

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
8	05/08/17	Open	Action	05/01/17

Subject: Property Naming and Corporate Sponsorship/Naming Rights Criteria

## ISSUE

Whether or not to repeal and restate criteria for Property Naming and Corporate Sponsorship/Naming Rights.

## RECOMMENDED ACTION

- A. Adopt Resolution No. 17-05-\_\_\_\_, Repealing Resolution No. 05-10-0176 and Restating Criteria for Property Naming and Corporate Sponsorships/Naming Rights; or
- B. Motion: Continue the Item to the May 22, 2017 Board Meeting.

## FISCAL IMPACT

None at this time. The parameters of the criteria will affect revenue from future sponsorship/naming rights.

## DISCUSSION

In 2005, the Board adopted Resolution 05-10-0176, "Adopting Criteria for Naming Stations" (see Attachment 1), which authorized the General Manager/CEO to name light rail stations based on one or more of the following criteria:

- Nearest street intersection
- Major cross street
- Geographic location
- Area landmark
- Permanence of name
- Well recognized

Under Resolution 05-10-0176, the General Manager/CEO can also seek RT Board guidance or direction whenever proposing a station or park-and-ride name that the General Manager/CEO determines does not meet the criteria set forth above.

In January 2017, RT executed the contract for Naming Rights Negotiation Services to Superlative Group. As part of that contract, Superlative Group must make continuous and good faith efforts to negotiate naming rights and sponsorship agreements for RT light rail assets and services, including but not limited to, station naming and light rail line concessions.

In recent years, Superlative Group has been working to expand the traditional scope of naming rights and corporate sponsorships. Transit agencies such as RT are turning to the private

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Approved:

Presented:

Final 05/03/17

General Manager/CEO

VP, Communications and Partnerships

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sector to help overcome shrinking budgets by selling the naming rights of transit assets. In order to provide direction to Superlative Group and maximize RT's revenue opportunities, an expansion of the naming rights criteria may be required.

In addition to the criteria set forth by the Board, RT will evaluate proposed naming rights concessions or sponsorships by considering the following non-exclusive list of factors:

1. Revenue offered;
2. Term proposed (such as 10 years for stations and 25 years for light rail lines);
3. Cost of implementation for RT (printing signage, schedules and maps); and
4. Effect on the customer experience (e.g., likelihood of confusion, length of name);

All proposed naming rights agreements are subject to RT's Advertising Policy (Resolution 17-01-0006), which would bar agreements with companies that manufacture, sell or produce tobacco, alcohol, and firearm products for example, regardless of their geographic location to a station or light rail line.

If light rail line naming rights were sold for the Blue Line, Gold Line and Green Line, Superlative Group estimates that RT could generate up to \$33 million in total revenue for the life of the term (typically 25 years each agreement). Furthermore, light rail stations located near major corporate employers and city attractions could generate between \$25,000 and \$35,000 for each station annually.

Under the enhanced criteria that staff is recommending the Board approve, renaming will be considered when a potential sponsor has a geographic, historic, or other connection to a station that would be obvious to typical RT customers. No sponsorship will be approved unless the proposed sponsorship name is part of a street name or well-known destination that has a strong nexus to the RT asset, for example: Golden 1 Center/7th & Capitol Station, SMUD/65th Street Station or the Kaiser Blue Line (which operates medical facilities throughout RT's service district).

RT will only consider applications to sell the naming rights to a particular station or light rail line if the new name contributes to and does not diminish our customers' ability to navigate the light rail system easily. The ability and ease by which RT customers will easily identify and locate such assets is also an essential factor in considering a naming rights proposal. This way, RT customers will be able to navigate RT's system without confusion if a station name is modified.

Staff recommends that the Board adopt the enhanced Property Naming and Corporate Sponsorships/Naming Rights criteria in the attached resolution or provide additional direction so that staff can bring back a revised policy for adoption at the Monday, May 22, 2017 Board meeting.

RESOLUTION NO. 05-10-0176

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

October 3, 2005

**ADOPTING CRITERIA FOR NAMING STATIONS**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the General Manager/CEO is authorized to designate names for light rail stations and park-and-ride lots that adhere to one or more of the following criteria:


- Nearest street intersection
- Major cross street
- Geographic location
- Area landmark
- Permanence of name
- Well recognized

THAT, the General Manager/CEO is directed to seek RT Board guidance or direction whenever proposing a station or park-and-ride name that the General Manager/CEO determines does not meet the criteria set forth above.

  
\_\_\_\_\_  
ROGER DICKINSON, Vice-Chair

ATTEST:

BEVERLY A. SCOTT, Secretary

By:   
\_\_\_\_\_  
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 17-05-\_\_\_\_\_

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

May 8, 2017

**REPEALING RESOLUTION NO. 05-10-0176 AND RESTATING CRITERIA FOR PROPERTY NAMING AND CORPORATE SPONSORSHIP/NAMING RIGHTS**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, Resolution No. 05-10-0176 is hereby repealed and the criteria for property naming and corporate sponsorship/naming rights is restated.

THAT, the General Manager/CEO is authorized to designate names for light rail stations, lines and park-and-ride lots that adhere to one or more of the following criteria:

- Nearest street intersection
- Major cross street
- Geographic location
- Area landmark
- Permanence of name
- Well recognized
- Strong nexus between the proposed naming sponsor and the proposed RT asset

THAT, the General Manager/CEO is directed to seek RT Board guidance or direction whenever proposing a station, line or park-and-ride name that the General Manager/CEO determines does not meet the criteria set forth above.

THAT, the Board hereby adopts the restated Property Naming and Corporate Sponsorship/Naming Rights criteria as depicted above.

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ANDREW J. MORIN, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

# Station and Light Rail Line Naming Rights

Monday, May 8

Agenda Item 8

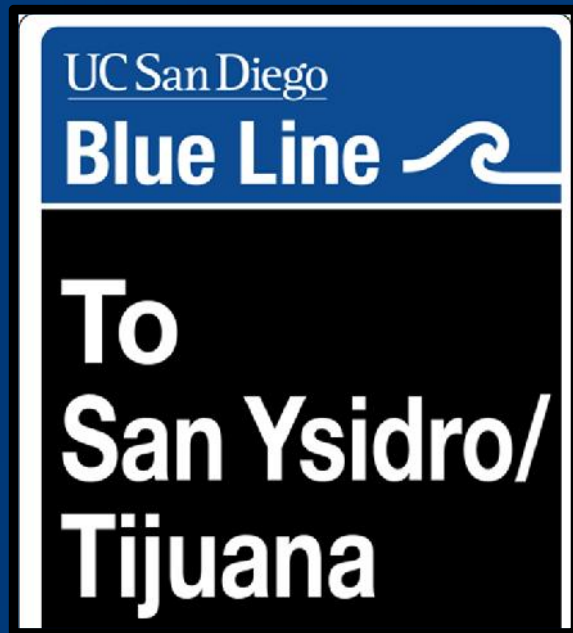
# Approved Criteria

- Nearest street intersection
- Major cross street
- Geographic location
- Area landmark
- Permanence of name
- Well recognized

# Other Agency Valuations

Tampa Streetcar Stations	Various	\$100k per station	2008	10 years	8 out of 10 sold
Bus Rapid Transit Line, Greater Cleveland RTA	Two hospitals	\$11 million	2008	20 years	Currently selling 10 year station sponsorships for \$300,000 each. 5 have been sold.
Seattle Streetcar Depot	Various	\$500k per year in total	2008	1-5 years (varied by station)	8/11 stations sponsored – e.g. Group Health Station at Westlake & Mercer; Tostitos Fiesta Bowl. Name association is packaged with other advertising throughout the facilities and on printed materials.
Atlantic Avenue & Pacific St Subway Stations, Brooklyn	Barclays	\$4 million	2009	20 years	Paid for by Barclays Center Arena developer
SEPTA	AT&T	\$5 million	2010	5 years	1 Station: Pattison Avenue became AT&T Station
Greater Cleveland RTA: West Shore Express BRT Line	Cleveland State University	\$6.1 million	2014	28 Years	\$150,000 per year with 2.9% escalator; CSU also receives signage at (2) major transit centers, (19) bus stations, (32) bus shelters and (243) bus stops
San Diego MTS Light Rail Blue Line	University of California, San Diego	\$675k per year until 2018; \$975k per year with CPI escalator for life of term after route extension	2015	30 years	Also includes naming rights to (3) major Light Rail stations and highway overpass signage.
Greater Cleveland RTA: Route 51 BRT	MetroHealth System	\$4 million	2017	25 years	Names 4-pronged BRT route that services MetroHealth main campuses

# Signage Examples





# Examples of Sac RT Asset Naming

- Golden 1 Center/7th & Capitol Station
- Kaiser Blue Line
- SMUD/65th Street Station
- Ice Blocks/16th Street Station