



# CITY POLICY

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**POLICY NUMBER: C477A**

**REFERENCE:**

City Council 1999 11 15

**ADOPTED BY:**

City Council  
6 March 2007

**SUPERSEDES:**

C477

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**PREPARED BY:** Community Services Department

**DATE:** 6 February 2007

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**TITLE:** Facility Name Sale

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**Policy Statement:**

Selling the name of a City of Edmonton facility to an external organization or corporation provides a means of generating new revenues and alternative resources to assist in the construction, support and/or provision of City of Edmonton facilities.

While the City of Edmonton will not actively seek proposals for existing facilities, the City of Edmonton may proactively pursue name sale opportunities for new recreation facilities and for elements of current and future facilities.

In the event the City does need to consider proposals, name sale agreements shall be established in a manner that safeguards the City's assets and interests, that enhances access and fairness, and that results in the optimal balance of overall benefits to the City and the community. The Naming Committee and Edmonton Historical Board shall be consulted regarding proposed names.

A corporation or external organization may become the namesake of a new municipal facility or elements of an existing or future municipal facility as recognition for its financial support, where such support is mutually beneficial to the City, corporation or external organization and community, and consistent with all aspects of existing city guidelines, bylaws and policies.

City facilities must be link only with external organizations that are compatible with, complementary to, and reflective of the City's values and mandated.

The City's profile and responsibility as owner/operator of the facility must be ensured through the agreement with the external organization or corporation.

Concept approval for Administration to explore a name sale opportunity with a potential partner must be obtained from City Council.

A Naming Rights Agreement may not compromise the City's ability to carry out its functions fully and impartially. The granting of Naming Rights will not entitle a Naming Entity to preferential treatment by the City outside of the Naming Rights Agreement.

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This policy is subject to any specific provisions of the Municipal Government Act or other relevant legislation or Union Agreement.

The City will not relinquish any aspect of its right to manage and control a Civic Facility through a Naming Rights Agreement.

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**The purpose of this policy is to:**

Establish circumstances under which Administration may proactively pursue facility name sales and a consistent approach and guidelines for assessing facility name sale opportunities.



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## 1. DEFINITIONS

- 1.01 Sponsorship - a mutually beneficial business arrangement or partnership between the City of Edmonton and an external party (individual, company, organization or enterprise), wherein the external party contributes funds, goods or services to a City of Edmonton facility in return for recognition, acknowledgement, other promotional considerations or benefits.
- 1.02 The City - means the City of Edmonton, its departments and staff.
- 1.03 Naming Rights - the right to name a piece of property, or parts of a property granted in exchange for financial considerations.
- 1.04 Naming Committee- a committee appointed by City Council responsible for any name affixed to a City of Edmonton building or open space.
- 1.04 Edmonton Historical Board- a board appointed by City Council that advises City Council on matters relating to City of Edmonton historical issues and civic heritage policies.
- 1.05 Municipal Facility - refers to any building, structure or area of land owned by or under the direction and control of the City of Edmonton, including among other things: leisure centres, sports and fitness facilities, arenas, parks, park amenities, branch libraries, exhibition facilities and bridges.
- 1.06 City Manager – person appointed as such pursuant to Bylaw No. 12005.
- 1.07 Operating Agency – any board or agency, other than a City department, which has the responsibility for managing a municipal facility.
- 1.08 Ethical Screening Report – an independently commissioned report, conducted by an Ethical Screening agency on behalf of the City of Edmonton, which profiles the organization's ethical practices.
- 1.09 Sponsorship Broker – an external agency responsible for assessing market value of naming rights and negotiating with the potential partner on the City's behalf.
- 1.10 Development Officer – a City of Edmonton staff member responsible for ensuring compliance with building and development regulations.

## 2. PROCEDURES

- 2.01 City Manager/Operating Agency shall:
  - a) Ensure procedures are in place and adhered to, to implement the Facility Name Sale policy C477A.



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- b) Be responsible for assessment of any Name Sale opportunity.
  - c) Serve as the City of Edmonton contact for receipt of Name Sale proposals.
  - d) Seek concept approval from Council prior to initiating negotiations with a potential partner.
  - e) Conduct the necessary review and analysis of Name Sale proposals pursuant to this policy.
  - f) Oversee public consultation processes to measure community support for the Name Sale.
  - g) Prepare and present a report for City Council on the Name Sale agreement addressing how it meets criteria outlined in this policy.
- 2.03 Naming Committee shall:  
Be consulted regarding the proposed name.
- 2.04 Edmonton Historical Board shall:  
Be consulted regarding the proposed name
- 2.05 Corporate Services Department shall:  
Provide assistance in evaluating and negotiating Name Sale proposals and preparing Name Sale agreements.
- 2.06 Community Services Department shall:  
Pursue Name Sale proposals for new recreation facilities and elements within facilities.
- 2.07 Development Officer shall:  
Review the Name Sale proposal to determine whether or not it conforms to the Land Use Bylaw.
- 2.08 Concept approval for Administration to explore a Name Sale opportunity is sought from City Council.
- 2.09 Depending on the estimated value of the naming rights, a Sponsorship Broker may be retained to initiate negotiations with the potential partner on the City's behalf and/or to confirm market value of the facility's naming rights.
- 2.10 The external organization or corporation provides details regarding their sponsorship contribution, the value of the contribution and recognition desired including signage expectations and specifications.



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- 2.11 A confidential ethical screening report on the potential partner may be commissioned by the City of Edmonton.
- 2.12 The Naming Committee is consulted regarding the proposed Name in the Name Sale agreement.
- 2.13 The Edmonton Historical is consulted regarding the proposed Name in the Name Sale agreement.
- 2.14 A public consultation process is initiated to determine the level of community support for the Name Sale.
- 2.15 An assessment of the proposed Name Sale agreement using the criteria outlined in this policy is conducted by the City Manager.
- 2.16 A report on the Name Sale Agreement complete with the Naming recommendation is presented to City Council.
- 2.17 If City Council's approval is obtained, the City Manager will prepare a formal agreement.
- 2.18 Exempt Facilities  
City of Edmonton public facilities that have been constructed and/or operated through a partnership agreement including privately operated facilities in a Public-Private Partnership where the agreement provides conditions specific to naming rights and approvals

## GENERAL PRINCIPLES

- 3.01 Administration will not actively solicit name sale proposals for existing facilities.
- 3.02 Administration may proactively pursue name sale proposals for new recreation facilities and for elements of current and future facilities.
- 3.03 Name Sale agreements shall be established in a manner that is organized and consistent that safeguards the City's assets and interests, that enhances access and fairness, and that results in the optimal balance of overall benefits to the City and the community.
- 3.04 A corporation or external organization may become the namesake of a new or existing municipal facility as recognition for its financial support, where such support is mutually beneficial to the City, corporation or external organization and community, and consistent with all aspects of existing City guidelines and policies.
- 3.05 City facilities must be linked only with external organizations that are compatible with, complementary to, and reflective of the City's values and its mandate.



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3.06 The City's profile and responsibility as owner/operator of the facility must be ensured through the agreement.

## 4. EVALUATION CRITERIA

4.01 In accordance with City of Edmonton purchasing procedures, an external organization or corporation interested in acquiring facility naming rights will be assessed using the following evaluation criteria:

- a) the compatibility of party's products, customers and promotional goals;
  - b) the record of involvement in community projects, events – a willingness to participate;
  - c) the desirability of association – the image;
  - d) the timeliness or readiness to make a deal;
  - e) the actual value in cash, or in kind, of the proposal;
  - f) the term of the agreement;
  - g) the organization should not derive all or a portion of its income from products which are harmful or destructive to the environment;
  - h) the organization should encourage progressive industrial relations with all members of its staff or employees;
  - i) the organization should not conduct a significant portion of its business in, or with, a country or countries that do not provide racial equality within its or their political boundaries; and
  - j) the organization should demonstrate a commitment to environmentally responsible practices, be in compliance with environmental regulations set by governments or be in the process or significantly improving its environmental record.
- 4.02 A public consultation process must confirm community support for the Name Sale.
- 4.03 The support provided must equal current market value of the facility's naming rights.
- 4.04 The recognition desired by the organization is consistent with City policies, procedures and bylaws.

## 5. NAMING RIGHTS AGREEMENTS

5.1. Naming Rights Agreements will be in the form of a legal contract and should contain:



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- a) A description of the contractual relationship, specifying the exact nature of the agreement;
- b) The term of agreement;
- c) Renewal options, if any;
- d) Value assessment, including cash, in-kind goods and services (and method of evaluating in-kind contributions);
- e) Payment schedule;
- f) Any commissions to be paid, accompanied by a payment schedule;
- g) Rights and benefits;
- h) Agreement to remove or cover signage for a limited period and only during an event where the City has a legal obligation to ensure sites are free of corporate signage;
- i) Release, indemnification and early termination clauses;
- j) Insurance clauses; and
- k) Confidentiality terms.