

**Board Report**

File #: 2017-0080, **File Type:** Informational Report

Agenda Number: 41.

**REGULAR BOARD MEETING
FEBRUARY 23, 2017**

SUBJECT: PROPERTY NAMING POLICY

ACTION: APPROVE REVISED PROPERTY NAMING POLICY

RECOMMENDATION

APPROVE revised **Property Naming Policy** with the removal of the Corporate Sponsorship/Naming Rights program portion (see Attachment A).

ISSUE

Metro is continually looking for new ways to generate additional revenue to support the agency. In January 2016, the Metro Board of Directors approved the Risk Allocation Matrix (RAM) and creation of an Internal Savings Account intended as tools to ensure long-term financial stability and mitigate projected budget shortfalls. As part of this initial comprehensive agency-wide effort, staff identified cost saving and revenue generating initiatives that can yield deposits to the Internal Savings Account, thereby securing the sustainability of Metro's future operations and expansions.

One of these initiatives was the implementation of a Corporate Sponsorship/Naming Rights program to generate revenue from Metro's properties and assets. The implementation of a Corporate Sponsorship/Naming Rights program is a complex endeavor, and many questions and concerns have been raised since the Board of Directors adopted the program as part of the overall Property Naming Policy in December 2016. More research and time is needed to review the potential benefits and drawbacks of the Corporate Sponsorship Program. Therefore, this component of the Property Naming Policy is being struck from the policy, which the Board can then adopt to maintain the agency's process for naming stations and properties. The Property Naming Policy would then move forward without a Corporate Sponsorship/Naming Rights Policy.

DISCUSSION

The 2014 Board-approved Property Naming Policy provides criteria for naming stations and other Metro properties through a customer-focused approach. The policy guides the naming of Metro property with four principles in mind:

- **Transit System Context** - Information as to where a property is located within the context of the entire transit system with names that are clearly distinguishable

- **Property Area Context** - Information of the location of the property within the context of the surrounding street system
- **Neighborhood Identity** - Where appropriate, acknowledging a landmark or that the property serves as an entry point to a community or neighborhood
- **Simplicity** - Names will be brief enough for quick recognition and retention and fit within signage and mapping parameters

The policy states the difference between an “Official” name approved by the Metro Board, which are used for Board documents, contracts and legal documents and notices, and an “Operational” name, which is a shorter name used for station/stop announcements and printed and electronic materials for readability and size constraints.

These clear policy points, along with the defined naming process, provide strong guidance in order for Metro to aptly name new properties and re-name existing properties when applicable.

The existing policy also provides an opportunity for Board members to bestow a special honor in the form of a dedication on rare instances to a deceased individual and reserved to honor those of substantial historical, cultural or civic significance. In a similar dedication, the Board may also honor an individual who has demonstrated a unique and extraordinary degree of service yielding a distinguishable contribution to the public transportation in Los Angeles County. Such dedications are viewed as secondary information to the property signage, but not renamed for individuals. Following Board approval, individuals will be honored with plaques where space is available.

In December 2016, the Property Naming Policy was revised to include a Corporate Sponsorship/Naming Rights program. This recommended action is to remove the Corporate Sponsorship/Naming Rights program from the Property Naming Policy.

DETERMINATION OF SAFETY IMPACT

Revision of this policy currently does not impact safety.

FINANCIAL IMPACT

There will be no financial impact to the budget in current FY.

Impact to Budget

Since the implementation of this policy was to generate revenue beginning in FY 2018, no impact to the FY17 Budget is anticipated as a result of approval of the revised policy.

ALTERNATIVES CONSIDERED

Decline to adopt the revised Property Naming Policy. This is not recommended as the primary

change to the policy clarifies the process and requirements for Property Naming for the agency.

NEXT STEPS

Upon Board approval, staff will:

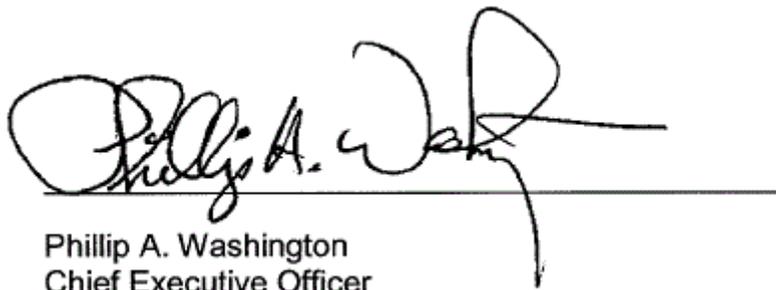
1. Continue to explore ways to generate additional revenue for the agency through Corporate Sponsorships and report back to the Board the findings.

ATTACHMENTS

Attachment A - Property Naming Policy - Markup

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PROPERTY NAMING AND CORPORATE SPONSORSHIP/NAMING RIGHTS POLICY

PURPOSE

Through implementation of this policy, Metro seeks to establish guidelines regarding the naming of Metro properties frequented by the public that will provide clear transit information to our customers – both frequent patrons as well as visitors and infrequent users. In addition, the policy is intended to ensure timely, cost-effective and rider-friendly property naming efforts.

Properties will be named with the maximum benefit and convenience of the transit system user in mind. Naming will provide customers with travel information in a simple, straightforward and unified way in order to assist patrons in successfully navigating the transit system and correspondingly the region. Property names will reflect the following principles:

- ***Transit system context*** – Names will provide information as to where a property is located within the context of the entire transit system; property names will be clearly distinguishable with no duplication.
- ***Property area context*** – Names will provide specific information as to the location of the property within the context of the surrounding street system, so that users can find their way around after their arrival and to support system access via automobile drop-off and parking.
- ***Neighborhood identity*** – Where appropriate, property naming will acknowledge that system stations and stops serve as entry points to the region's communities and neighborhoods.
- ***Simplicity*** – Names will be brief enough for quick recognition and retention by a passenger in a moving vehicle, and to fit within signage and mapping technical parameters.

NAMING POLICY POINTS

1. Property naming will identify transit facilities so as to provide immediate recognition and identification for daily riders as well as periodic users and visitors. Transit facilities include rail stations, bus stations, transit centers, bus stops and other properties frequented by the public. Property names will be identified based on the following:
 - Adjacent or nearby street or freeway
 - Well-known destination or landmark
 - Community or district name

- City name – if only one Metro property is located within a city

If space permits, property names can be a combination of street system location and well-known destination, particularly when the street system name may not be recognizable to transit riders and visitors. No business, product or personal names shall be used unless that name is part of a street name or well-known destination; or as part of a corporate sponsorship or cooperative advertising revenue contract.

2. The following criteria will ensure simple, succinct property names that are easily understood and retained by transit riders:
 - Minimize the use of multiple names for a property. A single name identifiable by the general public is preferred, with a maximum of two distinct names separated by one slash. For example, Westlake/MacArthur Park Station.
 - Minimize the length of property names to ensure comprehension and retention by system riders. The property name shall have a preferred maximum of 24 characters in order to ensure general public and ADA readability, and fit within Metro’s signage system.
 - Minimize the inclusion of unneeded words in property names such as ones that are inherently understood, or added when verbally stating the property’s name. Avoid inclusion of unnecessary words that may describe the property’s location, but are not part of that location’s commonly known name.
3. In consideration of the various applications where the property name will be used and displayed, properties may have a Board-adopted official name as well as a shorter operational name. The official property name would be used for Board documents, contracts and legal documents and notices. The operational name would be used for station/stop announcements by vehicle operators, and on printed materials due to readability and size constraints. In addition, the property name may be further abbreviated for other operational uses such as vehicle headsigns and fare media.

NAMING PROCESS AND PROCEDURE

The property naming process will include the following steps:

1. Initial property names will be identified during the project planning process primarily based on geographic location.

2. When a project is approved by the Board to proceed into the preliminary engineering phase, a formal naming process will be initiated.
3. Staff will solicit input from cities, communities and other stakeholders on preferred property names based on the Board-adopted naming criteria.
4. The resulting property names will be reviewed by a focus group comprised of both transit system users and non-users for general public recognizability.
5. Staff will return to the appropriate Board committee and then to the full Board for adoption of the final set of official property names.
6. The adopted official property names will then be included in any final engineering bid documents and other agency materials.
7. Requests to rename properties after Board action and the release of project construction documents may be considered by the Board. Property name changes must be approved by a vote of two-thirds of the Board members. All costs associated with changing a property name, including any signage revisions and market research to determine if the proposed name is recognizable by the general public, will be paid for by the requestor unless otherwise determined by the Board.
8. If the Board wishes to bestow a special honor to a deceased individual, it may choose to dedicate a site to him/her. The act of dedicating a Metro property to an individual should be rare and reserved as a means to honor those of substantial historical, cultural, or civic significance. The Board may wish to bestow a similar honor upon an individual who demonstrated a unique and extraordinary degree of service yielding a distinguishable contribution to public transportation in Los Angeles County. Such dedications shall be viewed as secondary information with regard to signage and other identification issues. Properties/facilities frequented by the public may not be renamed for individuals.

Such dedications are made in the form of a motion presented by a Board Member to the appropriate committee of the Board for review and approval, and then forwarded to the full Board for final approval. With Board action, individuals will be honored with plaques where space is available.

CORPORATE SPONSORSHIP AND NAMING RIGHTS

~~Metro has determined that allowing a revenue-generating, payment-in-kind, or value-in-kind Corporate Sponsorship and Naming Rights Program is a prudent means of maximizing the value of the agency's capital investments and assets. Metro may enter into sponsorship and naming rights contracts for short-term and long-term partnerships with qualified companies in order to provide value and benefits for both parties.~~

Through implementation of this policy, Metro seeks to establish a cohesive and transparent process for the consideration and determination of Corporate Sponsorship opportunities for the naming or re-naming of existing and future property, facilities, services, programs and events.

The implementation of a Corporate Sponsorship and Naming Rights Program carries with it a responsibility to protect the agency from potential litigation and to recognize the potential association of outside corporations with Metro services, property and events, while respecting and adhering to existing Metro policies, including Metro's System Advertising, and Commercial Filming Policies. The agency addresses these issues through the responsible and consistent application stated in this policy.

CORPORATE SPONSORSHIP POINTS

1. Corporate Sponsorship is a form of advertising in which companies will pay Metro to be associated with certain facilities, services, programs or events. This could also include providing resources and finance, payment-in-kind, or value-in-kind to develop new facilities, services, programs or events or funding to operate existing ones. Naming rights is a form of advertising whereby a corporation purchases the right to name or re-name a Metro facility, service, program, or event, typically for a defined period of time.
2. Metro's Communications Department administers the Corporate Sponsorship and Naming Rights Program as part of its overall responsibility of revenue-generating advertising and Metro's overarching goal of partnering with businesses on activities that can increase mobility for customers in the LA region.
3. In order to ensure Metro receives fair market value for Corporate Sponsorship and Re-naming Rights, Metro will routinely procure the services of a qualified and independent firm that regularly provides valuations of naming rights opportunities.

Agency Assets Eligible for Sponsorship

Metro is transportation planner and coordinator, designer, builder and operator of a large and expanding transit system. The infrastructure capital investment and other assets are significant within Metro's county-wide system of bus, rail, and other services; property portfolio; numerous facilities; programs; and events. The various facilities, programs, and services that may be applied to corporate sponsorships to are:

- **Facilities** — Any rail or bus stations, parking lots and parking structures, regional facilities, maintenance buildings and maintenance structures, Metro headquarters building, and any other property solely owned and operated by Metro.

- **Transit Services** — Any light & heavy rail lines, bus service lines & routes, transitway service lines & routes, and any mode of transit service solely owned and operated by Metro.
- **Programs** — Any established Metro-operated effort/initiative for the benefit of customers and communities that Metro serves; generally in the form of customer service actions and functions, internally and externally.
- **Events** — Any seasonal, annual or one-time event led and initiated by Metro.

Corporate Sponsorship Models

Corporate Sponsorship can take on various forms of advertising in which companies contract with Metro to associate their name, identity and branding with facilities, services, programs or events. Metro will engage in short-term and long-term corporate sponsorships that provide value and benefits for both parties. Naming Rights is a type of advertising whereby a corporation secures the right to name or re-name a Metro facility, service, program, or event for a defined period of time.

- **Short-term Sponsorship** — Agreements extending a maximum of twelve months for assets such as programs, events, seasonal events, or temporary station re-namings. Short-term sponsorships do not require Board review and approval unless those over \$500,000.00 contract value.
- **Long-term Sponsorship** — Agreements lasting a minimum of five years and greater. All long-term sponsorships must be reviewed and approved by the Metro Board. Agency assets such as transit services, rail lines, stations, buildings, and facilities would be considered for long-term sponsorships.

Corporate Eligibility and Criteria

Business entities in the following categories will not be considered for participation: Alcohol; Tobacco and Electronic Cigarettes; Adult Entertainment and Content; Arms/Guns and Weapons; Political Parties, Political Groups, Political Organizations, and Political Candidates or Campaigns; Religious Groups and Religious Associations.

Metro shall consider partnerships with qualified companies who meet these criteria: Businesses already established in the U.S. or have fulfilled all legal requirements/compliance to establish a business within the U.S.; Financially stable business; Businesses with no history of fraudulent/unethical behavior; and Businesses with satisfactory record of contractual performance.

Corporate Responsibilities

1. All costs related to establishing a new name or re-naming an existing facility, service, or program — including, but not limited to, the costs of replacing affected signage and customer information collateral, Metro materials, and Metro staff labor — shall be borne by the corporate sponsor.

- ~~2. All granted Corporate Sponsorship agreements must respect and adhere to Metro's System Advertising Policy.~~
- ~~3. Corporate Sponsorship proposals and agreements are subject to the provisions of the California Public Records Act (California Code Government Code §6250 et seq.).~~

BUSINESS PROCESS

Evaluation Criteria

~~If all criteria listed under "Corporate Eligibility and Criteria" are met, Metro will take into consideration the financial offers and implementation proposals, which are listed below in order of weighted criteria and relative importance:~~

- ~~• Financial offer~~
- ~~• Alignment with Metro's existing brand and agency mission, including visibility of activating the partnership~~
- ~~• Reach of cross promotion between Metro and corporate sponsor, including corporate social/community activities attached to the program~~
- ~~• Innovative partnership business plans~~

Proposal Submittal Process

- ~~1. **Submittal** – All Corporate Sponsorship Proposals shall be submitted to the Chief Communications Officer and the Deputy Executive Officer of Marketing within the Communications Department.~~
- ~~2. **Acknowledgement** – Communications will acknowledge and confirm receipt of Proposal via email communications, and letter.~~
- ~~3. **Agency Follow-up** – Communications staff may request more information, clarity of proposal, and in-person meeting or presentation of proposal.~~
- ~~4. **Notice of Proposal** – If the original proposal is deemed to have financial merit and meets all criteria, Metro will publicize the receipt of proposal to provide an opportunity for other companies with a vested interest in or proximity interest in the Metro asset/facility, an opportunity to compete for the Corporate Sponsorship. Metro will allow interested parties to submit proposals within 30 days of notice.~~
- ~~5. **Evaluation Process** – Communications will proceed to review and evaluate final corporate sponsorship proposals with appropriate Metro departments. Metro may utilize the services of a consultant in order to complete evaluation process. Metro may also solicit public comment on the proposal via digital communication and/or community meeting.~~

~~6. **Decision Process**—Communications will issue a determination of selection in writing to each proposer either recommending that the proposal be granted, or denying the proposal.~~

~~a. **Recommend award**—In the event a long-term Corporate Sponsorship proposal is recommended for award, Communications will prepare a contract recommendation to the Metro Board for its review and approval. Short-term sponsorships and those under \$500,000 contract value will move forward with a formal agreement and contract approved by the CEO.~~

~~b. **Recommend no award**—In the event a Corporate Sponsorship proposal is not recommended for award, Communications will have the ability to counter with additional requests.~~

~~7. **Presentation to Board**—In the event a Corporate Sponsorship proposal is recommended, Communications will present the final proposal to the Metro Board of Directors for review and approval. The corporate sponsor will be invited to participate in the presentation of their recommended proposal.~~

~~8. **Board Approval**—Upon Metro Board approval, a formal agreement for Corporate Sponsorship will be completed and a contract with the Corporate Sponsor will be finalized.~~

Termination of Contract

~~In all contracts, Metro will include provisions for termination of the contract for default due to circumstances that are inconsistent with or violate Metro's System Advertising Policy, actions contrary to Metro's standards, or if the firm violates the established Corporate Eligibility Criteria.~~