



## **Board Policy No. 457**

### **Sponsorship and Naming Rights**

**ADOPTED:** 06/08/16

**RECENT AMENDMENT:** (Retyped)

**SEE ALSO:** 451

**SUBJECT CATEGORY:** SECTION 400, OPERATIONS

**SUBSECTION:** MARKETING

**CONTROL DEPARTMENT:** MARKETING

#### **I. PURPOSE**

The purpose of this policy is to establish processes and guidance to the Alameda-Contra Costa Transit District (“AC Transit” or “District”) staff in the development of sponsorships and naming rights for transit services, transit information, transit vehicles and facilities. The policy will direct all District sponsorship and naming rights activities regardless of the value or purpose of the sponsorship or naming rights.

#### **II. DEFINITIONS**

**“Transit Services”** means routes, corridors, service types or geographically specific service provided by the District.

**“Transit Information”** means printed or digital information provided by the District including but not limited to websites, schedules, maps, mobile applications, how-to-ride guides, fare schedules, social media channels, etc.

**“Transit Vehicles”** means rolling stock owned or leased by the District and used in revenue service.

**“Facilities”** means any real estate assets owned by the District.

**“Sponsorship”** means a commercial arrangement whereby a sponsor provides a cash or in-kind contribution to support a service, facility, information or vehicle of the District in return for certain specified benefits.

**“Sponsor”** means the person or entity that is sponsoring the District’s service, facility, information or vehicles.

**“Naming Rights”** mean a commercial arrangement whereby a sponsor provides cash or in-kind contribution to receive the right to name a transit service or facility.

#### **III. POLICY**

##### **A. Scope of Policy**

This policy applies when the District is contracting to provide sponsorship or naming rights assigned to a third party in exchange for either cash or in-kind products or services. Applicable District assets include transit service, transit information, transit vehicles and facilities.

**B. Guiding Principles**

This policy establishes a transparent and objective process for reviewing, negotiating and entering into sponsorship and naming rights agreements that generate financial benefits to ensure the District receives proportional value, and attains one or more of the following strategic principles that:

1. Strengthen the District's reputation;
2. Enhance the customer experience or environment;
3. Support the District's overall goals, or
4. Generate new ridership.

Acceptance of a sponsorship or naming rights does not imply the District's endorsement of the sponsor's products or services.

**C. Criteria and Eligibility**

Sponsors, those seeking naming rights, or those underwriting services or programs must meet the following criteria:

1. Be a business already established in the U.S. or have fulfilled all legal requirements/compliance to establish a business within the U.S.;
2. Established for at least two (2) years;
3. Be able to provide evidence of financial stability by providing audited financial statements;
4. Have a proven history of no fraudulent or unethical behavior or business practices;
5. Present a satisfactory record of ~~sponsorship~~ contractual performance, and,
6. Be in compliance with AC Transit Board Policy 451 – Advertising on District Property.

**D. Evaluation**

To ensure that the District receives fair market value for sponsorships or naming rights, the District will evaluate each offer using the following standards:

1. Monetary/financial or in-kind Contribution offer or proposal;
2. Determination of no conflicts with existing sponsorships or naming rights agreements;
3. Tangible benefits to the District and its riders;
4. Supportive of the AC Transit brand;
5. Creates long-term value for the District;
6. Provides opportunities to cross promote the District's service with the sponsor's projects or services;
7. Sponsor's products and services have audiences similar to the District's current or prospective market; and
8. The sponsorship opportunity provides the District with the ability to promote social responsibility.

While each of the above standards shall be considered in the evaluation, it is not implicit that sponsorship and naming rights proposals meet the collective standards in order to be deemed of proper value to the District.

#### **E. Approval Process**

Any sponsorship or naming rights proposal must meet one or more of the principles, and all criteria and eligibility requirements stated in this policy. District staff will determine if the proposal is reasonable in relation to the fair value of similar sponsorships and related out-of-home advertising exposure in the Bay Area.

District staff shall make provisions to recover the cost of changing any branding elements from the sponsor to accommodate sponsorships or naming rights agreements from the sponsorship value.

In the event a sponsor makes a cash or in-kind donation and does not specify a service or facility to which it shall be allocated, District staff can assign such resources to facilities, projects and/or services at its sole discretion.

District sponsorships and naming rights will be allocated on a first-come basis unless a sponsor specifically requests a service or facilities for sponsorship or naming rights.

The District's General Counsel will review each proposal to determine that no conflict of interest exists.

All sponsorship and naming rights proposals will be presented to the AC Transit Board of Directors for final approval.

#### **F. Sponsorship and Naming Rights Notification and Reporting**

To ensure transparency, the District will notify the public of its intent to enter into all sponsorship or naming rights agreements covered under this policy prior to final Approval by the Board of Directors. This notification will be made via Legal Notices in the EAST BAY TIMES and ~~ADVERTISING-AGE~~ AD AGE at least 30 days prior to the expected Board of Directors approval of the sponsorship or naming rights agreement.