

*STAFF REPORT**CITY OF OCEANSIDE*

DATE: March 14, 2012

TO: Honorable Mayor and City Councilmembers

FROM: Neighborhood Services Department

SUBJECT: **APPROVAL OF NEW CITY COUNCIL POLICY 600-06, POLICIES AND PROCEDURES FOR SPONSORING RECREATION AND PARK FACILITIES AND PROGRAMS**

**SYNOPSIS**

Staff recommends that the City Council approve new City Council Policy 600-06 for the sponsorship of recreation and park facilities and programs.

**BACKGROUND**

The City of Oceanside has historically received small sponsorships for Recreation events such as the Senior Citizen's Expo in order to recover event expenses. In 2009, the City Council supported and approved City Council Policy 600-05 for the Cost Recovery of Parks and Recreation Services. A sponsorship policy is recommended to further the implementation of cost-recovery efforts.

**ANALYSIS**

A sponsorship program is necessary for the generation of revenue to recover necessary costs for recreation facilities and parks and to supplement the General Fund to ensure quality of programming for the City's residents. Sponsorship programs require formal policies to ensure a City government retains certain control measures with regard to its services and facilities, particularly with regard to City image and healthy representation of business partners to youth, families, and all residents.

Sponsorships shall be solicited by the City through a Request for Proposal process and shall be the result of an identified need for revenue generation by staff. The following are types of sponsorships that may be identified by staff:

Type of Facility or Program	Purpose of Sponsorship
Egg Hunt	Funds to supplant the General Fund in order to provide the event/activity

Scholarship Program	Funds to assist youth in enrolling in sports and other programs
Skatepark or Trail	Recover maintenance costs or assist improvements/enhancements
Surf Camp	Recover costs or purchase new equipment
Swimming Pool or Sports Field	Recover maintenance costs or purchase new equipment

The purpose of this Sponsorship Policy is to:

- Establish guidelines related to donations, sponsorship, and promotion of City-sponsored Recreation programs, events, activities, facilities, and parks.
- Ensure that the City image and the overall health and well-being of the participants, residents, and youth are considered when promoting City events and accepting donations and/or sponsorships.
- Create a framework within which non-City programs, events, and activities should proceed within City facilities and parks.

The purpose of Donations and/or Sponsorships is to:

- Create revenue in support of City Recreation Services while creating valuable business support of programs, events, activities, facilities, and parks.
- Provide an avenue to connect with the business community through in-kind support for industries which have a positive and connected purpose to the market of participants in the subject program, event, activity, facility, or park.
- Provide a mutually beneficial public/private collaboration to advance the goals, objectives and purpose of the program, event, activity, facility or park, and the sponsor.

The Sponsorship Policy establishes the following:

- a. Public facilities affected and not affected by the Policy;
- b. Sponsor minimum criteria;
- c. Approval levels of sponsor agreements;
- d. Process for Request for Proposals; and
- e. Sponsor Benefits and Signage

The approval levels as established by the policy are the same as procurement levels of authority and are as follows:

<b>Approval Level</b>	<b>Approval Authority</b>
\$1 to \$25,000	Department Director
\$25,001 to \$50,000	City Manager
\$50,000 and above	City Council

**FISCAL IMPACT**

The proposed City Council Policy for Sponsoring Recreation and Park Facilities can generate much needed revenue to supplement the General Fund for existing and new recreation programs, events, activities, facilities, and/or parks. All anticipated revenues are required by the Policy to be budgeted in the City's annual budget or shall seek a City Council budget amendment to be included in the budget regardless of approval levels.

**COMMISSION OR COMMITTEE REPORT**

The Parks and Recreation Commission will discuss this item at their next regularly scheduled meeting on March 13, 2012.

**CITY ATTORNEY'S ANALYSIS**

The referenced documents have been reviewed by the City Attorney and approved as to form.

**RECOMMENDATION**

Staff recommends that the City Council approve new City Council Policy 600-06 for the sponsorship of recreation and park facilities and programs.

PREPARED BY:

SUBMITTED BY:

  
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REVIEWED BY:

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Attachment: New City Council Policy 600-06

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**SUBJECT:**

**Policies and Procedure for  
Sponsoring Recreation and Park Facilities**

**POLICY NUMBER 600-06  
ADOPTED 3-14-12**

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It is the policy of the City Council of the City of Oceanside that identification of facilities that should be sponsored and the manner in which sponsors may be selected should follow the process and guidelines as established by and set forth in this policy.

**Public Facilities Affected by Policy**

The public facilities affected by this City Council policy are:

- A. Parks: City-owned facilities utilized as recreation or open space sites and trail areas. Park sites include developed park areas only.
- B. Recreation Facilities and Amenities: City-owned facilities used primarily for sports, recreation and leisure activities, including, without limitation; recreation centers, athletic fields, pools, community centers, trails, skate parks, and gymnasiums.
- C. Other: City-owned facilities other than those designated for sports, recreation and leisure activities may be indirectly affected by the Policy when a recreation and/or leisure activity or event is the recipient of sponsorship (e.g., surf camp).

**Public Facilities Not Affected in Policy**

The public facilities not affected by this City Council policy are:

- A. Buildings: City-owned facilities used for City administration or other City business. Such facilities include, without limitation, the Civic Center, City Council Chambers, police facility, fire facilities, communications center, beach, harbor and pier facilities, and libraries.
- B. Support Facilities: City-owned facilities that support field operations. Support facilities include, without limitation, the operation yard and water and wastewater pump stations.

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## **Purpose**

The purpose of this Sponsorship Policy is to:

- Establish guidelines related to donations, sponsorship, and promotion of City-sponsored Recreation programs, events, activities, facilities, and parks.
- Ensure that the City image and the overall health and well-being of the participants, residents, and youth are considered when promoting City events and accepting donations and/or sponsorships.
- Create a framework within which non-City programs, events, and activities should proceed within City facilities and parks.

The Purpose of Donations and/or Sponsorships is to:

- Create revenue in support of City Recreation Services while creating valuable business support of programs, events, activities, facilities, and parks.
- Provide an avenue to connect with the business community through in-kind support for industries which have a positive and connected purpose to the market of participants in the subject program, event, activity, facility, or park.
- Provide a mutually beneficial public/private collaboration to advance the goals, objectives and purpose of the program, event, activity, facility or park, and the sponsor.

## **Sponsor Minimum Criteria**

As part of its Healthy Cities philosophy, the City places a high priority on promoting a healthy community for all residents. Consistent with this commitment, the City of Oceanside will not accept money intended to promote or support programs, events, activities, facilities/parks, services or products that may be detrimental to the public health, safety or well-being, or that are not intended or recommended for the consumption, possession, or use by minors.

City programs, events, activities, and facilities/parks which are intended for a multi-generational purpose and/or use shall consider the minor participants as the threshold for which donations and/or sponsorships are appropriate under this policy.

The City of Oceanside recognizes that not all sponsorships are created equally. Every sponsorship solicitation shall consider the need of the sponsor as well as the City's need to maintain the City image and healthy promotion of community programs, events, facilities, and parks. Likewise, every sponsorship solicitation shall be deliberate in considering the needs that constituted the solicitation in the first place.

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Each sponsorship solicitation shall have individual specifications in addition to the following as the leading guidelines and primary considering factors ("Sponsor Minimum Criteria"):

1. The sponsor must have a healthy purpose and/or connection to the target market that will further promote the goals, objective, or purpose of the program, event, facility, or park.
2. The public/private collaboration must foster a healthy business relationship and create a WIN-WIN-WIN for the City, the Sponsor, and the Target Market.
3. The sponsorship must cover the required costs which constituted the need for the sponsorship, whether individually or cumulatively.
4. The sponsorship response must be consistent with the solicitation specifications.
5. The sponsorship must be bound by a Sponsorship Agreement with specific terms, period, and price defined.
6. Sponsorship messages must have a commercial character, limiting the focus of advertisement to the target market.
7. All sponsorship messages must be pre-approved in a written or physical form prior to use.
8. All sponsorship opportunities must comply with Federal, State and Local laws and the City Code and Sign Ordinance.
9. All sponsorship opportunities are temporary. No sponsorships shall assume any Facility Naming Rights. Naming of Facilities is guided by City Council Policy 100-55 Policies and Procedures for Naming and Dedicating City Facilities.

## **Approval Levels**

All existing and new recreation programs, events, activities, facilities, and parks shall have anticipated revenue budgeted for the fiscal year for which a sponsorship is anticipated to be expended. Should anticipated revenue not be budgeted, City Council action will be required to amend the budget to include anticipated revenue regardless of the following approval levels.

- A. Sponsorships between \$1 and \$25,000 require Department Director approval.
- B. Sponsorships between \$25,001 and \$50,000 require City Manager or designee approval.
- C. Sponsorships greater than \$50,000 require City Council approval

## **RFP Procedure**

- A. No sponsorships will be accepted without a Request for Proposal (RFP) process being initiated by the City.
- B. The level of sponsorship shall determine the formality of the RFP necessary.
- C. The RFP shall include all Sponsor Minimum Criteria as well as specifications for the subject program, event, activity, facility, and/or park to include:
  - 1. Program, event, activity, facility, and/or park details;
  - 2. Target market demographics;
  - 3. Marketing reach;
  - 4. Impact of sponsorship;
  - 5. Length/term of sponsorship;
  - 6. Sponsorship opportunities;
  - 7. Desired amount of sponsorship;
  - 8. Sample agreement; and
  - 9. Timeline and level of approval for such agreement.
- A. Review of all sponsor proposals shall use the Minimum Sponsor Criteria as the primary factors to determine eligible proposals. RFP specifications shall be secondary factors.
- B. The final recommended sponsor shall be submitted with a report to the appropriate approval authority.

## **Signage and Sponsor Benefits**

The purpose of sponsorships includes the need to benefit the sponsor's business interest as well as the City's financial interest. Thus, not all sponsorships are created equally. Sponsor benefits may range from a logo on a banner with several other sponsors, to a semi-permanent sign at a facility/park, to promotional events at a facility/park. Every RFP shall be open to sponsor proposals of such benefits in relation to the value of financial sponsorship achieved by the City.

Signage: All sponsorships shall be temporary and no permanent signage will be considered. In the case of semi-permanent or temporary signage, the City's Sign Ordinance shall be adhered to at all times.

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## **Tax Exemption**

Contributions to the City of Oceanside are considered charitable donations. The Internal Revenue Service considers the City of Oceanside to be a qualified charitable organization under IRS Code Section 170(c)(1). Contributions made to the City of Oceanside would be used exclusively for public purposes, are a qualified charitable donation, and may be deducted as such. The City shall provide a receipt for all sponsorships. Determination of the tax-deduction status of a sponsorship shall be the responsibility of the sponsor.