



September 2, 2014

TO: Board of Mayor and Alderman

FROM: Eric Stuckey, City Administrator *Eric*
Lisa Clayton, Parks Department Director
Monique McCullough, Public Outreach Specialist

SUBJECT: Resolution 2014-38 – Sponsorship Policy for City Properties and City-Sponsored Events

Purpose

The purpose of memorandum is to provide the Board of Mayor and Aldermen (BOMA) with information to consider approval of Resolution 2014-38, adopting a Sponsorship Policy for the City of Franklin.

Background

Undertaking, enhancing and maintaining public improvements and special events can represent a significant financial challenge to the City. City Departments are regularly approached by area businesses that offer to sponsor city events or make a donation toward a city facility. To develop a system to accept these offers as well as help to fund the costs, staff researched the possibility of adopting a sponsorship program to facilitate contributions and in-kind support.

In the proposed program, a committee would periodically recommend to the City Administrator which special events and public improvements to include and possible sponsors. Approved sponsors will enter into an agreement with City. The City Administrator will notify the Board of Mayor and Aldermen of any sponsorships under \$25,000. Sponsorships over \$25,000 would require Board approval.

Sponsorship of events in particular can be especially effective as an outreach tool as a means of accessing a wide range of audiences within the community. It is also an important part of meeting the City's Quality of Life strategic planning initiative while encouraging economic development and tourism. The policy is designed to provide an equitable means for City staff to pursue funds and establish mutually beneficial partnerships for community wide events or projects.

Financial Impact

Adoption of the policy would allow public properties and special events to improve without an impact to the budget.

Recommendation

Approval of Resolution 2014-38 is recommended.

RESOLUTION 2014-38

A RESOLUTION ADOPTING A SPONSORSHIP POLICY TO ENCOURAGE CONTRIBUTIONS AND IN-KIND SUPPORT FOR SPECIFIC CITY PROPERTIES AND CITY-SPONSORED EVENTS FOR THE CITY OF FRANKLIN, TENNESSEE

WHEREAS, the City of Franklin welcomes partnership opportunities that enhance the City's ability to deliver services consistent with and appropriate to the City's mission; and

WHEREAS, sponsorships have the potential to provide an effective means of generating new revenue and resources for the support of City programs, facilities, and events; and

WHEREAS, it is reasonable to seek outside funding in order to maintain valuable and important programs and facilities within specific boundaries and with built-in safeguards against misuse of this policy; and

WHEREAS, this Policy sets out guidelines for entering into sponsorship agreements;

WHEREAS, the Board of Mayor and Aldermen believes it is in the best interest of the City of Franklin to adopt this Policy.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE, AS FOLLOWS:

Section 1. The Board of Mayor and Aldermen hereby adopt the Sponsorship Policy, attached as Exhibit A.

Section 2. Changes or revisions to the Sponsorship Policy hereby adopted may be made by the City Administrator.

Section 3. The Sponsorship Policy shall be effective upon the passage of this Resolution.

Adopted this ____ day of _____, 2014.

ATTEST:

CITY OF FRANKLIN, TENNESSEE

BY: _____
ERIC S. STUCKEY
CITY ADMINISTRATOR/RECORDER

BY: _____
DR. KEN MOORE
MAYOR

APPROVED AS TO FORM BY:

Kristen L. Corn, Staff Attorney

City of Franklin, Tennessee – Sponsorship Program

Purpose

Undertaking, enhancing and maintaining public improvements and special events at a level desired by resident and corporate citizens represents a significant financial challenge to local governments. To help fund these costs, the City of Franklin (the “City”) adopts this sponsorship program to facilitate corporate and other private contributions and in-kind support through the use of appropriate recognition for specific public improvements, properties or portions thereof, or special events. The goal of the program is to balance public and private interests in a way that does not diminish the overall public investment in special events and in the use of City property and facilities. This program establishes guidelines and procedures for approval of recognition that will protect the City’s interests while ensuring an equitable exchange of promotional value for private investment from private companies or not-for-profit organizations. The guidelines address the minimum criteria and expectations of the City and interested parties; the method for determining the level of sponsorships for specific special events or public improvements; expectations for the solicitation of private funds by third party groups for the benefit of the City; and other conditions, including but not limited to signs used for recognition.

Definitions

1. “Sponsor” shall mean a private party, such as a business entity, organization, foundation, individual or family, who provides a sponsorship as defined herein.
2. “Sponsorship” shall mean a mutually beneficial arrangement between the City and a sponsor, wherein the sponsor provides cash and/or in-kind services to the City and in return receives marketing exposure or other appropriate recognition from the association with the City.
3. “Sponsorship Agreement” shall mean a mutually beneficial, contractual agreement that reflects the arrangement for the exchange of donations and marketing or other recognition between the City and a sponsor.

Guidelines

The following standards and procedures shall apply for soliciting and accepting sponsorships. This program shall not apply to the receipt of grants, contributions or unsolicited donations to the City in which no marketing benefit or other recognition is expected by the private donor.

1. **Authorization** - The City Administrator shall approve the public improvements, properties, and special events eligible for sponsorships and associated recognition, along with the minimum contribution amounts for each improvement. The City Administrator may implement procedures necessary to carry out the intent of this program. In addition, the following parameters shall apply:
 - a. No Sponsorship Agreement shall be entered into that could adversely affect the exclusion of interest on any tax-exempt bonds or other obligation issued by the City.
 - b. Public improvements and properties eligible for sponsorship shall include structures, facilities and improved or unimproved properties owned by the City. Such improvements include, but are not limited to, meeting, conference and other public use rooms; roads, bridges and parking lots and structures; park areas, bikeways and trails; lookout points, gardens, meadows and other unnamed topographic features; athletic fields, basketball courts and scoreboards; picnic shelters and benches. Eligible events shall include community-wide events where the City is the primary or a major coordinator.
 - c. To the greatest extent practical, the designated amount of an individual sponsorship shall take into consideration the cost of the event or public improvement, the exposure of the improvement to the public, and the length of the sponsorship for an event.
 - d. No special event sponsorship shall have a duration greater than five years.
 - e. The City is under no obligation to recognize a sponsorship unless and until it has received payment in full for the sponsorship or, in the event the sponsorship duration exceeds one year, then unless and until it has received payment in full for the first year of the sponsorship.
 - f. Donations received by the City from sponsors shall be accounted for in a "Sponsorship Reserve" account maintained by the Finance Department.
 - g. Funds received shall only be used for purposes authorized in the annual operating or capital budget approved by the Board.

- h. The Board of Mayor and Aldermen may periodically review and revise the guidelines of this program.
 - i. The Board of Mayor and Aldermen, by adoption of a resolution, may deviate from this program and approve customized sponsorship agreements with recognition tailored to unique circumstances outside the overall scope and guidelines in this program.
2. **Responsibility** – Primary responsibility for the solicitation and negotiation of sponsorships within the parameters of this program shall lie with the City Administrator, provided that the City Administrator may designate other staff members to carry out such tasks for individual events, programs, projects or facilities. The City Administrator shall be responsible for ensuring that all staff members involved in the process understand the requirements of this program and sponsorship expectations and practices. To assure adherence to this program and to further its goals and intent, the following procedures are established:
- a. A committee shall periodically assemble as directed by the City Administrator or the City Administrator’s designee to: (1) develop, for consideration and approval by the City Administrator, a proposed list of special events, public improvements, and properties eligible for sponsorships, along with the minimum contribution amounts for each improvement; (2) identify potential sponsors; and (3) review sponsorship offers. The committee shall provide recommendations to the City Administrator for acceptance. The ad hoc committee shall consist of:
 - i. The Communications Manager;
 - ii. Public Outreach Specialist;
 - iii. The head or other designated representative of the department or division which would benefit from proposed sponsorships of the event or eligible public improvements or properties; and
 - iv. Finance Department representative;
 - b. The committee shall work with the Law Department to ensure the contractual obligations are fulfilled according to this program.
 - c. The committee shall work with the Finance Department to ensure that the City is in compliance with Federal and State requirements with respect to any proposed Sponsorship Agreement.
 - d. The committee shall work with the Finance Department to facilitate the accounting of funds collected, including communication of the terms of

- payment for each sponsorship agreement and due dates for multi-year pledges.
- e. The committee shall review and approve all signage related to the recognition of sponsors of designated events, public improvements and properties.
 - f. The City Administrator or his/her designee shall review and approve sponsorships in accordance with the guidelines in this program and the approved list of events, public improvements and properties eligible for sponsorship. A written report shall be provided to the Board within 30 days of the approval of a sponsorship.
3. ***Third Party Fund Raising*** - The solicitation of sponsorships for events or authorized public improvements by not-for-profit groups and foundations shall be permitted, provided:
- a. All requirements and expectations in this program are met.
 - b. The soliciting group or foundation enters into a written agreement with the City, approved by the Board, prior to soliciting or arranging any sponsorships and associated recognition. The agreement shall specifically address the orderly transfer of funds collected by the third party to the City.
 - c. In no event shall the soliciting group or foundation commit to recognition for special events or public improvements to a third-party sponsor without the advance approval of the City Administrator or his/her designee.
4. ***Criteria for Sponsorships*** - All sponsorships of events or public improvements or property with a monetary or in-kind service value of \$500 or greater shall be implemented through a written agreement, signed by the sponsor and acceptable to the Law Department, that complies with the requirements and expectations of this program, and of the requirements of state and local laws and regulations. The following criteria are to be addressed in the sponsorship agreement and/or in other documents relating to the sponsorship:
- a. Name and location of public improvement or property or name, date, and location of special event.
 - b. Amount or value of donation.
 - c. Dates indicating terms of agreement, including provisions for termination and renewal if applicable.

- d. Details of the exchange of benefits, including what will be provided by the sponsor to the City, and what will be provided by the City to the sponsor, including sponsorship recognition signage.
 - e. A timeline for payment of donations. In no event shall a pledged donation of less than \$25,000 in cash or in-kind services be fulfilled in installments extending for a period greater than three (3) years, nor shall a pledged donation of \$25,000 or more in cash or in-kind services be fulfilled in installments extending for a period greater than five (5) years.
5. ***Prohibited Sponsors*** - The City shall have the sole authority to decide upon the appropriateness of a proposed sponsorship agreement. The City reserves the right to refuse to enter into any agreement when it is determined not to be in the City's best interest. The following businesses and organizations are not eligible for sponsorships:
- a. Companies whose business is primarily derived from the sale of alcohol, tobacco, firearms or pornography; or an adult-oriented establishment, as defined in the Franklin Municipal Code.
 - b. Religious and political organizations and campaigns.
 - c. Any organization that discriminates in its policies, practices or activities on the basis of race, color, disability, creed, sex, national or ethnic origin, or age.
 - d. An organization that promotes any illegal activity as defined by federal, state and local laws.
 - e. Companies or firms who intend to submit a bid or proposal to provide work on the public improvement to be sponsored, or on a closely related public improvement or property, and other companies, firms or organizations whose sponsorship might appear to result in a conflict of interest; provided that the City Administrator may exercise discretion in determining whether the potential conflict is significant enough to warrant declining the sponsorship.
 - f. Any other potential sponsor whose public image might detract from the public improvement or property to be sponsored.
6. ***Recognition of Sponsors***: - The City shall provide a sign or plaque recognizing the sponsor at or near the public improvement or property. The City shall consult with the sponsor regarding the specific content and design of the sign, but any such signage shall be consistent with the design and scale of existing signage, if the sponsored item is within an existing City facility, or with the signage plan approved during the design phase, if the sponsored item

is within a planned new City facility. In all cases, the City reserves the right to make the final decision on scale, editorial content, placement, and appearance.

Subject to the sponsor providing camera-ready artwork acceptable to the City, the recognition message may include the logo, trademark, and/or slogan of the sponsor, but the wording shall not be used to promote or endorse the products or services of the business or organization. The City shall pay for the cost of the production, installation, and maintenance of the recognition sign or plaque. The City shall pay for the cost for removal at the end of the term of the agreement. Notwithstanding the foregoing, if the sponsorship agreement is terminated by the sponsor before all sponsorship funding or services have been received, or by the City due to a breach of the agreement by the sponsor, the City may require the sponsor to pay or reimburse the City for the cost of removing recognition signage. Upon termination of a sponsorship, the City may also remove references to the sponsorship on websites and published materials of the City, and the sponsor shall remove references to the sponsorship on any websites or published materials of the sponsor.

Should the name of the sponsor be changed or the business activity of the sponsor be acquired by another company or organization, any desired signage changes or other costs related to a change in the sponsor's name must be paid by the sponsor or sponsor's successor.

- 7. *Changes and Replacements*** – The City shall have no obligation to maintain a special event or a public improvement or retain ownership of any property in perpetuity. The City reserves the right to make modifications to or to replace any special event or public improvement in conjunction with programming changes or capital improvement plans of the City. The City shall make good faith efforts to maintain improvements and property that are sponsored under this program for the depreciable life of the improvement or until the City determines that the improvement is no longer useful to the City, whichever period is shorter. Sponsorship recognition shall expire when the sponsored improvement or property is destroyed, replaced or sold, unless renewal of the sponsorship of a public improvement has been agreed to by the sponsor and the City. Notwithstanding the foregoing, the Board may authorize the acceptance of sponsorships under terms that deviate from the terms of this section, if it is determined that the sponsorship will nonetheless be to the City's advantage and such terms are included in the sponsorship agreement.

8. ***Additional Rights and Limitations of City and Sponsor*** – All sponsorships under this program are subject to the following additional terms and conditions:

- a. Sponsorship of a special event or public improvement, facility or property does not allow the sponsor control or authority over the public improvement, facility, or property.
- b. Sponsorship under this program does not constitute a partnership with or an endorsement by the City of the sponsor's organization, products, or services; however, this does not preclude the City, subject to the sponsor's agreement, from publicizing the sponsorship, the amount of the donation, the benefits derived to the City, etc.
- c. Any use by the sponsor of materials or communications containing the City of Franklin name, seal or other identifying logo or mark in formats such as print, video, Internet, broadcast or display items to promote the sponsorship must be approved in advance by the City.
- d. The City may suspend, modify or terminate the sponsorship, including recognition as it deems necessary if the intent of this program and the commitments of the sponsor are not met. The same shall apply in the event of any publicity concerning the sponsor or its affiliates which the City reasonably deems to have (or will be likely to have) a negative impact on the City.
- e. In the event a sponsor fails to fulfill the sponsor's obligations under the sponsorship agreement or the sponsorship agreement is terminated before all sponsorship funding or services have been received, the City may pursue any and all available legal remedies for the collection of any unreceived sponsorship obligations.
- f. Sponsorships shall be non-exclusive unless the City engages in a competitive process.
- g. Sponsorships shall be understood as stand-alone arrangements and shall have no bearing on any other interest, financial or otherwise, by either party in the other party.