights Agreement shall be not less than five (5) years and no more than ten (10) years. Upon expiration of the term, the third party in the agreement shall have the first right of refusal to enter into a new contract and retain the naming rights of the City property under terms agreed to by both sides.

**F.** The independent contractor with whom the City has contracted to provide advertising services shall, for a percentage of the revenue generated, have the exclusive right to market on the City's behalf naming rights to all City properties with the following exceptions: the San Angelo Coliseum, all other City-owned buildings on the San Angelo Fairgrounds and the sports complex at Rio Concho Community Park. City staff will participate with the independent contractor in the negotiating of naming rights agreements.

**G.** The San Angelo Stock Show and Rodeo Association may solicit and negotiate naming rights agreements for the properties it manages on the San Angelo Fairgrounds. The SASSRA is entitled to a 25% royalty fee from the revenue generated by such agreements. The remaining 75% shall be used by the SASSRA on the upkeep and maintenance of its leased properties on the Fairgrounds and improvements located thereon for the term of its lease agreement.

**H.** The San Angelo Stock Show and Rodeo Association is the only lessee of City property that may solicit and negotiate naming rights agreements. The City's

independent contractor shall have the exclusive right to market naming rights for all leased City properties except those on the San Angelo Fairgrounds. The City Council may grant exceptions for lessees who administer and maintain a City property. If such an exception is granted, the lessee is entitled to a 25% royalty fee from the revenue generated by such agreements. The remaining 75% shall be used by the lessee on the upkeep and maintenance of the leased property and improvements located thereon for the term of its lease agreement.

**I.** The City's independent contractor will bring naming rights offers to the City for its consideration. Terms of naming rights agreements will, with the independent contractor's involvement, be negotiated between the City and the interested third party. Negotiated agreements shall be presented to the City board or commission with oversight of the City Property or Facility for said board or commission's recommendation. That recommendation will be presented to the City Council for its consideration.

**J.** The purchaser of a naming rights sponsorship must pay all costs associated with the production and maintenance of any signage placed on a City property. The naming rights sponsor is also responsible for the costs of installing any electrical connections necessary to illuminate its signage. The City may require separate metering and payment by the naming rights sponsor to recover electric costs based upon the signage installed.

**K.** Upon termination or expiration of a naming rights agreement, the sponsor shall return the City property to its original condition. In the alternative, the sponsor may reach an agreement to leave its signage infrastructure in place, at which time said infrastructure becomes City property.