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City of Pearland

## CITY PARK AND LIBRARY FACILITY FINANCIAL NAMING RIGHTS POLICY

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### **PURPOSE**

Financial Naming Rights refers to the granting, by the City, the right to name property or portions of a property in exchange for financial consideration. The City intends to authorize the naming of certain City park facilities, City library facilities and facility components in return for private sector monies.

The purpose of this policy is to develop a systematic and consistent approach for the official naming of certain City park and City library facilities.

The goal is to provide a consistent evaluation framework and approval process when considering naming proposals for City park and City library facilities.

### **DEFINITIONS**

**City Park Facility:** any property, complex, structure, building or portion thereof owned or controlled (e.g. through long term lease) by the City of Pearland that is under the care and custody of the Parks & Recreation Department, including but not limited to the interior and exterior spaces, pools, sports fields, shelters, playgrounds, open spaces, trails, sport courts, flowerbeds, and gardens, .

**City Library Facility:** Any library property, structure, building, or portion thereof owned or controlled (e.g. through long term lease) by the City of Pearland that is under the care and custody of the City of Pearland, including but not limited to the interior and exterior spaces, open spaces, and shelters.

**Charitable Organization:** An organization whose primary objectives are focused on philanthropy; that exists to serve the public interest or common good; and that is a party to a current contract with the City of Pearland specifying the purpose and mutual promises of each organization.

**Capital Campaign:** A City approved effort by a Charitable Organization, over a pre-determined period of time, to raise funds to acquire or improve a City park facility or a City library facility.

**Market Valuation:** a current assessment of the potential value within the marketplace of the naming rights for a specific property.

**Naming Rights Agreement:** a legal contract outlining the terms of the agreement between the Naming Entity and the City.

**Naming Entity:** the entity (e.g. corporation, corporate foundation, community organization or individual) to whom naming rights are granted pursuant to a Naming Rights Agreement.

**Naming Rights:** the right to name or rename a City Park Facility or City Library Facility in exchange for financial consideration.

## **DISCUSSION**

In granting naming rights, consideration shall be made to maintain an appropriate balance between commercial considerations and the City's stewardship role for City park facilities and City library facilities.

The granting of naming rights shall not entitle a naming entity to preferential treatment by the City outside of the naming rights agreement.

The approval of naming rights shall not result in any additional costs to the City, excluding the City's approval process.

Naming rights may not be resold or assigned by the naming entity. When a Naming Entity changes its name, the naming rights may be amended to reflect the new name by mutual agreement of the parties. All related name change costs including, but not limited to sign changes, will be the responsibility of the Naming Entity.

Signage and acknowledgement associated with naming rights shall be included in the proposal submitted to City Council and shall comply with the City of Pearland Sign Ordinance.

Naming of a City park facility or City library facility should include the function of the facility to the extent practical, such as 'sports complex' or 'recreation center'.

The City shall endeavor, to the extent reasonably practical, to balance its responsibility to maintain transparent processes and provide full disclosure to the public, with its responsibility to maintain confidentiality regarding third party interests.

The City shall not relinquish to the Naming Entity the right to manage and control the facility being named.

All Naming Rights Agreements shall be for a fixed term and shall be negotiated on a case-by-case basis and may be renewed by mutual agreement of the parties.

Naming Rights Agreements shall be in the form of a legal contract between the Applicant and the City and shall include, but not be limited to the following provisions:

- The term of agreement, including reasons for possible termination or revocation of said naming rights.
- Renewal options, if any.
- Value assessment, including cash, in-kind goods and services (and method of evaluating in-kind contributions).
- Payment schedule.
- Rights and benefits.
- 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.
- Release, indemnification, hold harmless and early termination clauses.
- Insurance clauses.

All naming rights agreements shall be reviewed to the satisfaction of the City Attorney.

The purchaser of naming rights may revoke the naming rights at any time with the understanding that no refund or reduction of their financial commitment will occur.

The City reserves the right, in its sole discretion, to terminate naming rights where continuation of the relationship would not be in the City's best interest.

## **EVALUATION**

The proposed name to City park facilities and City library facilities shall be consistent with the image and values of the City of Pearland and the community. In general, names shall not be selected that:

- Cause confusion due to duplication or names sounding similar to existing locations within the City.
- Are names of companies whose business are substantially derived from the sale of alcohol, tobacco, firearms, and/or pornography; or any other business or industry that, in the sole discretion of the City, is deemed inappropriate.
- Are discriminatory or derogatory considering race, gender, creed, religious, political affiliation, sexual orientation, or other similar factors.
- Violate copyright or trademark laws.

## **PROCEDURE**

The City Council may authorize, by contractual agreement, a Charitable Organization to seek, negotiate and secure the purchase of naming rights to City park facilities and City library facilities and to solicit funding through Capital Campaigns.

The Charitable Organization shall develop and implement a marketing strategy to secure the purchase of naming rights for City Park Facilities, City Library Facilities, and Capital Campaigns. The Charitable Organization shall identify potential purchasers, solicit sales, and negotiate any proposed agreements. City staff shall submit proposed agreements, with a recommendation, to the City Council for consideration.

Upon City Council approval, the Naming Entity shall contribute the funds to the applicable Charitable Organization. The Charitable Organization shall utilize the proceeds in accordance with the current contract with the City of Pearland specifying the purpose and mutual promises of each organization including, but not limited to the following purposes: A) Capital improvements; B) Funding of programs and services; or C) A portion of the proceeds may be placed in an endowment fund with the interest utilized to offset maintenance and replacement costs.

## **REVIEW & REVISION HISTORY**

**August 23, 2021**