MUNICIPAL MARKETING IN LOS ANGELES

PREPARED FOR COUNCILMEMBER ERIC GARCETTI AND THE OFFICE OF MAYOR JAMES HAHN
CITY OF LOS ANGELES

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EXECUTIVE SUMMARY

At the request of Los Angeles City Councilmember Eric Garcetti and the Office of Mayor James Hahn, research was conducted on the feasibility and opportunity of municipal marketing in the City of Los Angeles. The following report offers an explanation of the fiscal problems facing municipalities nationwide, a contextual analysis of all aspects of municipal marketing, a report of research findings, as well as suggestions for entering into complex public-private partnerships. Included with this report are transcripts of all stakeholder interviews conducted, a list of relevant professionals in the field of municipal marketing, a comprehensive resource guide compiling all relevant source material and sample municipal policies, and a policy brief for distribution to interested parties.

Fiscal crises are forcing all levels of government—federal, state, and local—to seek out alternative sources of revenue to sustain much-needed public projects and services. Without increasing taxes, reducing services, or borrowing to eliminate deficits, municipalities are tackling fiscal hardship through the introduction of innovative public-private municipal marketing partnerships.

Municipal marketing is not a new phenomenon. It has previously been used in cities and counties nationwide, especially during difficult financial periods, as a means of raising additional revenue or providing essential services that would otherwise be eliminated. Municipal marketing falls into four individual categories of corporate sponsorships, exclusivity rights, naming rights, and branding. Advertising and signage are often implicit, if not explicitly stated within such contracts.

While the idea of municipal marketing may not be new, the concept of aggregating the categories into comprehensive, multi-dimensional partnerships is an emerging trend that allows municipalities to seek out more financially beneficial projects. This report examines the role of comprehensive, multi-dimensional marketing partnerships as it applies to the City of Los Angeles. A partnership, more than a sponsorship, expresses the idea that both sides have to provide benefits and sustain costs in order to produce a worthwhile agreement and maintain a strong relationship. Multi-dimensional partnerships often include more than one type of municipal marketing, but most importantly, they serve more than one function or service within the city.

In order to determine how these partnerships best fit Los Angeles, this report answers the question, "What is the feasibility and opportunity for marketing the City of Los Angeles?" Key findings in three areas—Structure, Process, and Evaluation and eight sub-sections (Asset Valuation, Internal Structure, Expert Involvement, Competitive Bidding, Public-Private Partnerships, Contract Essentials, Revenue and Costs, and Public Opinion)—were assessed, resulting in a three-tiered suggestion for next steps.

INTRODUCTION

From Albany to Sacramento, Atlanta to Los Angeles, and the White House to the local firehouse, fiscal crises are forcing all levels of government—federal, state, and local—to seek out alternative sources of revenue to sustain much-needed public projects and services. Without increasing taxes, reducing services, or borrowing to eliminate deficits, municipalities are tackling their fiscal hardships through the introduction of innovative public-private municipal marketing partnerships.

California State Budget

The State of California is facing a budget shortfall of $17 billion in 2004-2005. While the Governor's proposed budget would leave the state with a $7 billion deficit, it is entirely reliant on the borrowed funds from Proposition 57 and the budgetary amendments of Proposition 58. Even with the Economic Recovery bonds, the budget proposals include $1.8 billion in cost shifts to local governments (11.1 percent of the balanced budget)—a devastating blow to municipalities statewide (California Budget Project).

Despite the state budget crisis and the rapid change from such a large surplus to a massive deficit, there was the premature expectation that legislation passed by former Governor Davis returning the Vehicle Licensing Fee (VLF) to the 2 percent level would create an additional $4 billion in revenue that would directly benefit local governments. However, public discontent, coupled with Governor Schwarzenegger's campaign promise to rescind the increase, has left the City of Los Angeles and municipalities statewide, facing a devastating and irreparable fiscal gap. Mayor James Hahn stated that "the loss of $19 million in revenue each month will be devastating for the City of Los Angeles...[necessitating] immediate cuts" in vital social and public safety services (Hahn 2003).

The City of Los Angeles

The City of Los Angeles is not immune to the budget hardships of state and federal deficits and is currently impacted by decreased federal and state monies for programs ranging from public safety to public works. Hiring freezes in the public sector have been particularly pronounced, with funding decreases to the public safety sector (police and fire departments), among others.

Fiscal Woes. City officials are desperate to find alternative revenue sources that can maintain the current provision of services and replenish the depleted General Fund. One current method being explored includes establishing marketing partnerships in the City of Los Angeles.[1] Marketing will take the City into new territory once thought to be the sole domain of the private sector. However, in this critical fiscal circumstance, Los Angeles is in need of an innovative, revenue generating solution.

[1] Following this portion of the report, mention of either the phrase Los Angeles or the City refers exclusively to the City of Los Angeles.

Long-term Goals. While the budget deficit has grown too large to be fixed overnight, Los Angeles' foray into municipal marketing offers a long-term solution that will likely produce a steady flow of revenue for a lengthy period of time. Other municipalities involved in similar marketing partnerships have secured multi-million dollar annual contracts. For example, the City of San Diego secured $7.8 million from corporate sponsorships since 1999 (San Diego Corporate Partnership Program website). If done in a thoughtful and tasteful manner, Los Angeles should expect similar results, and possibly more considering its size.

Political Feasibility. In recent months, the Los Angeles City Council expressed its interest in pursuing a municipal marketing campaign as a means to combat some of the budget deficit. With the policy window now open, the City of Los Angeles should immediately begin to act on its municipal marketing interests. Support has already been elicited from elected officials and other City departments, and since such a program may restore public programs and replenish the General Fund, there is no better time to act. Furthermore, the range of municipal marketing partnerships allows the City of Los Angeles to enter into agreements that will garner public support and restore City services, both in the short and long terms.

MUNICIPAL MARKETING

Municipal marketing is not a new phenomenon. It is an avenue previously visited by other cities and counties, especially during difficult financial periods, as a method of raising additional revenue or providing essential services that would otherwise be eliminated. In order to better comprehend this complex subject, the multiple dimensions of municipal marketing are analyzed and explained in four individual categories: Corporate Sponsorships, Exclusivity Rights, Naming Rights, and City Branding. While there are examples within each category that solely define that specific grouping, numerous other examples overlap. For purposes of this section, examples and definitions are placed into these broader classifications as a more fundamental way of defining them.

These four categories of municipal marketing are important to understand, as some are more appropriately utilized with different city assets and the partnerships that are created. No one category is more profitable or easily implemented than the next, if the marketing partnerships are appropriately matched with the city and company's objectives, as well as the asset being marketed. Often, to make an appropriate partnership match, more than one type of marketing is utilized.

Corporate Sponsorships

Corporate sponsorships in the public sphere take on many forms, both through financial and in-kind support. Corporate sponsorship entail all agreements in which a company provides means for a city to conduct events and programs, and to maintain and use needed assets. Variations of corporate sponsorships are shown in Table 1.

TABLE 1: Corporate Sponsorships
• Event sponsorship • Program sponsorship - Youth sporting leagues - Educational programs - Social marketing campaigns • Asset maintenance • Sponsorship of material assets - Vehicles - Equipment - Uniforms • Promotional items • In-kind donations

Event sponsorships are the opportunity for a company to subsidize an event, such as a concert, beach clean-up day, or fundraising event, and place themselves within reach of the targeted population. Within the City of Long Beach's exclusive vending rights partnership, Coca-Cola also agrees to sponsor a beach clean-up once a year for the life of the contract. The County of Los Angeles, Department of Beaches and Harbors has also made event sponsorship a priority in their search for prospective partners (Appendix 4).

Another form of corporate sponsorships includes community and educational programs subsidized by companies to demonstrate their support and involvement in their surrounding locality. The City of Los Angeles, Department of Recreation and Parks maintains contracts with companies that sponsor public service and educational programs. Many of the Department's youth sports programs are sponsored by local, professional sports teams (Appendix 2G). For the company, supporting these events creates a positive public image and a philanthropic outlet.

A third type of corporate sponsorship involves the sponsorship of assets or in-kind and promotional donations. These sponsorships benefit the municipality by reducing purchases of vehicles and other physical capital that help to sustain programs. At one point, General Motors provided the City of San Diego with 34 various Chevrolet vehicles for safety personnel, including lifeguards (Appendix 2C). Additionally, within the County of Los Angeles, lifeguard uniforms are provided annually by IZOD clothing company (Appendix 4).

Finally, companies may also sponsor certain city assets, and as part of their agreement with the municipality, the company is required to maintain the asset. For example, a company may be able to advertise on a bus bench or highway, but is also responsible for the maintenance of that asset. In return the municipality is able to receive a cost savings on maintenance crews.

Exclusivity Rights

The idea of exclusivity rights is an extension of a contractual agreement, providing municipalities the option to exclusively sell and use the products of a company. Included in this category are exclusivity rights in items such as vending, both beverages and concessions, and official city products, as shown in Table 2.

TABLE 2: Exclusivity Rights
• Exclusive concession • Exclusive vending • Official city product/service (use) • Official city choice (endorsement)

The City of Long Beach's exclusive vending contract with Coca-Cola allows for the placement of 226 vending machines citywide over the next ten years. Vending machines located on city property will exclusively sell Coca-Cola products. In return, Long Beach will receive a minimum of $300,000 annually plus an additional $1,000 per year for any additional machines placed in other parts of the city. (Taboada 2002 and Appendix 2A). Among others, the City of Huntington Beach has entered into exclusive vending contracts with various beverage companies (Appendix 2A). Most familiar, however, are the efforts of The City of New York to enter into an exclusive vending contract with Snapple, which is currently being contested (Garcia 2003).

Often part of exclusivity rights is the opportunity for a company to provide the official city product or service for the municipality. These agreements allow a private company to be the sole provider of a specific product or service within a municipality or to receive the municipality's endorsement and be known as the city's official choice. San Diego has experimented with these types of partnerships with companies such as Verizon and Cardiac Science. Verizon is the sole company to provide the San Diego's city departments and their employees with their telephone service, however the city will utilize other companies if Verizon does not offer specific services needed. San Diego's relationship with Cardiac Science involves an official product endorsement with no competition, as it provides the only automated electronic defibrillator citywide (Appendix 2C).

Naming Rights

Naming rights are contractual agreements in which private companies are willing to provide financial benefits in exchange for their name placed on a buildings or infrastructure of a venue, as well as on tickets, programs and other items that will provide name recognition and increased sales. Examples in Los Angeles include the naming of the Staples Center (1997), the Kodak Theatre (1999), and most recently the Home Depot Center in Carson.

While the most notable of these agreements have been made with sporting and entertainment venues, municipalities have also been able to enter into naming rights agreements with private corporations in order to receive revenue and other benefits, such as infrastructure maintenance. Variations of naming rights contracts are shown in Table 3.

TABLE 3: Naming Rights
• Buildings and infrastructure - Sports arenas - Entertainment venues - Libraries • Roads, highways, and bridges - Adopt a highway - Street names • Parks

Sporting contracts usually involve the most lucrative contracts because of the allotment of television advertising time (Appendix 2F). The State of South Carolina found that by selling naming rights to their public buildings, roads, and bridges, revenue could be earned to assist with maintenance and repay debts incurred by the state. In San Diego, the city is considering selling a 26-block downtown neighborhood surrounding the baseball stadium to various corporations in exchange for naming rights and economic revitalization of the community (Ruskin 2001).

Branding

Branding allows a municipality to create and improve its own image to help in its promotion as a place to live and work and to enhance tourism. Various types of branding efforts are shown in Table 4. Unlike the previously discussed categories, branding does not generally involve corporate partnerships. Instead, the municipality takes the initiative itself or hires an outside consultant to create an image that they want to portray. The City of New York has attempted to incorporate branding through a corporate partnership with Snapple. As part of their initial agreement, Snapple is required to spend $40 million in branding efforts for the City of New York (Appendix 2I).

TABLE 4: Branding
• City image - Promotion of tourism - Business incentives - City pride • License - Copyright - Trademark - Logo - Name - Brand

Many municipalities have already started taking measures to create a city brand that attempts to cast positive perception on each of their different assets. Hamilton, Ontario, Canada has designed a city logo and created outdoor posters to reflect the pride of the city, in order to increase their economic development (Poldre 2002). In Philadelphia, Pennsylvania, the Greater Philadelphia Tourism and Marketing Company (GPTMC) helped to create a marketing campaign that perpetuates the brand image of the city and its surrounding areas to help increase tourism (Schneider 2003). One of the most well-known branding campaigns took place in New York following September 11th, with a television advertising campaign created to entice tourists to return to the city.

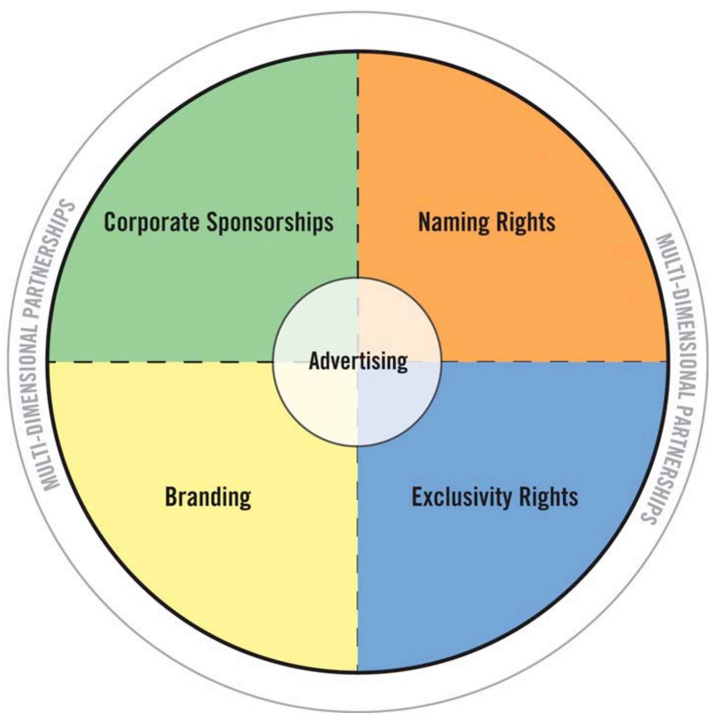
When it is found that a logo or asset can be financially lucrative and licensable to an entity, it can provide a source of revenue. Many municipalities have used licensing as a method of earning revenue, especially from the usage in television and movies. Beverly Hills found its logo to be profitable (as featured in *Beverly Hills Cop* and other films), producing $10,000 in the few months after the logo was initially licensed (Town 1997).

New York also has an extensive reach in the area of licensing, specifically trade marking and copyrighting. The New York Police Department (NYPD) has licensed their logo and named The Police Foundation as the only authorized manager of the NYPD name, logo, and brand (New York Police Foundation 2002). The potential revenue in the area of trade marking and licensing makes this category an appealing endeavor for municipalities.

Despite the prevalence of branding in other markets, this report will not further explain the feasibility of Los Angeles undertaking a branding project, as will be explained within the Limitations section. While branding has proved successful for New York's Police Department and the Los Angeles County Coroner, it is a project that requires a different set of criteria and a certain level of research before implementing in Los Angeles. If Los Angeles were to establish a brand identity (much like New York's I Love NY logo), the ability to control distribution of such a brand has been perceived as difficult.

Advertising

One last category involves advertising, including signage. It is one item that a majority of these categories of municipal marketing have in common and is something that is often implicit, if not explicitly stated within the contracts. Advertising/signage can also be a stand alone project, where the agreement is a specific exchange of revenue and advertising space. An example of this type of project is public bus advertising, where companies approach the transportation agency directly to place advertisements on their buses.



Multi-dimensional Partnerships

The four categories discussed above provide a basic overview of the major types of municipal marketing, and many other smaller public-private relationships. Although municipal marketing itself may not be a new occurrence, the idea of aggregating the categories into comprehensive, multi-dimensional partnerships is an emerging trend that allows municipalities to seek out more financially beneficial projects. A partnership, more than a sponsorship, expresses the idea that both sides have to provide benefits and sustain costs in order to produce a worthwhile agreement and maintain a strong relationship. Multi-dimensional partnerships often include more than one type of municipal marketing, but most importantly, they serve more than one function or service within the city. Because of this, more experts are willing to partner with cities, including many marketing and consulting firms now specializing in public sector endeavors.

Existing Endeavors in Los Angeles

City of Los Angeles. As seen through some of the examples listed in the previous section, Los Angeles has sporadically participated in the arena of municipal marketing over the years, dating back to the 1984 Olympics, during which an extensive corporate sponsorship program was designed that increased profits and attendance. In 1997, the Staples Center project brought the idea of naming rights contracts to the forefront. This comprehensive contractual agreement was unique amongst sports stadiums. The championship series with the Lakers that immediately followed their move to the Staples Center brought tremendous attention to the success of the project. Following the Staples Center negotiations, the construction of Kodak's Academy Award Theater also resulted in great success for Los Angeles (Appendix 2F).

The City of Los Angeles has had both successful projects, as well as failed attempts at marketing the city's assets. One of the more visible failed efforts was an attempt to sponsor the Central Library in downtown. After corporate sponsorship of the library failed, the former Mayor Riordan started a branding campaign that declared, "Together We are the Best," in order to increase interest in the city. It was also unsuccessful.

However, the city has garnered success, including the maintenance of the Hollywood sign trademark, the efforts of LA, Inc.—the Convention and Visitor's Bureau, an ongoing contract with Decaux for provision of street furniture (bus shelters, trash cans, and benches) that also involves third-party advertising, and franchising agreements with three cable companies. As well, the City of Los Angeles Department of Recreation and Parks maintains partnerships with the Los Angeles Kings, who sponsor Downtown on Ice in Pershing Square, Los Angeles Clippers' youth basketball programs, and Coca-Cola's park-wide vending contract. (Appendix 2G).

County of Los Angeles. The County of Los Angeles began its first marketing project close to 20 years ago with beach trash barrels that had the often-remembered Coppertone Sunscreen ads of the young girl getting her bathing suit bottoms pulled off by a dog. From that point forward they have sought out contracts for several of the County's departments: the Coroner's Department, the Department of Beaches and Harbors, and the Department of Parks and Recreation.

The County of Los Angeles, Department of Beaches and Harbors has a contract with Nissan, the official vehicle for County lifeguards. In addition to vehicles, the lifeguards in the County also receive donations of uniforms, water, and sunscreen from private companies. Although not as apparent as a vehicle, the county is able to save costs while the company increases direct and indirect brand-recognition (Appendix 4).

The Department of Coroner maintains a branding program called "Skeletons In The Closet." They have been operating since September 1993 and their "intent was to use monies raised to offset some of the costs associated with the Youthful Drunk Driving Visitation Program" through offering a full line of products with the Department of Coroner logo, such as beach towels, shirts, and toe tags" (Department of Coroner 2004). As well, the Department of Parks and Recreation maintains concession and vending contracts in addition to having a series of Request for Proposals for numerous parks and golf courses within the County boundaries (County of Los Angeles Department of Parks and Recreation).

The County Department of Beaches and Harbors currently maintains a dozen contracts bringing in over $2.7 million annually in cash and savings, mostly into specific program funds. In addition to the previously mentioned contracts for beach barrels, lifeguard vehicles and uniforms, some of the partnerships also include volleyball nets, beach benches, and concession agreements (Appendix 4).

METHODOLOGY

When the main research question of 'What is the feasibility and opportunity for marketing the City of Los Angeles' was considered, it was important to first understand what has happened in other locations and their keys to success. In addition, having a general understanding of what other locations have learned will provide the City of Los Angeles with the information needed to determine their opportunity. Finally, this information will provide the City with what next steps should be taken to move forward with municipal marketing.

To answer the main policy question, all relevant categories of municipal marketing and stakeholders were examined and researched. An extensive review of what has already been done in other localities was conducted first, to be able to provide contextual background and information on the feasibility of municipal marketing. Second, other localities and stakeholders involved in the process of municipal marketing were contacted for more extensive information, sample documents, and insight. In addition, key partnerships were made with other City of Los Angeles officials and marketing experts. Finally, the research and analysis focused on how a municipal partnership program could be most successful and beneficial to Los Angeles, allowing for a recommendation of preliminary steps for a municipal marketing program.

Information that was sought during the course of the research included: (1) best practices, (2) models and logistics of the contracts, partnerships, and program infrastructure, (3) role of public opinion, and (4) recommendations for Los Angeles.

Literature Review

An examination of similar efforts by other cities was conducted, primarily through a literature review of documents, news articles, and reports. This provided information as to what other localities have tried and learned, and how they have succeeded or failed. Information on the various categories of municipal marketing (exclusivity rights, naming rights, corporate sponsorships), as well as multi-dimensional partnerships, and the advantages and disadvantages of each, was collected. In addition, the literature review provided leads as to key contacts and what factors to research next. A Resource Guide was created that includes an annotated bibliography, and copies of all reference materials, articles, sample Request for Proposals (RFP), and marketing policies.

Semi-Structured Interviews

After reviewing the literature, semi-structured interviews were conducted with willing participants to better understand the process of incorporating marketing into a government entity. A sample of interview questions is attached in Appendix 1. Throughout the interview process, there were iterations to the questions and focus of the interviews.

Individuals identified as key contacts and interviewed for this report are listed below. Additional contacts that were identified are included in Appendix 3. Interviews were transcribed after each contact and are included in Appendix 2. Interviewees received a copy of their transcribed interview and were provided an opportunity to respond. Some interviewees were contacted for a follow-up, and information is included in the interview notes.

Localities were selected for interviews based upon their type and extensiveness of their contracts, their failure or success, and/or the structure of their municipal marketing program. Semi-structured interviewees included:

- *Mary Braunwarth, Director of Development for the City of San Diego*: Mary Braunwarth formerly worked for the City of Los Angeles, Department of Recreation and Parks Income Development Division. Ms. Braunwarth is now overseeing the marketing effort in San Diego, and has created partnerships with companies such as Pepsi, Verizon, General Motors, Cardiac Science, and Qualcomm.
- *Jane Kolb, Director of Development and Marketing Division for the City of Los Angeles, Department of Recreation and Parks*: The Department of Recreation and Parks for the City of Los Angeles formed private sector partnerships for several programs including the Tregan Golf Academy, Youth Basketball with the LA Clippers, and Downtown on Ice with the LA Kings.
- *Gail Wasil, Leasing Officer, Port of Long Beach:* Ms. Wasil currently works as Leasing Officer with the Port of Long Beach. Previously Ms. Wasil worked with some of the initial municipal marketing undertakings within the city, in the position of Superintendent, Contract Management and Revenue, with the Department of Parks, Recreation, and Marine.
- *Dusty Crane, Division Chief, Community & Marketing Services, Los Angeles County Department of Beaches & Harbors, and Kerry (Gottlieb) Silverstrom, Chief Deputy Director, Los Angeles County Department of Beaches & Harbors*: Ms. Crane has worked with the County of Los Angeles for over 20 years maintaining and managing

marketing partnerships, currently she is Division Chief. Ms. Silverstrom assists Ms. Crane with efforts directly in the Department of Beaches and Harbors.

- *Joseph Perello, Chief Marketing Officer, New York Marketing Development Corporation, City of New York:* Mr. Perello is the first-ever Chief Marketing Officer of the City of New York's Marketing Development Corporation. Mr. Perello and his team coordinated the $166 million Snapple contract for the City of New York.

In addition to contacting localities, other experts in the field were interviewed to better understand what is involved in marketing a city and how contracts and partnerships are created. They provided similar information as the localities, but with differing perspective and expertise. Semi-structured interviewees included:

- *Jeff Knapple, President and CEO of Envision*: Envision is a firm providing consulting for the sporting and entertainment world. Mr. Knapple took part in the naming rights negotiations for the Staples Center prior to founding Envision. Since then, Envision has negotiated several sports venue naming rights, as well as the naming rights for the Kodak Theater in Los Angeles.
- *Public Enterprise Group:* Public Enterprise Group (PEG) is a marketing firm focused on negotiating public sector partnerships between municipalities and major corporations. PEG's first municipal marketing endeavor involved a partnership between the City of Huntington Beach and Coca-Cola. Following, the company has secured similar partnerships for Clearwater, Florida; Lancaster and Glendale, California; and the New York Health and Hospital System.
- *Bill Chipps, Senior Editor of IEG Sponsorship Report:* IEG (and its IEG Sponsorship Report publication) is an organization founded with the goal of making sponsorship the fourth arm of marketing, alongside public relations, advertising, and promotion. For over twenty years, the organization has analyzed sponsorships in order to establish benchmarks and best practices in the field.

In addition, Gary Ruskin, the co-founder and Executive Director for Commercial Alert was contacted for an interview. Commercial Alert is a non-profit organization that seeks to "keep the commercial culture within its proper sphere" (Commercial Alert website). Commercial Alert often advocates against city ventures into municipal marketing. Although Mr. Ruskin was not available for an interview, he stated his webpage provided all the relevant information.

Informal Relationships

In addition to the semi-structured interviews, additional informal contacts and relationships were built with key stakeholders in and around the City of Los Angeles. Councilmember Garcetti's office provided the research team a partnership with a marketing executive, Phil Green, who provided contact information and leads. Mr. Green assisted the team with making initial contacts to other marketing executives and provided additional marketing insight into the development of the methodology.

Other key players in the City of Los Angeles provided additional information, including the Office of Councilmember Garcetti, the Department of Neighborhood Empowerment (DONE), and the Entertainment Industry Development Corporation (EIDC). The Planning and Transportation Deputy for Councilmember Garcetti provided insight into factors that may impact municipal marketing in Los Angeles such as sign ordinances and billboard bans. DONE offered insight into the Los Angeles Staples negotiations, and EIDC offered suggestions regarding Los Angeles' entertainment-related marketability.

Limitations

While this report offers a comprehensive assessment of municipal marketing, some limitations were encountered during the data collection phase, including access to stakeholders, time constraints, and the ability to appropriately measure public opinion. Due to the limited timeframe to conduct this analysis (three months), not all identified stakeholders were interviewed. Some prospective interviewees were unable to be reached, while other interviewees could not schedule an interview in the allotted time period. A complete list of additional relevant contacts is attached as Appendix 3. However, interviewees most involved in municipal marketing were contacted and interviewed.

The ability to appropriately measure public opinion was not entirely established. Through the research, content offered insight into public perception of municipal marketing, but only a large, public polling process could effectively gage opinions of Los Angelinos. Still, the public opinion findings in the following section offer an overview of how to effectively integrate a municipal marketing program with minimal public discontent.

Time constraints of this report did not allow for the research team to do an extensive examination into the feasibility of implementing a branding effort within Los Angeles. Undertaking a branding effort requires a certain level of marketing knowledge, an idea of how the city wishes to be portrayed, and knowledge of licensing and trademark laws. This report focuses primarily on municipal marketing in Los Angeles as it applies to the previously mentioned categories involving partnerships with corporations.

Analysis of Findings

As research and reports were gathered and sample documents collected (guidelines, policies, contracts, and Request for Proposals), a content analysis of all information was conducted. Important and consistent factors that influence municipal marketing were noted. The content analysis assisted in guiding the research and next steps, as well as assisted with the later analyses. After all research was collected from literature reviews, interviews, and content analyses, key and consistent themes were noted and important factors influencing municipal marketing were recognized. Comparisons of models and their results were made, and best practices were found throughout the research. Information is compiled in this report, as well as in a Policy Brief.

FINDINGS

The results of our analysis suggest that municipal marketing can be a positive and profitable venture for the City of Los Angeles, and this particular undertaking can fall into any, or a multitude, of the four broad categories of municipal marketing analyzed earlier in this report. Depending upon the particular asset, the potential partner, and the desired outcomes, the City of Los Angeles may choose to incorporate different types of municipal marketing into their partnerships. This may involve a naming rights project for a historical landmark or establishing an exclusive concessions agreement at all city recreation areas. Regardless, when considering the following findings and the subsequent next steps, the City of Los Angeles should also recognize the importance of selecting a marketing method that both generates adequate revenue and appropriately matches the city asset being marketed and the private-public partnership that is developed. To that end, each of the four marketing categories, if used properly, can demonstrate measurable success in a citywide plan.

The findings are categorized in three broad categories and eight sub-sections. Throughout each of the eight key findings, consistent themes permeated all aspects of the analysis, including the need to be open and transparent—this establishes trust and allows you to avoid criticism; establishing a multi-dimensional, non-linear partnership—the most successful partnerships are comprehensive, serving more than one municipal function; and being aware of your opposition (which is discussed further in sub-section: Public Opinion below).

The three primary categories of findings (Table 5) include (1) Structure – what the city needs to begin the process, (2) Process – how the city can get started, and maintain municipal marketing partnerships, and (3) Evaluation – what the city should consider to measure its success in municipal marketing. Within each of these three primary categories of findings exist eight additional key areas for conducting a successful partnership including (1) Asset Valuation, (2) Internal Structure, (3) Expert Involvement, (4) Competitive Bidding, (5) Public-Private Partnerships, (6) Contract Essentials, (7) Revenue and Costs, and (8) Public Opinion.

TABLE 5: Findings

• Structure
  - Asset Valuation
  - Internal Organization
  - Expert Involvement
 	
• Process
  - Competitive Bidding
  - Public-Private Partnerships
  - Contract Essentials
 	
• Evaluation
  - Revenue and Costs
  - Public Opinion

Structure

Before creating municipal marketing partnerships, the City of Los Angeles must first assure that certain citywide policies have been appropriately assessed and adapted. This includes compiling assets, determining an appropriate internal organization, and seeking expert marketing guidance.

Asset Valuation. Before undertaking an extensive municipal marketing project, the City of Los Angeles should first compile a comprehensive list of the City's assets. (A list of sample assets that a municipality can market is seen in Table 6). Based upon the research and interviews conducted with other municipalities and private sector consultants, a municipal marketing plan is likely to be initiated by first understanding the assets available and then centralizing such assets into one primary list. Only after the asset valuation, can a municipality begin to forge partnerships. With a city as large as Los Angeles, assets are currently maintained by individual City departments, if at all. For example, the Department of Parks and Recreation is aware of its citywide parks and athletic fields, however, other City personnel may be entirely uninformed of these resources. A comprehensive list will allow the City to bundle these assets when developing marketing partnerships in the future.

In the interviews with private sector marketing firms and consultants, the importance of centralizing assets was frequently mentioned. Without an asset analysis, there would be no method to measure the value of a municipality, and therefore, the development of partnerships would be challenging. Furthermore, conducting an asset analysis and valuation allows a city to understand what type of partnership may be the best fit, including a beverage contract, signage, telecommunications, or other venture (Appendix 2A). Understanding the assets allows the municipality to appropriately value them in future contract negotiations and to offer assets that will produce the most revenue (Ibid.).

TABLE 6: Sample Municipal Assets

- **Physical Assets**
  - Theaters
  - Stadiums
  - Roadways
  - Bridges
  - Burms
  - Street Furniture: lights/lamps, benches, trashcans, bus stops
  - Parks and gardens
  - Hiking trails and mountains
  - Lakes and water recreation locations
  - Vending machines
  - Citywide concession stands
  - Uniforms
  - Municipal vehicles (including helicopters)
  - Recreation centers and athletic facilities
  - Bike lanes

- **Non-Physical Assets**
  - Health care services and insurance
  - Community events (including concerts in the park and other events)
  - Educational programs
  - Cable franchising
  - Telecommunications
  - Maintenance services

While Los Angeles County Beaches and Harbors was very aware of its largest asset, the beauty of the Los Angeles's beaches and the Pacific Ocean, a full asset analysis allowed them to determine how to best approach the idea of marketing and how to value the priceless coastline (Appendix 2E). Even without outside contractors conducting asset valuation, Beaches and Harbors determined the value of its assets after first negotiating partnerships over twenty years ago (Ibid.).

Like Beaches and Harbors, other municipalities were very aware of their assets because of (1) the limited size of the municipality or (2) a professional asset valuation was conducted prior to entering into marketing partnerships. Considering the vast size of the City of Los Angeles, and the endless number of City assets (Hollywood, television and film industry, outdoor scenery, historical landmarks), a thorough analysis of assets available, as well as their relative value to a marketing partnership, will allow the City's desires and the community's needs to be best met once partnerships are formed.

Internal Organization. A municipality's internal organization is one facet that can dictate success or failure. Two themes were consistent throughout all of the research – there is the need for a position within the municipality that focuses attention primarily on maintaining marketing partnerships and municipalities must consider their level of centralization. As will be discussed below experts or marketing consulting companies can be beneficial for seeking out new clients, identifying assets in creative ways, and coming up with creative marketing ideas. However, maintaining contractual partnerships requires someone with the skills and knowledge of city policy and procedures and someone to act as a liaison amongst the city departments involved with the contracts and the companies involved.

Before the City of Long Beach established a position to maintain marketing partnerships, they experienced a lengthy period of time without any contract negotiations. When the employee from the Department of Parks, Recreation, and Marine transferred, all of the contracts were put on hold until the city made the choice to create a position and fill it (Appendix 2J). The County of Los Angeles' Division Chief of Community & Marketing Services has been involved in their marketing efforts for almost 20 years. Because of the stability and length of time devoted to these efforts the County has built committed relationships with their partners and has maintained an extremely successful program.

Centralization of efforts is something that needs to be tailored to the municipality depending on their size and needs. A centralized effort has the potential to bring in larger, more lucrative partnerships, as the municipality has a greater opportunity to offer contracts with a multitude of their assets. However, this does not mitigate the importance of smaller companies seeking smaller partnerships. Nor does a centralized structure come without challenges. With a centralized effort, there is the potential for resistance and turf issues within departments that have maintained their own contracts for years, especially with larger municipalities.

Although decentralization is more popular within the larger municipalities, the centralization efforts within New York should be noted. Having a department head and a large full-time staff (the department will grow to 20 people by August 2004) to maintain and seek out new contracts could lead to maximum efficiency with bundling assets and building unique contracts that can benefit multiple departments (Appendix 2I). Still, it is necessary to keep in mind the potential costs of a fully staffed office (discussed below in *Revenues and Costs*).

Expert Involvement. With so much to consider such as bundling assets, developing relationships, and constructing contracts, marketing experts offer knowledge and skills that are likely not to be available within the City of Los Angeles. Based on the research and interviews, several localities have used marketing consultants to various degrees. Some consultants are brought in to handle the development of the partnerships and contracts (Appendix 2C), while other consulting firms assist municipalities throughout planning and implementation as well as with finding ways to package a multi-dimensional partnership (Appendix 2A). Some consultants even assist with finding a company that matches the municipality's goals (Appendix 2F).

Almost all of the interviewees agreed that a marketing expert is needed to assist with corporate partnerships and many mentioned their success related to marketing consultants. The reason most often given was that government entities usually do not have the necessary experience and knowledge to negotiate a successful partnership with each party equally gaining and receiving from the partnership. However, some localities, such as Los Angeles County did not, or no longer do, use an expert, as staff becomes familiar with the process and negotiations aspect of municipal marketing.

Process

Once the structure is established, the City needs to determine how it will create and maintain municipal marketing partnerships, including establishing a competitive bidding process, maintaining relationships with the private sector, and appropriately structuring all marketing contracts.

Competitive Bidding. While municipal marketing is now more readily used to increase revenue, it is still necessary that municipalities establish a transparent process for choosing partners. Due to recent corporate scandals, the importance of ethical business practices remains at the forefront of the endeavors into public-private partnerships, and for this reason, municipalities are willing, and some are mandated to take part in a competitive bidding process. In other arenas, such as public works, municipalities already take part in a competitive bidding process, where private companies can bid on and win contracts based on the best package offered. The competitive bidding process allows municipalities to be comfortable with crossing the boundary between public and private sectors.

Interviewees used a variety of means for attracting companies. Mostly, competitive bidding was done through Request for Proposals (RFP) and Request for Sponsorship (RFS). However some localities sought specific companies that they thought were a good match. The City of Los Angeles, Department of Recreation and Parks conducts its sponsorship program in this manner, approaching various sports teams and other private companies that may be interested in developing a partnership (Appendix 2G).

Both an RFP and RFS are an open process that any company can respond to, and the request can be narrow or broad depending on the project. The lack of a RFP or RFS procedure may create a public and political backlash, similar to the ongoing problems associated with The City of New York's bidding process with Snapple.

RFP call for private companies to sponsor specific items or events, while an RFS provides companies with an opportunity to approach a municipality with creative and unique ideas for partnerships. These methods lower the level of vulnerability that municipalities are subject to, including eliminating unwanted companies from entering the process by requesting companies with specific characteristics that will match their mission. A municipality has to make certain that prior to opening the bidding process, their values and objectives are stated clearly so that companies seeking contracts hold the same principles and intentions.

Public-Private Partnerships. Once the bidding process is in place, the development of public-private relationships is a key to success in municipal marketing. Since the relationships being described under municipal marketing are no longer simple transactions but comprehensive partnerships, where the municipalities are trying to create appropriate pairings with private companies, there is a necessity within these relationships to have "everything on the table" from the beginning. There are a number of goals that both municipalities and companies should strive to reach even prior to settling a contract. Once negotiations begin, both parties need to make full disclosure of values, objectives, and expected outcomes a priority. As well, both parties need to reach a certain level of comfort and trust that encourages candid discussions because false expectations and/or promises can lead to failed negotiations and contracts.

Furthermore, while often established as part of contract essentials, both parties need to have a clear understanding of who has control over various aspects of the contract. Defining control does not mean losing the ability to be flexible. Flexibility can strengthen a relationship because it gives the parties the ability to move with the evolving needs of their surrounding community. These relationships need to be clearly defined, but also have the ability to adapt, if they are going remain strong and fulfill their expected outcomes.

Building strong, positive relationships allows for there to be trust and understanding for both parties involved, which if maintained and nurtured over time can lead to successful, long-term partnerships. Most importantly, finding companies that work well with the municipality and its mission are most beneficial, and overall, the partnerships need to be appealing to both parties involved. Companies want to develop a three dimensional relationship with the citizens (Appendix 2F) and give back to their community (Appendix 2G). Most interviewees found that multi-dimensional contracts provided more satisfaction from companies, as well as more benefits to the municipality and its citizens.

Contract Essentials. After the municipality has selected a company that matches its needs and goals, it is necessary that contracts are clear and flexible to ensure the most successful implementation of the partnership—one that is feasible and desirable for both parties. Contracts should be easily understood by all current and potential users. In addition, contracts need to allow for flexibility related to changes in the economy and the municipality and company's circumstances. Furthermore, detailing a contract's arrangement, rules, and functions will ensure an avoidance of debate during implementation of the partnership. This includes specifying how the municipality will disburse benefits received by the company, what types of benefits will be received, and how they can rescind on the contract if certain unwanted circumstances arise. Stringent rules can help keep the relationship equal and avoid the company from having more control over the deal.

Beyond being satisfied with the contract rules, the municipality needs to protect itself during the life of the contract. Most of the research concludes that municipalities now include clauses that allow a way out of a contract if the company partner was to experience major fallouts similar to Enron or the dot-com industry. In addition, municipalities need to consider the length of the contract and opportunities for buy out options on assets sponsored by companies. One interviewee had a short-term contract with an automobile company who sponsored their lifeguard trucks. Although they developed a positive relationship with the company, after their one-year contract was over, the automobile company had changed management and was taking a different marketing approach. Because they had invested equipment and capital into the trucks, the interviewee preferred to keep the trucks. However, it resulted in the municipality paying a much higher cost than they may have paid otherwise (Appendix 2E).

Another important aspect, when considering municipality benefits within a contract, is whether revenue will be based on guarantees or commission. This often is relevant with contracts for vending services or other contracts that involve the sales of the partner company's products. Guarantees ensure that a certain amount of money will be paid to the municipality, in comparison to commission, in which they will make a percentage of the sales produced. With guarantees, the municipality will know exactly what they will be receiving. Commissions can still bring in revenue, but the municipality needs to be certain that estimated revenue ranges are feasible and obtainable.

In addition to feasibility of sales, all contract commitments should be possible to accomplish. The municipality should never agree to contracts that require them to commit or offer more than they can provide as well as allow for the company to make decisions, such as where vending machines will be placed. To avoid this, a municipal marketing firm, Public Enterprise Group, includes locations and options of opportunities for companies interested in partnering with a municipality before the contract is signed (Appendix 2A).

Evaluation

After marketing partnerships have been established, the City should set up a method to measure overall impact and success of the program. This evaluation system can track revenue compared to costs, as well as public opinion.

Revenue and Costs. It is much easier for the public to understand a marketing partnership if they can witness the funds going directly into services or programs that would not exist without the marketing partnership. A percentage of the agreed, contractual amount can be designated for the general fund, but both corporations and the public are more willing to accept a contract that contributes to direct projects. It is easier to enter into negotiations with a company if the funds will be restricted, but frequently, elected officials have a preference for the revenue to go into the general fund. One example of restricted funds is that Los Angeles County Beaches and Harbors completely supports its W.A.T.E.R. Youth program through sponsorship funds (Appendices 2E and 5). Whereas revenue that goes into the City of San Diego's Department of Parks is seen as a contribution to the Parks fund, but the parks disbursements come from the General Fund (Appendix 2C).

Revenue can be addressed in both the contractual agreement and the disbursement plans. In all municipalities researched for this report, a range of revenue existed, anything from simple savings from product donations to $400 million asset enhancement over a span of 20 years. Benefits to municipalities range from savings to actual cash flow and depend on the length of the contract. Regardless of the specific amount, the method of disbursement affects both implementation and public opinion.

Costs associated with municipal marketing are dependent on the extent to which expert involvement is used and the internal structure within the municipality. Some startup costs are likely to be incurred for planning, staff, and the use of consultants. But like revenue, there can be a range of costs. In many cases, costs were kept at a minimum, and once partnerships are developed, can be embedded within the structure of the municipal marketing program. Within our interviews, the City of San Diego stated their benefit to cost ratio was 14:1 (Appendix 2C), and the City of New York, with a marketing staff of 20 professionals, has a ratio of 7:1 (Appendix 2I).

Public Opinion. The introduction of a municipal marketing plan is often met by discontent from a constituency who is uninformed of the process. While the idea of a "corporatized" city environment may cause the public to not support such a project, if approached in the proper manner, involving the public at all stages, municipal marketing can garner wide-ranging support from constituents. Most municipal interviewees found that constituent support (or lack thereof) never factored into their municipal marketing partnerships. Often, constituents were either unaware of the marketing programs, and thus, unable to voice approval or disapproval, or constituents supported the endeavors as a means to contribute municipal revenue during flush years and supplement coffers during deficits. Still, it is important to involve the constituency throughout the process, just as they would be involved in other legislative implementation.

Municipalities can involve constituents simply by explaining how marketing revenue is used and to which funds it is deposited. It was asserted that as long as the public is aware of the benefits from increased revenue, public opinion remains positive (Appendix 2A). For these reasons, it is important to make constituents aware of existing marketing partnerships and their impact, such as an athletic company designing a recreation center or a beverage company sponsoring a citywide recycling program.

It is also necessary to publicly explain that municipal marketing does not necessarily and solely involve signage across a municipality. Generally the public perceives municipal marketing as corporate logos covering public space, and is thus turned off by the partnerships. However, once it is learned that marketing partnerships involve social campaigns (literacy, recycling, and mentoring programs), the public again demonstrates support (Appendix 2A). Likewise, the process often needs to be explained to the public in order to determine a level of public opinion or support. For many municipal projects, the public does not even realize a partnership exists, however the public is generally content that the byproduct exists (ice skating rinks, clean beaches) (Appendix 2A).

Multi-dimensional partnerships allow for the municipality to incorporate agreements that are considered more acceptable to stakeholders, as they provide a multitude of benefits for many different parties. Some categories of municipal marketing are more easily accepted by the public, such as corporate sponsorships where benefits can be seen by the public through events and programs, versus naming rights where the public sees a company gaining some "ownership" over a municipality asset. Considering that certain types of municipal marketing are easier to implement than others, multi-dimensional partnerships allow for all types of municipal marketing to be conducted through a single partnership that is enticing to all.

A municipality should also consider public opinion as expressed by outside interest groups. In the realm of municipal marketing, one of the primary opponents is the organization Commercial Alert, based in Portland, Oregon. Commercial Alert offers an extensive website, providing information about the side effects of municipal marketing. The organization expresses its concerns about finding appropriate partners (and how to prevent unwanted partners, such as tobacco or alcohol firms). With a mission "to keep the commercial culture within its proper sphere, and to prevent it from exploiting children and subverting the higher values of family, community, environmental integrity and democracy, the organization," the organization strives to keep the private out of the public realm, even if such partnerships can generate needed revenue for municipalities (Commercial Alert 2004).

In addition to the vocal opposition from Commercial Alert, research indicates that opposition most often occurs in the media and by advocacy groups when a municipality first announces their plans for municipal marketing. While the 'corporatization' or 'privatization' of public responsibility is a valid concern, if the municipality is able to appropriately involve the public, explicitly show the benefits associated, and operate municipal marketing within boundaries, most opponents tend to back off. Each of the municipalities researched that maintained successful programs had done so tastefully. Having foresight into public opinion and maintaining boundaries can prevent objections.

NEXT STEPS

In the realm of municipal marketing, the City of Los Angeles is an untapped goldmine, with the potential to provide financial incentives to a city desperately in need of additional fiscal support. While municipalities nationwide contemplate their entrée into such a field, the question in Los Angeles is not whether to enter into marketing partnerships, but how soon can the process begin? From Hollywood to the coastal beaches, the Miracle Mile to the Santa Monica Mountains, and the Venice boardwalk to Griffith Park, the assets of Los Angeles, if embarked upon properly, can provide enumerable benefits to the city.

Based upon the research findings, before Los Angeles chooses to move forward with a municipal marketing plan, it is suggested that the City follow three steps for success: (1) convene all departments, (2) gather public opinion, and (3) retain a marketing professional.

Convene All Departments

In order to evaluate the level of support and to compile a comprehensive list of the City's assets, it is necessary to convene all departments throughout the City. A convening effort will bring together all key players and stakeholders from City departments to discuss their individual needs, as it relates to a marketing program, as well as their department specific assets. Convening can also provide the City the opportunity to meet with oversight agencies and departments to discuss legality and logistics of potential marketing partnerships. Within the City of Los Angeles there exists over 40 individual departments, convening and gaining support from each department may be logistically and politically infeasible. At the minimum, those departments that support municipal marketing efforts and manage valuable assets should be brought to the table. Within The City of New York, the Marketing Development Corporation experienced some barriers at the onset of centralization; they alleviated concerns and problems by inviting those directly involved with the contracts to the table to negotiate their centralization (Appendix 2I).

With a city as large as Los Angeles (both in population and geography), compiling a list of City assets can best be managed through a comprehensive effort. Often, various departments are unaware of the assets managed by another department; however, working together, the individual departments can provide a comprehensive assessment of their assets. Only after a comprehensive list is established, will Los Angeles be ready to engage in municipal marketing.

Gather Public Opinion

While the research indicates that if a marketing partnership is established appropriately from the beginning, the public generally supports the endeavor, the City of Los Angeles should consider establishing a method to measure public opinion of such a marketing endeavor. Public opinion could be gathered through an extensive polling process, with professional pollsters using a phone-based interview instrument to sample opinion through a random cross-section of the City. Such a procedure will likely provide reliable results, however a substantial cost may be attached to this process.

As well, the City may consider working with the Department of Neighborhood Empowerment and the 95-certified neighborhood councils to acquire the opinions of stakeholders within Los Angeles. Clearly, with the neighborhood council structure already in place, this method of gathering public opinion can be achieved at little cost to the City, however, the councils, with average homeownership rates of 60 percent (compared to 40 percent city wide) is not indicative of a representative sample of Los Angeles residents. Despite this drawback, the convening power of the neighborhood councils can be used not only to gather some level of public opinion, but also to further identify assets within the City.

Retain a Marketing Professional

The process of researching and retaining professional marketing staff or an expert consultant should begin immediately. As the findings specify, regardless of the format of a municipality's marketing program, the use of professional marketing staff, whether an internal position or external consultant, was essential in the earliest stages of the program. While retaining professional staff will come at a certain expense to the City, once a marketing program is underway, it should be expected that the fiscal benefits of such a program will surely outweigh the expenses of managing it. Retention of a marketing professional will allow the City of Los Angeles to delve further into the planning stages of this type of program, eventually leading the City to next phase.

While these three suggestions of next steps for the City of Los Angeles will likely lead to a efficient implementation of a municipal marketing program, it should not be expected that municipal marketing is the panacea to Los Angeles' budget difficulties. If implemented thoughtfully and nurtured until stable, municipal marketing in Los Angeles can offer the City an alternative source of revenue, without an increase in taxpayer expense. Los Angeles is unique because of its size, strength and number of assets. And if handled appropriately, a municipal marketing endeavor will have lasting benefits for the City and its residents.

APPENDIX 1: SAMPLE INTERVIEW QUESTIONS

Sample Interview Questions for: Government Entities

1. How has your organization incorporated/or attempted to incorporate corporate partnerships/branding?
   a. What are the details of the partnership (how was the contract set up)?

2. How did your entity get started in marketing?
   a. What were the initial steps taken?
   b. Who were the first individuals/organizations you approached to get this idea off the ground?
   c. What was the initial response or buy-in? Has it changed over time?
   d. What are your policies and procedures for this type of endeavor?

3. Were there implementation issues that you experienced as you continued to build your program (both positive and negative aspects)? If so, how were they overcome?

4. What was the process for eliciting corporations/sponsorships?
   a. Was it a competitive bidding process?

5. What was the public's response to this type of marketing?
   a. When and how did you measure public support?
   b. How can/did you gain public support?

6. What do you believe are the keys to success for a marketing partnership/branding opportunity?
   a. What venues/buildings/locations have been most successful in marketing?

7. What are the obstacles of incorporating a corporate partnership/branding element?
   a. Did you experience any obstacles?
   b. How were they overcome?
   c. Were/are there issues with attracting the right corporations? How is this done?

8. What have been the results so far (pro and con)?
   a. Did this project generate/or plan to generate any measurable revenue and/or any special projects?
      i. How will revenues be used? (Have you seen an increase in your revenue sources)?
      ii. How are revenue and benefits disbursed?
   b. What are the fixed and variable costs associated with this type of venture?
   c. In your opinion do the benefits outweigh the costs (both real and opportunity cost)?
   d. Have there been any unintended consequences (good and bad)?

9. How does your corporate partnerships/branding fit into the infrastructure of your organization?
    a. What is the structure like?
    b. Is it centralized? What are you currently doing as far as centralized marketing practices?

10. What are the next steps that your entity plans on taking?

11. What recommendations would you provide to another city interested in corporate partnerships/branding?

12. Can you provide us with copies of contracts, policies and procedures, and/or RFPs?

Sample Interview Questions: Experts and Other Stakeholders

1. What have been your experiences with corporate partnerships/branding?

2. Who is affected by corporate partnerships/branding?
    a. Who profits?
    b. Who loses?
    c. How much of a role does public opinion play?
    d. What are the costs and effort that are necessary?

3. What are the pros and cons of corporate partnerships/branding?
    a. How are organizations affected?
    b. Are there unintended consequences?
    c. Will the economy be affected?

4. What are the keys to a successful partnership?
    a. How is this done?
    b. Who should be involved?
    c. What structure/infrastructure is needed?
    d. Are regulations/caps necessary?
    e. What venues/buildings/locations have been most successful in marketing?
    f. How would a city take an integrated approach to marketing, as opposed to just trying to sell naming rights?
    g. How do you evaluate success in this kind of relationship?
    h. How do companies calculate the return on their investment?

5. Do corporate partnerships/branding ever go too far?
    a. How far is too far? What are acceptable and unacceptable partnerships?
    b. How can this be avoided?
    c. Is there a way to balance the interests of a corporate partner with those of municipalities and the public they represent?
    d. If it came down to a choice between cutting, for example, an arts program, or getting a sponsor to help cover the costs, what would those in opposition do?

APPENDIX 2A: PUBLIC ENTERPRISE GROUP TRANSCRIPT

Interview: Judy Anderson, Chairperson and Chief Executive Officer
Mike Riley, President
Don Schulte, Chief Operating Officer
Date: March 29, 2004
Location: PEG office in Huntington Beach, California
Interviewers: Tracey Cross, Emily Guthman, Ariella Loewenstein, and Amy Sheller

Context: Public Enterprise Group (PEG) is a marketing firm focused on negotiating public sector partnerships between municipalities and major corporations. PEG's first municipal marketing endeavor involved a partnership between the City of Huntington Beach and Coca-Cola. Following, the company has secured similar partnerships for Clearwater, Florida; Lancaster and Glendale, California; and the City of New York Health and Hospital System. PEG is at the forefront of the municipal marketing trend and is instrumental in negotiating innovative public-private partnerships nationwide.

After a brief introduction into the project, the following question & answer and discussion took place.

Interview:
Can you please elaborate on your experience in the arena of municipal marketing?
Each Public Enterprise Group (PEG) staff member has a marketing background and experience with companies including, Taco Bell, Proctor & Gamble, and People Soft. This varied and extensive private sector experience has been instrumental in PEG's public sector endeavors. PEG's first project as a group was to create sponsorship packages for the World Cup Soccer Tournament in 1994. It was during these negotiations that PEG was asked by the Mayor of Huntington Beach to create a similar marketing project for the city. The initial idea for a "naming rights" sign deal over the Huntington Beach pier never emerged; however, that conversation provided the impetus for Huntington Beach's current marketing program.

Public perception of signage is challenging because there is always fear that offensive material will become part of this type of advertising. With such climate changes (especially considering the numerous large-scale failed naming projects), it became obvious that the public's perception to large-scale marketing would not be as effective as other alternatives. PEG sought out other arenas and tried to answer the question: "what amount of advertising/signage a city can digest?"

PEG worked with Ron Hagen of the City of Huntington Beach to first develop a beverage contract, followed by other potential marketing deals. They started with the idea of beverage sponsorships because it was familiar territory for PEG and the principals all had strong contacts in these companies from their prior sport sponsorship experiences. Soon, in order to make the idea more palatable, they switched from the idea of sponsorships to the idea of symbiotic partnerships. There is a general perception that partnerships are positive, since they are long term and both sides need to make an effort and benefit from their efforts. Since relationships already existed, the negotiations process moved quite smoothly.

PEG takes part in discovering new ways for city and counties to take part in this type of marketing; the final decisions are left to those cities and counties. They conduct a lot of work at the front end of these partnerships, often prior to both sides even coming to the table. PEG looks into the true value of the assets through audits or a thorough inventory investigation. They assess a variety of items including traffic, electricity, slab, aesthetics, etc. Due to these comprehensive assessments, PEG has been able to identify 32 major sectors of revenue opportunities for public sector clients, with only one example being the category of signage.

One of the biggest issues PEG foresees impeding cities from entering into this area is that city employees have no marketing background and neither the time, nor the capability, to conduct the assessments or negotiations that are needed in order to create successful partnerships. Judy says that only with the necessary details can you run a fair contest, not an auction of out-bidding for the lowest cost. In the long run, these details will add value to the partnerships, making the deal more lucrative for both sides.

PEG noted that many cities tend to overlook the written contracts that they enter into, with no knowledge of the true relationship being formed. Contracts can be misleading with such things as the difference between a guarantee and a commission. PEG calls for a two-tier solicitation from all perspective vendors. Vendors must provide bids for both snacks and beverages separately and together, so that the public sector partner can decide which is the best fit. Different bids are never disclosed to other bidders because PEG wants to avoid an auction or contest-like atmosphere.

Contract Negotiations and San Diego

PEG explained the importance of understanding all written contracts and emphasized the difference between potential and actual revenue generated. PEG asserted that although San Diego's partnership with Pepsi is listed at $20 million, it will likely only produce approximately $4.25 million because of the upfront nature of the contract combined with the specific vending sales necessitated. San Diego (after the up front payment) receives a minimum payment annually based on the per annum return that Pepsi receives from specific vending machine sales. If those machines do not produce the company's desired amount, the city will receive less and will never reach that maximum dollar amount. With a contracted minimum payment of $250,000 per year and 1000 vending machines, it was difficult for San Diego to disburse and appropriately use such a high number of machines. Usually there is a per capita expectation of the amount of revenue that can be generated. Mike stated, "there is a population of 1.5 million in San Diego—why would the contract be for $20 million? In Long Beach, PEG negotiated a $3 million beverage deal for a population of 450,000—something that is much more feasible."

The importance behind this message, PEG states, is that a payment guarantee is imperative to make the deal lucrative for both the city and the beverage company. Without a guarantee, the city hands control to the beverage company, and they can "cherry-pick" as to where they want their vending machines placed, without assessment as to whether the location will produce increased sales. Both members of the partnership should have a detailed understanding of the bid. It is important to work with city employees and departments in order to gain a list of assets that the city views as something that will "sell" and also bring these employees into the marketing mind-frame.

Do you conduct the asset analysis yourself?
PEG works with the city, especially when a comprehensive municipal marketing package is being created. When PEG conducts the asset analyses, they look for items in a number of categories including beverage, snack, signage, telecommunications, parking features, concessions, etc. In these assessments, the primary goal of PEG is to look for assets that will produce the most revenue. PEG uses an agent's compensation system (12%) and receives some degree of financial compensation up front so that they know that their client is invested in the project for the long-term.

New York and Snapple
PEG was part of the bidding process in The City of New York, but another company was awarded the contract. Still, PEG secured a contract for just under $20 million with the New York Health and Hospital Corporation.

Judy, Mike and Don say that the problem with New York is that they had no RFP process and that they did not do their homework. New York chose a firm that did not know how to appropriately implement the program. The contract in New York is all commissioned (based upon vending sales), and PEG's deal with the hospitals may prove to be even more lucrative.

Unfortunately, New York's lack of competitive bidding process has resulted in a major backlash. Mike mentioned that there are two things that are important with beverage RFPs: (1) there is an opportunity for a failsafe system, reasonable minimum guarantee and (2) demand for contractual assurance that the promise will be delivered. Long Beach did not have #2 and they had to deal with negotiations within the contract. The Snapple contract did not take into advance consideration that a company would not put anything in from their side if they do not receive any benefits. This is because the majority of the Snapple contract was put together by Snapple's lawyers with very little risk involved to the company.

The advantage of having an outside consulting group working with the city to create these municipal marketing partnerships is the strengths of the relationships that the marketing professionals have outside the city that can bring revenue into the city. Marketing consultants can and should stay involved in the partnerships to the term of contracts so that if anything new arises, they can help both sides make the determination if contracts need additions or adaptations in order to make the relationship remain lucrative.

Public Perception
Public perception is determined by tangibles. As long as they know where the money is flowing to, then they are more willing to visit this area of marketing that was once considered taboo. PEG works with cities to determine public opinion by talking to economic development agencies and City Council members. The first thing that always seems to come to their minds is a "huge sign on the beach". If you stress that you are not talking about commercialization, then partnerships can be successful. The State Parks, prior to entering into partnerships, did studies to find the level of signage that can be done tastefully. An "adopt-a-highway" sign is perceived positively by the public because it is interpreted as a greater societal benefit. The idea is to

purposefully locate signs/machines/advertising so that these items are accessible but not offensive.

In today's society, America wears their labels on the outside. In this climate, cities are more willing to revisit some of their policies in part because of the economy, but also because of a long-term drift towards a mutual penetration by the private sector. Cities are realizing that they have enormous assets, and if marketing is done appropriately, then the revenue can be great.

The long-term aspects of the issue are the mutual penetration of the public and private sectors. Business driven models are becoming more popular within the public sector. There are trillions of dollars held up in the assets of cities. They all are becoming better entrepreneurs. PEG just proposed to King County, WA a new type of bid. They see counties as an entity that can serve its citizens by buying group policies for health insurance. The county can use its collective bargaining power to provide health subscriptions to the population. King County has a population of 1.7 million, with $6 million in profit from this deal.

How do you deal with zoning issues or ordinances when implementing signage?
PEG has an attorney that looks into the ordinances. This attorney is helping in King County, Washington with changing the ordinances—this may impact a future marketing partnership.

Naming Rights and the Economy
Naming rights has stalled somewhat due to the economy. Prior to the recession, naming rights were more about ego. Credit card and affinity card programs are also suffering, likely because of difficult economic times.

Range of Revenue
PEG states that up to 2 percent of a city's general fund revenue can be created through such partnerships. PEG estimated that an average sized city (1.5 million people) could expect an estimated $12 million revenue from municipal marketing partnerships.

What makes a partnership successful?
Strategic marketing plans provide a menu of opportunities. There are three important points that help create successful partnerships and help bring the marketing plans to fruition: ease of implementation, public perception and the amount of money to be produced.

A partnership is successful if the client is making money, if there are point people paying attention to the deal, and if open communication is involved. There must also be a commitment from both sides.

You should also note that some cities do not have enough assets to make a successful partnership. Municipalities with a population under 150,000 are usually turned away by PEG. There is just not enough revenue or assets to form a partnership.

Comprehensive versus Specific Packages – this depends on the company. People have to be educated regarding the marketing of cities and the assets that are present and can be used. It is useful to aggregate the contracts so that the revenue and benefits becomes greater than what would be produced by the separate pieces. With the New York Hospital negotiations, PEG bundled their assets to provide the biggest contract possible. This involved the inclusion of their telecommunications component (something the hospital would have spent regardless of a marketing partnership).

Can you explain the process from beginning to end?
The optimum arrangement is to have a professional within the city in place (full-time versus liaison) that is charged specifically with managing a municipal marketing program. It is necessary to have people who have access to budgets and have the knowledge of what can be spent in order to make partnerships successful. A consultant group is also helpful so that outside companies have someone to work with and also to determine emerging markets (where cities would never think of to look into). Still, this may change from client to client.

Separate Steps – the process has made these partnerships successful. It is a participatory process so that everyone involved is thinking on the same level and that dialogue is open and honest. PEG has the ability to develop specific ideas, but more importantly introduce different departments to one another and perhaps centralize the process so that different departments do not compete, and all benefit. There is also a "buy-in" process that is important in order to solicit relevant assets (both tangible and intangible) from the city. The more involvement that individuals and corporations have, the more likely a long-term commitment will be formed providing benefits for both sides. It's important to have fun with the process and to have participatory discussions amongst all parties.

Phases as stated in a sample contract:
Phase I: Analyze the revenue potential
- A. Asset analysis with deadline

Phase II: Package the assets
Phase III: Packaging and Merchandising opportunities
- A. Packaging the RFP
- B. Partnership Sales and Service

Phase IV: Negotiation of further marketing
- Contracts, Client Services, Ongoing Sales, New Prospect Negotiations, and Partnership Relationship Management

PEG solicits a list of assets from the cities, and then proceeds with an audit and fiscal analysis of each asset, followed by preparation of the document. You can get creative with assets when it comes to signage. An example of this creativity is with Clear Channel, which has a good definition of prices and examples of signage on their website. Signage can also take place outside malls, on phone kiosks, etc. Partnerships can occur anywhere—Long Beach has a storm drain contract. Some cities are now dealing with customized and personalized asphalt. Los Angeles' Library Tower recently got a sign placed on top for US Bank. It is now the US Bank tower.

Other innovative approaches include: Long Beach is now looking into a direct mail campaign. Huntington Beach is looking into Affinity cards. It is even possible to use transit cards and adapt them into VISA or MasterCard type cards. This concept could be sold to schools, so students do not have to carry cash while on campus.

Recommendations to the City of Los Angeles

Los Angeles should consider adding more to their beverage contract and should bring on a consultant to develop other revenue opportunities. LA can use NY as an example; yet, do not go to the table 'fully loaded.' The city can consider bundling city events into their contracts and there can be a huge benefit.

From a major city standpoint, NY moved forward with hiring Joe Perello. His point of view was that NY did not need a consultant. You need to have an in house professional who can manage the deals but also a consultant who can give you the advice. Someone in-house can handle the policy and procedures, but they need an implementation focus and overall management focus. The cities also need someone with a marketing mind, whether it is a consultant or an experienced city employee. Los Angeles can work with Greg Wilkens, who already handles the city's beverage contracts.

Los Angeles can reflect upon the flaws within the New York-Snapple deal. There were points that were not considered but need to be. The New York-Snapple deal was for 5.5 cases per week in sales and 3,500 machines citywide. This seems a little infeasible and there are turf issues with who is willing to take the machines. If the performance of the machines go down, than the marketing also decreases. Los Angeles needs to take such issues into consideration, especially when developing a contract.

Key Points:

- Must understand how much marketing is acceptable
- Marketing expertise is needed
- Distinguish between commissions and guarantees
- Conduct an analysis of your assets
- Up to 2 percent of a city's general fund revenue can be created through partnership
- Public opinion is usually positive if citizens are able to see the benefits

APPENDIX 2B: OFFICE OF COUNCILMEMBER GARCETTI TRANSCRIPT

Informal Communication: Alison Becker
Date: March 31, 2004
Location: Phone
Contact Person: Tracey Cross

Context: Alison Becker works for the City of Los Angles Planning Department, and is the Planning and Transportation Deputy for Councilmember Eric Garcetti. She mostly works on land use issues, in particular real estate. She had some involvement with the citywide ban on billboards. Alison provided the following information regarding her participation in the citywide billboard ban and other city ordinances.

The public obviously played a role in the ban on the construction of future billboards that is still in effect today.

Currently, there are proposed ordinances to allow for more, new signs in specific parts of the city. In addition, ordinances are being worked on for more billboards in other parts of the city. One proposed ordinance is for the construction of signs in Hollywood. Alison stated that the media and public have expressed very little interest in the issue. In addition, the MTA uses advertising and other cities are using branding.

Note: For a copy of some of Los Angeles's ordinances go to their website at http://www.lacity.org/PLN and then click on 'Selected City Ordinances and Reports' which also has the latest draft of the sign ordinance for the Hollywood signage.

APPENDIX 2C: CITY OF SAN DIEGO TRANSCRIPT

Interview: Mary Braunwarth, Development Office
Date: March 25, 2004 (follow up on April 5, 2004)
Location: Phone
Interviewers: Tracey Cross, Emily Guthman, Ariella Loewenstein, and Amy Sheller

Context: San Diego has been one of the major cities at the forefront of municipal marketing and corporate partnerships. Mary Braunwarth, the Director of Development for the City of San Diego, formerly worked for the Parks and Recreation Department of Los Angeles. She worked for the Los Angeles Parks and Recreations Income Development Unit, and took the lead in initiating the Griffith Park Golf Academy. She is now heading up the marketing effort that San Diego is continuing to pursue in the search of multiple revenue streams. Partnerships with companies such as Pepsi, Verizon, General Motors, Cardiac Science, Qualcomm and many other companies have opened new opportunities for revenue streams and enhancement projects that have helped the city during a time when the city lacks funding.

After a brief introduction into the project, the following question and answer took place.

Interview:
How did your ventures with corporate partnership get started, and how was the idea received?
In late 1998/early 1999, Coca Cola approached the City of San Diego for an exclusive vending rights deal. San Diego assumed that if Coca Cola were interested in marketing opportunities that the city could offer, that others would be as well. In response to this deal, they hired an outside marketing consultant firm, The Pathfinder Group in Atlanta, to look into how to negotiate a beverage deal and to also design a strategic marketing plan for corporate partnerships with the city in order to bring in revenue. The strategic plan was presented to the City Council in June of 1999 with the recommendation that a permanent employee needed to be hired and involve an outside consulting firm/expert in the beginning stages of implementation.

Mary was hired in September of 1999. San Diego ultimately signed a beverage deal with Pepsi. At first City Council members did not warmly receive the deal. It barely passed with a 5-4 vote. The main fear was that this was a slippery slope; that although the Pepsi partnership did not involve direct corporate advertising, it would foray into that. So far the city has not moved in that direction. Furthermore in more recent votes, the deals were approved unanimously. Mary claims that there is a comfort level, and that San Diego realizes that there is a limit to what they can and cannot market.

What was the public's response?
There are some people who are against everything. But for the most part, the only groups that had an issue with the partnership were third party venders who had a stake in the deal and would ultimately lose business. A few of these groups voiced their opinions but most of these arguments dissipated.

After the execution of the deal was made, Mary had to place vending machines around the city and some communities, like La Jolla, did not want vending machines. However this was not a deal stopper, only a minor issue.

Number three of your Corporate Partnership Program Objectives is to minimize the perception that the City has become "corporatized". How do you measure how much to market?
There are laws in San Diego that put restrictions on what can be done – including a sign code ordinance that does not allow offsite advertising. According to these codes, no permanent signs can be affixed to any public locations, such as crosswalks, streets, etc. unless a special ordinance is made.

In addition, Mary has a personal aversion to corporate advertising on public spaces and has written policies on what the city can do (she will provide this to us). She feels that advertising on police cars, lifeguard towers, etc. is not appropriate. However, there is a difference between advertising and corporate recognition. For example, the lifeguard trucks recognize Chevrolet with a Chevy truck logo on the side of the vehicles with the mention that they are the "official vehicle of the City of San Diego". This shows that a distinction can be drawn between direct advertising and corporate recognition and affiliation with the public's benefit.

Speaking about this type of distinction, we noticed the disclaimer that Verizon is not the choice of the city, but rather the official wireless company. There has been criticism regarding recognizing a company as the city's choice. Can you discuss this?
For things like Cardiac Science (who is the only AED of San Diego) and Verizon (the city does have deals with other wireless companies if need be), it is about being honest and telling the truth. San Diego does not claim Verizon to be the city's choice but the truth is that this company is providing the city with their telephone service. The difference with Cardiac Science and Verizon is that Cardiac Science is positively the only AED provider in this city and has gone even further to create a public access defibrillation program. This type of relationship is far more justifiable to have a direct relationship because as a result of this partnership, lives have been saved.

How do you determine the value of the city's assets? What helped you to come to an understanding of what companies find appealing and gives them an incentive to spend their fixed marketing dollars with the city rather then elsewhere?
Whenever San Diego meets with a potential partner, they ask what the company's goals and objectives for marketing in San Diego are, and then see how the city can work with them. Once the companies reach a comfort level with the City, they take part in frank discussions so that there is an actual understanding of what the company needs. It is an art, not a science and their needs to be trust between both parties.

For some, like General Motors, it is a defined valuation process where they have a built in formula to evaluate all sponsorship opportunities. Other companies are not that sophisticated and the value comes down to negotiations. One of the challenges is to convince companies that becoming a marketing partner with the City of San Diego will allow them to distinguish themselves in their marketplace in a more effective manner. Some cities have natural amenities like the beaches and weather in San Diego. Other cities will have to find more esoteric ways to provide associative value through their partnerships.

Most numbers reported the amount of revenue generated since 1999 at $7.8 million in revenue and enhancements for the city. How are these revenues and projects disbursed and used?
The disbursement depends on the partnership. For companies such as Pepsi and Verizon, revenues produced goes directly into the General Fund. Some of Pepsi's revenue goes back into specific locations such as parks, but parks' disbursements are also part of the General Fund. Other revenues, from programs such as the fire rescue helicopter program and Cardiac Science programs, are put into restricted funds and are used for items such as administrative salaries or actual products. It is easier to negotiate restricted funds, but the City officials prefer revenues for the General Fund.

What is the benefit to cost ratio? In your opinion do the benefits outweigh the costs (both real and opportunity costs)?
Benefits far outweigh costs by a ratio of something like 14 to 1. The Development Office of the City of San Diego consists of Mary's position, 1/3 of a secretary and a recently added assistant who is mostly funded through the fire prevention and protection program. Besides those costs, Mary just rehired the same consulting firm. These are the main costs of the program.

Have there been any unintended consequences (both good and bad)?
It has been more successful than most people thought. They went beyond the typical beverage contract, and developed partnerships. No one thought that the city could create multi-year, viable revenue streams. The one other unintended consequence is that with five ongoing comprehensive partnerships, a great deal of her time is spent on the constant implementation and maintenance of these partnerships which does not leave a lot of time to cultivate new contracts.

The minimum for companies who are interested in partnering with San Diego as listed on your website appears to be $5,000. Is the minimum revenue necessary for cities and does this impact the companies the approach the city for contracts?
Because of the already sparse time available, there are certain occasions where decisions regarding the most efficient use of the city's time are necessary. If companies are not willing to spend at the minimum, the city does not turn away funding, but instead directs those companies to smaller agencies within the city who might benefit from the money the company is willing to spend. Mary says the important thing for the Marketing Director to realize is how best to spend their time.

How comprehensive are the contracts?
The best answer is that it depends on the partner contracts. Each one is very specific to meet the needs of the company as well as the goals of the City of San Diego.

It appears from your website that the process for eliciting corporations/sponsorships is a competitive bidding process. How do you keep unwanted companies out of the bidding process? How do you attract the "right" corporations and have there been any obstacles that you can think of in your bidding process?

So far, San Diego has not seen the obstacle of keeping unwanted companies out of their bidding process. Usually the RFPs ask for specific types of companies. In addition, there are policies that state that some companies cannot be partnered with, such as tobacco companies, alcohol companies, companies under police regulations, etc. Companies that are competing under an existing RFP with the City have a conflict of interest and may be excluded from the marketing partnership process. The city has been very clear on the specifics of the categories that businesses would fit into. Mary will provide copies of some of San Diego's RFPs.

There is one example, the sponsorship of a fire rescue helicopter, in which all types of businesses were able to apply. At one point a diet supplement drug company was interested in bidding but the City, either wisely or inadvertently, ultimately decided not to partner with them. The company was hit with scandals in the years afterward.

There is language in the contracts that allow the city to terminate the contracts. However, some companies only have verbal contracts with the city. The challenge is to control the amount of vulnerability that the City is introduced to so that they do not end up in a contract that creates problems.

What are the keys to a successful partnership, and which assets have been most successful in marketing?

The most important advice that she can espouse is that a full-time city marketing person is a necessity for a municipal marketing program to be successful. Furthermore, outside professionals/consultants are necessary to assist in implementing this program. City employees are not marketers and it is not reasonable to expect that city employees are going to know how to negotiate marketing contracts or be able to take on this assignment along with their normal duties.

As for assets, there are always the distinctiveness and the limitations of the city's natural amenities. For San Diego, the beaches are great assets. In addition, being aware of what is happening in the community and the larger marketplace is important. Having a window of opportunity is important. An example is when the media began reporting on the under funding of the city in regards to safety measures and fires began. This provided a natural opportunity to have an outlet for marketing specific items that may never have been thought of during other periods of time. The boom in the wireless world also provided the background for the deal signed with Verizon. The consulting firm is present to help identify emerging markets like the ones mentioned above so that when windows of opportunity open, San Diego can approach those companies with new ideas for partnerships.

With your experience in Los Angeles, what do you think are the challenges and advantages of marketing LA?

Los Angeles is an untapped gold mine. If the city can consolidate their purchasing power of goods and services, they will have a huge advantage over most cities because of the size of the city and its population. The size of Los Angeles also has advantages in the fact that the city commands attention and would have a fairly easy time affiliating companies with its assets. The City seems to have more of a comfort level with corporate identifications (i.e. it is easier to put a logo on a basketball court in Los Angeles then it is in San Diego). There is a lot of potential within the city, including community identity and other intangibles and tangibles that can be used in a marketing program. Even if it is not citywide, Los Angeles will command the attention of businesses. In addition, Los Angeles would be easier to market – less regulations and a better ability to deliver.

Follow-up questions:
Are all deals over the minimum, handled through her office? Or can smaller departments make larger deals as well?
Departments can handle any size deals, as long as the benefits are related to their service area. If the benefits cross over to several Departments, then Mary's office will handle the projects.

Do you find that the more comprehensive packages, with a multitude of partnership elements to it, are more appealing to companies or that they are more interested in one specific element of a deal? What about for the city?
It really depends on the company. For the most part, she finds that comprehensive partnerships become more appealing over time as companies realize the value and look for ways to leverage the relationship with the City.

How are companies solicited and how are the RFPs structured?
Companies are solicited through either an RFP (procurement opportunity is tied to a marketing opportunity) or an RFS (just a marketing opportunity). She has attached both an RFP and an RFS.

Key Points:

- A full time person is necessary as well as outside professionals to assist with negotiations. A person is needed to maintain relations with companies and this is often time consuming.
- Public and City Council members were less inclined to partnerships in the beginning, but over time it has been seen as necessary
- Limit what you can and cannot market – there is a distinction between advertising and recognition
- Understand company's goals in marketing in the city
- Full trust and disclosure
- Easier to negotiate deals with restricted funds
- Revenue generated since 1999 is close to 7.8 million in revenue and enhancements. Benefits far outweigh costs, something like 14 to 1.
- A minimum of 5,000 dollars is placed on companies; others are referred to smaller departments.
- San Diego has not experienced issues with competitive bidding – they are honest and open with their deals. They do not allow certain types of companies to bid, nor do they allow companies with RFPs in other aspects of the city to bid. Often their RFPs request a specific type of company.
- Pay close attention to the market and what is going on in the city. The city's natural environment and current issues are most easily marketed.

- Los Angeles is a gold mine – they have fewer restrictions and can command attention of companies, especially if the consolidate their services into a RFP.

APPENDIX 2D: IEG TRANSCRIPT

Interview: Bill Chips
Date: April 29, 2004
Location: Phone
Interviewers: Emily Guthman, Ariella Loewenstein, and Amy Sheller

Context: Bill Chipps is the Senior Editor of IEG Sponsorship Report, an online marketing newsletter covering smart corporation sponsorships published by IEG Sponsorship. They try to highlight interesting, creative deals that give the readership ideas on how to sell and package sponsorships. They also have consulting, evaluation, and research divisions. They work with clients, ad agencies, PR agencies, and companies who wish to maximize various sponsorships. **He stated that he is not privy to all sides of the company, since he just runs the newsletter, but he will offer whatever information he can.

After a brief introduction into the project, the following question and answer session took place.

Interview:

Can you provide us with a short description of IEG Sponsorship?
Bill Chipps is the Senior Editor of IEG Sponsorship Report, a newsletter published every two weeks for marketing professionals. It covers smart, interesting corporate sponsorships, the Olympics, municipalities, music tours and everything in between. It highlights interesting, creative, marketing driven deals, and he writes stories to let their readership come up with better ways to initiate product sponsorships. The report is the flagship of the IEG parent company. IEG has many divisions, including consulting and evaluation, as well as the editorial side that he is a part of.

Can you talk about your experiences in sponsorship, particularly with municipalities?
As you are well aware, because IEG covers the whole spectrum of marketing, a municipality covers just a small slice of the pie. He has written stories on companies sponsoring municipalities. The founder of this company, Lesa Ukman, actually coined the phrase "municipal marketing" back in the mid-1990s. I am also familiar with what San Diego has done and with the type of marketing now being conducted in hospitals and schools. He writes mostly overview articles on municipal marketing and he is happy to share those with us.

In your knowledge of municipal marketing, who are the affected parties, in terms of benefits and costs?

There are many stakeholders — the actual municipality, the buyer, the seller and other partners -- involved. Sometimes there is also an outside agency, much like the various sponsorship agencies in the sports world. He backtracked just a bit to point out the distinction of IEG as a company — they will help properties and sponsors figure out how to maximize their sponsorships, but they do not sell or execute the sponsorship deals. They position themselves as an independent source for sponsorship information.

Considering that you help companies maximize their partnerships, what kinds of partnerships have you seen in the municipal marketing arena?
They have worked with a lot of park districts, and have seen them leading the way in the realm of municipal marketing by becoming very aggressive. They operate by themselves, and not so much as a bureaucracy to push these programs through.

One of the biggest challenges when traveling down the municipal marketing road is selling the idea to others in the city. You have to make sure they know it is not about selling city hall. First, you have to educate the people within the city and inform them of the benefits involved, such as the idea that it will help the city to not raise taxes. The public-private partnership means the public does not have to pay to access a recreation center on a Saturday. It is important to keep the public in the loop and communicate with them that this process is not about selling off city hall. The city must then package the sponsorship, which is a tricky process if they do not have marketing experience. It is a long, bureaucratic process to complete these deals; the deals can be stretched out over a long period of time. However, parties interested in sponsorship deals want things to move more quickly within the process.

Is there a conflict between the two sectors?
He does not have an example to give us. The bigger challenges involve everything he has already brought up—getting buy-in from the city to go ahead with sponsorship and dealing with obstacles, like the public support and the city's bureaucracy.

With all these challenges, why is it appealing for the company to get involved in sponsorship projects? What can a city do to get more involved?

Hire a dedicated sponsorship staff member -- Someone who "lives and breathes this stuff."

Do you have any idea of a range of revenue that comes from sponsorship deals?
This is a really hard question and it depends on the specific contracts. There are no hard, fast numbers, but it can be potentially lucrative. It depends on how many categories of sponsorship exist – the more categories and sponsorships involved, the more lucrative a partnership becomes.

Do you find that companies are more fearful of entering into these deals now because of the bad press associated with naming rights*?*

Sponsorship deals are dependent on the economy. Sponsorships did take a modest hit from the dot-com downturn. However, naming rights deals (as far as companies putting their names on buildings for a monetary exchange) are still going on, even though the dot-com industry has dried up. The sponsorship industry is morphing and other categories/types of companies have filled the void left by the disappearance of the dot-com companies (i.e., Pharmaceutical companies).

Do you find that basic contracts are now moving towards the more comprehensive types where multiple benefits are offered?

Comprehensive deals are smart, and a smart sponsor will combine their contracts. Because ad/marketing financial planners have gotten smarter, companies are asking for more benefits (i.e., soda companies will try to get pouring rights on top of name rights).

Some additional information:

Municipal deals have always started with vending contracts. This is the first category municipalities go after. The last few years, some cities have gone beyond this. There are new categories, including telecom and credit cards. Most deals are moving beyond basic vending deals. A company sponsors a municipality and usually uses the partnership to reach the citizens and to market to those people.

Some municipalities are more sophisticated in their efforts. The company may not be interested in reaching the populace, but in reaching a specific, targeted group.

Can you give an example of this?
He has some stories on this that he can send us. He thinks an example could be with General Motors selling cars to the City of San Diego and supplying those vehicles for beach cleanups. Another example could be Verizon and marketing to the government employees of the City of San Diego. Consumers are tuning out now, and marketing campaigns have to be fairly targeted groups of people.

Key Points:

- Involve the public and allow them to recognize the benefits
- Marketing expertise is important
- Need city buy-in
- Sponsorships dependent on the economy

APPENDIX 2E: L.A. COUNTY BEACHES & HARBORS TRANSCRIPT

Interview: Kerry (Gottlieb) Silverstrom, Chief Deputy Director
Dusty Crane, Division Chief, Community & Marketing Services
13837 Fiji Way
Marina del Rey, CA 90292
(310)305-9527
Date: March 31, 2004 (and follow up on May 4, 2004)
Location: Office of Los Angeles County Beaches & Harbor
Interviewers: Emily Guthman and Amy Sheller

Context: The Los Angeles County Department of Beaches & Harbors Mission Statement is to "manage Marina del Rey and County owned or operated beaches to enhance public access and enjoyment while maximizing County revenue through professional and proactive asset management. This includes Marina lease administration and leasehold redevelopment; beach concession, parking and use permit administration; beach and Marina maintenance (refuse removal, restroom cleaning, grounds maintenance, and facility repairs); Marina leasehold and beach facilities maintenance inspections; planning and implementation of Marina del Rey and beach capital and infrastructure improvement programs; marketing and management of promotional campaigns; and children's programs including the Day in the Marina and the Water Awareness, Training, Education, and Recreation (W.A.T.E.R.) programs." (Retrieved April 7, 2004, from http://beaches.co.la.ca.us/BandH/DeptInfo/Main.htm.) Dusty Crane has been developing the marketing program for the last 20 plus years into the successful program that it is today. Some of the many projects currently maintained include beach vehicle sponsorships, vending and concession contracts, telephone kiosk enhancement and advertising, and lifeguard uniform sponsorships.

After a brief introduction into the project, the following discussion and question & answer session took place.

Interview and Discussion:
The success of the Los Angeles County Beaches & Harbors marketing program rests upon two key concepts: 1) the risk one is willing to take and 2) the attractiveness of the venue (the beauty of beaches is an easy sell). Still, municipal marketing has it challenges. It is difficult to make sponsors feel that they are "getting their bang for the buck." Such a venture is a complicated line to walk and the agency (LCBH) must be able to walk a tightrope.

Dusty Crane asserted that public sector marketing is not about a signage (a major constituent concern). Rather, it is about defining needs and finding the appropriate sponsor for an exclusive agreement. She mentioned that when beginning a public sector marketing program, it is important to begin with very short-term contracts (i.e. one year agreements for a series of five years). This brief "get acquainted" period allows the agency to better understand all of the issues, and if need be, separate from the contract.

Can you tell us about how your program got started?

LCBH's municipal marketing program began in the mid 1980s (approximately 1984-1985). The program's first partnership was with Coppertone Sunscreen and involved advertising on beach trashcans (the standard Coppertone ad with the dog biting at a girl's bathing suit bottoms). The idea to place ads on the trash barrels came from County Supervisor Yvonne Brathwaite Burke.

Before the Coppertone advertising (and future marketing partnerships could continue), LCBH needed to assess the needs and values of the department and the beaches, themselves. It was also necessary to appropriately amend the government code, since County governments must respond to the greater state governing body. Government codes 26109 and 26110 and ordinance 2.132 provided Los Angeles County with the authority to continue a marketing program.

LCBH has been very careful in appropriately marketing its assets. In order to mitigate the negative perceptions that may be associated with municipal marketing, LCBH makes sure to attach all marketing deals to a public purpose. They also show the cost savings to the public (this ameliorates the criticism). Revenue generated from LCBH marketing programs goes specifically to their services and can either end up in the LCBH general fund or in an account for a specific program (i.e. the WATER program).

When undertaking such partnerships, it is necessary to always maintain control of what is coming onto your property. Los Angeles County demands first right of refusal in all relationships, especially with those that involve third parties (i.e. Verizon has a contract with LCBH and then sells ad space to other vendors). This can keep negative and inappropriate ads out. Other examples of this occurred with ads from the movies Coyote Ugly and Jaws, as well as with an Eastpack Backpack ad with a skeleton.

Some of the other things that were mentioned that need to be completed first are that there must always be a constant monitoring system and an assessment of the inventory. Dusty Crane also mentioned that there must be a constant stream of providing the best possible image or you will lose your value.

When LCBH first began the program, they contracted with two outside advertising/marketing firms. Each firm had a two-year contract (the firms were employed successively over a period of four years). However, very few contracts were established using those firms, and it is thought that there was a great disconnect between the private sector firms and the public sector needs. The firms were unsure of how to value and sell a public asset. Because of this, all name recognition programs were brought in-house, and an outside advertising firm (3rd party) conducts strictly advertising procedures. The third party deals that were mentioned include a master agreement between LCBH and a major company. That major company then sells advertising space to third parties.

The trash barrel advertising program has three components: 1) LCBH gets barrel for free, 2) LCBH gets cash in exchange for advertising space, and 3) LCBH gets space for a public service component. LCBH have branded their own logo and demand that all amenities, not only trash barrels, offer a portion of space in which the LCBH logo and a public service announcement (i.e. Keep the Beaches Clean) can be placed.

Over time, LCBH learned that it was necessary to build a maintenance clause into its contracts. At first, LCBH maintained advertised property (i.e. trash cans, benches). This led to a loss of revenue related to upkeep, so now LCBH makes sure that agreements with partners include a responsibility to maintain, repair, replace, install and remove graffiti promptly. They have established strict guidelines for maintaining assets that the partners must follow.

LCBH has estimated that in the 2003-04 fiscal year approximately $2.7 million in cash revenue and cost savings will be generated from all of their programs.

Still, they do not expect that exact revenue each year. Difficult economic times have led many companies to cut back on contracts, LCBH has had to be more proactive in getting bidders for contracts.

LCBH is careful about saturating its market with advertising ventures. If the market is saturated (too many partnerships are established), it will decrease the value of the program. They would rather the program remain highly visible and the current profit level, instead of risking more partnerships (and thus, saturation and devaluing).

It took years from LCBH to perfect the process and align the needs of all parties involved. By establishing exclusivity, you can make what you have even more marketable. With their vending and concession contract they have written in public service programs and events during the summer.

LCBH does not usually delve into the arena of naming rights. If naming rights is chosen as a municipal marketing method, however, you must make sure that the client is perpetually paying and always put a time limit on the naming relationship. You do not want a defunct company with naming rights to a large asset. “Don’t undersell.”

In the long term, LCBH must also respond to Sacramento and state legislation, including the clean air and water rules. Because of this, LCBH has entered into a unique relationship with the company that provides trashcans for the beach. Since the birds often strew trash across the beach (they pick it from the cans), LCBH is working to develop trashcans with lids. The sponsor is now testing multiple trashcan varieties to determine which one is most bird proof, but still able to function and be emptied like traditional cans. This is one example of how the partnership can allow for creativity and benefits to both sides.

Can you talk a little more about the partnerships that were created with outside consulting firms and do you recommend them as part of the process?

There were two key issues with hiring consulting agencies: 1) having a contract with an outside firm diminishes the internal revenue and 2) the private firms did not have the sensitivity necessary for dealing with a government agency. But considering these efforts were started 20 years ago, there were no companies such as PEG or Pathfinder.

LCBH had to be cautious (risk adverse) each step along the way, which is one of the main reasons why they have been successful. Other keys to success have included make sure all regulatory commitments are fulfilled and do not get pushed by the private sector.

The problems with the larger contracts in municipal marketing (San Diego and The City of New York beverage contracts) is that there must be guaranteed sights and guaranteed usage. This makes revenue unpredictable. You have to think about the services that you really need as a government entity.

Los Angeles would be most successful if it put marketing projects in the most transient areas of the Westside. However, there are still opportunities in less wealthy communities, including the large Latino bases in the city's East side. Remember the importance of the Latino community. Marketing deals could even occur in the Department of Public Social Services—this is a captive audience that could be receptive to diaper ads (all with a public service message attached).

Marketing programs depend upon department heads and some departments within the County were not comfortable with partnerships. Long before Starbucks entered bookstores they were interested in County libraries, but there was a low level of comfort from leadership and the partnership was avoided. You must always place the revenue against making sure you still meet your public service agenda.

Some other key things to remember: always get clearance from any oversight agency (i.e. the Coastal Commission), always prioritize your public service, and revenue needs to be appropriate for the program.

What are your fixed costs and do the benefits outweigh the costs?
LCBH is a $50 million enterprise, with $6 million from parking lots, $30 million from the marina, and the $2.7 million from marketing (estimated figures). Last year they saw a savings of $440,000, just from the lifeguard truck sponsorship. Revenue gets disbursed between the general fund and special projects. (See Marketing Section Revenue Projection handout for additional details).

The cost is going to depend on your willingness to put resources into the efforts. And most of the costs are on a level of contract maintenance. LCBH has five marketing staff: the Division Chief (Dusty), a senior marketing analyst, two marketing analysts, and one marketing specialist. They all share the responsibilities each step along the way. Dusty does not have a marketing background, but has been managing the contracts for over 20 years.

What recommendations would you provide to the City of Los Angeles?
Attach the efforts to a greater public purpose.
Identify what the city has, the programs, facilities and needs.
Build on the assets you currently have and how you can maximize them.
Talk to the people on the frontline, the stakeholders involved.
Have it reviewed every step as you go up the ladder.

Take time to do it right, be cautious in the beginning and good luck. But also be globally open to creativity

Also, use the Hollywood spin (sell yourself in television shows or movies). (But there are certain provisions to keep in mind when pursuing this).

What are some of the other programs within the County, aside from Beaches and Harbors?
Years ago there was a woman who would sell the surplus health supplies to third world nations. This was the idea of seeing everything as a potential asset and moving it to where it can be used.

The Coroner brings in approximately $750,000 annually from their merchandising program. This was a very labor-intensive project and in order to expand the program more staff would be needed.

Can you expand upon the internal structure within the County and the RFP process?
The Los Angeles County Chief Administrative Office looked into centralizing all marketing efforts into their office, but it wasn't a proper fit. "Sometimes city employees don't have it," and getting the right staff is a key to the success. Kerry stressed that Dusty is the reason why it works within LCBH. And hence, there is no countywide marketing program and the process within Los Angeles County is decentralized.

A good staff is also necessary because the negotiation process is critical. You have to know the exact "deal" and examine the feasibility before agreeing to a contract.

LCBH has a very loose solicitation process. It is not a centralized, traditional RFP process. Even though government usually has to do everything through a bid process, LCBH has an open proposal for general services with LCBH, than they go through the proposals individually to see if there is a fit. You "cannot RFP creativity."

LCBH never really valued their assets initially and when they asked the first two consulting firms the private companies had no index for what the values within a municipality were. The companies valued everything so high, which resulting in a lack of bids for partnerships. Then, LCBH just kept lowering the values until they finally had a partnership deal. The value of the assets started at the selling cost and they have negotiated it up from there.

Follow-up questions:

Do you ever have an RFP for specific programs or assets?
The Department of Beaches and Harbors obviously complies with State laws and County ordinances regarding Requests For Proposal's (for example bring on concessionaries) and Bid Procedures (construction projects). Under the County's Marketing Ordinance they are not required to use either of the above and they never do. The reason is that the RFP puts the draftsman of the RFP in the position of specifying with too much particularity what the Department wants and it eliminates or at least restricts the creativity of the potential sponsors.

Is there ever the worry that your funding from the County's general fund will be reduced because of your success with the marketing pursuits?

This question is really a political issue. Dusty once heard Tom Hayden speak about how much he regretted supporting the California Lottery because it didn't actually increase the funds for education, it simply replaced them. If our elected officials need the money elsewhere it is their prerogative. Having said that it is often the case that a sponsor has a warm spot in its heart for a particular program and asks that its dollars be earmarked to enhance that program. This type of arrangement is probably less likely to jeopardize general fund allocations.

Key Points:

- Begin with short-term contracts and allow for a 'get acquainted' period before agreeing to long-term contracts.
- Identifying your assets in terms of programs, facilities, and needs to assist with finding appropriate sponsors.
- If you attach the benefits to a public purpose than the public's response is minimal.
- Some main keys to success are to be cautious (risk adverse) each step along the way, make sure all regulatory commitments are fulfilled and do not get pushed by the private sector.
- Get clearance from oversight agencies.
- Having the right staff internally is a key to success within the department.

APPENDIX 2F: ENVISION TRANSCRIPT

Interview: Jeff Knapple, President/CEO
Date: March 24, 2004 (follow-up on April 5, 2004)
Location: Phone
Interviewers: Tracey Cross, Ariella Loewenstein, and Amy Sheller

Context: Jeff Knapple is the President and CEO of Envision, a firm providing consulting and naming rights for the sports and entertainment world. Mr. Knapple completed the naming rights for the Staples Center prior to founding Envision. Since then, Envision has negotiated several sports venue naming rights, as well as the naming rights for the Kodak Theater in Los Angeles.

After a brief introduction into the project, the following question and answer took place.

Interview:

Can you talk about your experience with naming rights and consulting projects, if it involves interaction with governments?

Mr. Knapple stated that he has not done much with government entities as a whole, but did consult with Houston in the context of a naming rights situation. The county had a vested interest in ensuring their percentage of revenue from a certain project was treated fairly and properly. There was a split in Houston with what is called Reliant Stadium. There are sporting events held there as well as rodeos (held 2 weeks out of the year, 2 times a day) that are regularly sold out. The county was responsible for how the development of the land went down and that they got a fair share of the revenue. There was a discrepancy between the initial agreement and how the revenue was dispersed in the end.

From a naming rights perspective, Envision has been involved longer than anyone else in the field, but it is still a fairly new arena. Mr. Knapple was heavily involved in the naming rights of the Staples Center in 1997, when no other agencies had been involved in that time.

In your experience, who are the affected parties?

The group at risk, in general. This is a very neutral statement but it makes sense. Over the last 5-7 years naming rights has been a very volatile, political issue. In 2003-04, it is very difficult for sports owners to go into a city to gain the financing necessary to construct facilities. Years ago it was more common. Five years ago, owners would threaten to leave if they could not get a better stadium deal.

Cities could go privately or publicly to finance a deal. If it is publicly funded then a relationship exists between the tenant and the city; the relationship had to be defined before projects got started. This has led to the evolution over last years into a very volatile political area. Most cities do not want their citizens hijacked at the behest of a sports owner. If it is a publicly funded project than usually the citizens want to see the revenue go back to the city.

Do you have any sense of the public opinion in some of these projects?

In terms of a decision on who keeps the money there is a little influence, but not as much as there should be. Mr. Knapple worked with a different company and lived on the east coast while Staples was underway, therefore he did not see the bulk of the media outcry. But it seemed the media focused on the name more so than the funding/bond issue. At that time, the name, "Staples", was made fun of more than the fact that the company itself was not local. There was a backlash to the naming rights deal, in particular for about 2 weeks, but as the center was built it all went away. It is not even much of a complaint any more. When it was announced, Staples was a big deal because it was the first of these projects. It may have been because the business was headquartered elsewhere.

It is generally accepted and understood now that this is a needed revenue instrument, but it still becomes a target in the political arena. It becomes a political issue most often if the venue is publicly financed, but not if it is privately financed. The political issue mostly deals with the disbursement of funds. The backlash is usually more related to the actual name than with the contract. It all comes down to the equal share for those involved. But as Mr. Knapple has done more projects, none have had any significant backlash.

One of Envision's roles is to find a good match for a potential project. What makes it appealing for companies to get involved in these projects?

What motivates companies with a venue (mostly sports venues) is generally a mixture of different factors. Starting with the simple ones, it generates brand awareness within that specific market, in some cases it extends beyond the venue. Then as you get into the more complex reasons it breaks down differently into media awareness and something that engenders community relevance and pride. Most marketers are trying to be relevant within the markets their constituents are tuning in and watching whatever it may be. Staples was successful because it brought in a variety of sports and concerts, men's basketball, women's basketball, and hockey. As a company you want to be relevant to your target audience. These projects allow them to fine tune their ability to be on the ground, with a 3-dimensional relationship with their customer.

Specifics come down to location as well, the cost per thousand. Within Los Angeles, you have to spend so much money to even get something noticed, just because of the size of the city and population. The main thing to focus on is how you can generate relevance. Mr. Knapple stated that he may be leaving some out, but that is the heart of the reason.

What do you see as the differences in naming rights (and other partnerships) of entertainment venues versus sporting venues?

With a few exceptions, entertainment venues tend to bring in less money and the contracts are for much shorter terms. This is mostly related to the lack of television exposure that entertainment venues receive in comparison to sporting venues. Kodak Theater is an exception to this because of the Academy Awards exposure. Another exception would be the Walt Disney Concert Hall because of the philanthropic relationships involved.

What is the range of revenue to a city/venue from naming rights?
Naming rights of a venue is different from general sponsorships to cities. But with venues, there is a noticeable trend depending upon the economy and other factors. In the pre-1990's, numbers

were much lower. In 1987, $250,000 was spent annually for the same rights that Staples paid $6 million for in Los Angeles. There was a growing understanding of what the numbers could be with the dot.com industry, but then it fell off. We then saw the 9/11 economic downturn. The last 18-24 months revenues are back to where they were five years ago. However, there has not been a comparable, major deal in a large city like Los Angeles or New York since then. A few examples of more recent deals are the Toyota Center in Houston and another stadium in Philadelphia – both bringing in 95 million over their contract term. Contract terms vary and the length of a term can be anywhere from 5-30 years, with an average around 20 years.

Staples paid $6 million for the "same rights" that another company paid $250,000 years ago, what are the rights that you were referring to? Is it simply having your name on a building?

Each venue does it differently. But Envision leads within this industry because our approach is unique, and as comprehensive as possible. The notion of funding in exchange for a name on the building was how it was always done in the past, no additional benefits. What changed the field were the Staples Center and the comprehensiveness of the building. Los Angeles has 4-5 teams and multiple concerts.

There is an array of benefits that can be offered. Some examples are signage, contractual guarantees for a name to be used in all various media advertising, obligations on each event, and reference to the venue by the proper name. It depends on the team and what the inventory of the tenants exists. Some others are media rights, hospitality rights (luxury boxes, season tickets), and tickets to away games. There are also collateral issues, such as the company's name on the marquee, paper tickets, and programs. Generally it is a very comprehensive package because it is usually the largest expenditure they will make.

The Kodak Theater was a different issue. There was uncertainty as to what events would be there and if Hollywood and Vine would be successful – the naming rights were sold prior to it being opened. It was handled differently; there was no sports team to anchor the process. Benefits were different, and unfortunately very limited. The building was built for the Academy, they wrote the architecture of the building, and they had a hand in it. The venue was sold principally as an Academy Awards Theater and all the benefits that come from that. In the end, Kodak has seen great success with the theater and it has offered much more than they initially thought. It was sold principally as academy awards theatre

Because of the economic cycles we go through, are companies more fearful about entering into these types of contracts? Are they acting more carefully, contractually?

The fallout of the dot.com industry and the economic conditions afterwards lead to there being many claiming that naming rights deals would decline. Companies were going bankrupt, but over time naming rights survived. In the Enron stadium deal, they had not written into the contract an out in case of company failure; there was no language that addressed a possible downfall.

Because of this, the seller has become far more knowledgeable and has written language to accommodate a potential fall-out. Sellers are not just sitting back, open-handed, taking the checks, and assuming all is fine. They are doing credit checks on the companies. Sellers have put language in to guarantee against a potential fall, but that doesn't eliminate the potential for an economic downturn. As we come out of the economic dip, and begin to feel positive then maybe we won't see another fall out. We are all learning from mistakes that a few had to experience.

What have been the keys for a successful partnership?
In his experience, Mr. Knapple finds honesty and disclosure from the beginning to be essential, it may sound simple but it is necessary. When you think about the lifespan of the agreement you need clarity within the contract, no grey subjectivity with contract agreements. Typically, the people who signed the contract are not going to be around years later when distinctions need to be made within the contract.

The second thing is the team/city/venue has to meet the company and contract's needs. They must keep consistency as to how signage is placed, follow restrictions of marketing or league rules, detail how to use hospitality, and provide details on player appearances. Essentially there needs to be a Service and Account Team internally to manage each of these details.

There also needs to be flexibility to understand and adjust to needs as they evolve over time, depending on how the times change. This means the presence of legal language that allows for flexibility in the contract.

Have you ever seen an example of a naming rights process that was attacked for being unfair?
Not particularly; the only example currently is in New York with the Snapple deal. All parties had vested interest but in theory NY did it under the table and people got upset.

What recommendations would you provide to Garcetti's office?
There are a number of issues that would help declare the direction. There is a tremendous amount of homework that needs to be done. Economics directs what can be sponsored. New York was able to derive from Snapple a pretty extensive dollar amount, but did they fully appreciate the benefits and could they provide them?

Also, to bring someone in professionally that can understand the value of what the city has to offer. In 1997, Staples changed the landscape of naming rights. Previously, deals were done internally with the team and the city. Envision doubled the market of any deal that had been done before because Envision understood the market, package and were able to monetize what was there.

The city has an obligation to benefit as much as possible; but more important than doing it is to understand the value and understand what the company needs/wants from the deal. The challenge is to make a case as to why expenditure to cities makes more sense then expenditures to other places. The city also needs to be careful in selecting their brand.

There are questions that must be answered before moving forward, such as:

- What influences does the city have control over? The city has to understand what control means within the initial phase of development.

- Does the city really want to advertise all over Los Angeles - probably not? Does the city want to advertise at museums, libraries, public parks, and beaches?
- How brands and companies work.
- How the city can derive the meaning and benefits that are available? The city needs to understand their worth and why.
- Why does a company want to be a part of Los Angeles? Why does the relationship benefit the company more than what they are doing currently? The challenge is in delivering a greater benefit from what they are already doing. Everyone is competing for what is *not* an endless pit.
- What is available, how can you use it properly? Is it right to market in schools?

Is there anything you expected us to ask that we did not?
Mr. Knapple thought we were going to ask where would the money come from, what kinds of things are available to be sponsored and what kinds of companies would be interested? Mr. Knapple doesn't know the answers to these questions, and does not know what assets the city has. But he states that it is necessary to understand the potential inventory within the city and what controls are in place. He stated that this would lead to the right targets. In addition, the city should be concerned with the kinds of brands they associate themselves with.

Key Points:

- Know and agree on how funds will be disbursed
- Selecting a brand that works well with the city and its mission
- Companies want to develop a three dimensional relationship with the citizens
- Develop a comprehensive package – not just the companies name on the venue
- Revenues for naming rights falling in around 95 million (in markets smaller than Los Angeles) for sports venues
- Language in contract
- Deal with company fall outs
- Flexibility for future changes
- Clear language – high turnover for deal makers
- Need to utilize city resources – service and account teams
- Honesty and disclosure between city and company
- No known bidding issues with naming rights
- Bring in an expert – can determine assets, find companies, etc.
- Lots of homework needs to be done before a deal is started

APPENDIX 2G: CITY OF L.A., DEPARTMENT OF RECREATION AND PARKS TRANSCRIPT

Interview: Jane Kolb, Director of the Development and Marketing Division
Date: April 5, 2004
Location: Phone
Interviewers: Tracey Cross, Emily Guthman, and Ariella Loewenstein

Context: Jane Kolb is the Director of the Development and Marketing Division at City of Los Angeles's Department of Recreation and Parks. The Department has formed private sector partnerships for several programs including the Tregan Golf Academy, Youth Basketball with the LA Clippers, and Downtown on Ice with the LA Kings.

After a brief introduction into the project, the following question and answer took place.

Interview:

Can you talk about your experiences with private sector partnership and how your Department got started?

The partnerships are on a case-by-case basis, and unfortunately most partnerships are not long term. The Department has partners like the LA Kings who sponsor Downtown on Ice at Pershing Square, and the LA Clippers who sponsored uniforms and trophies worth $30,000.

In your experience, what role has public opinion played?

The public doesn't really grasp what it is since the partnerships are directly related to a program. Some people know that the LA Kings sponsor ice rink at Pershing Square, but they don't see it as an issue because they are receiving the program.

What is makes partnerships appealing to sponsors?

Sponsors like to give back to the community. It makes them feel good to do something for children.

How do you elicit sponsors for the partnerships?

Most of time, the Department comes up with what sounds like a good match (i.e. Kings and ice rink). They match a program to a corporate sponsor. Jane has developed a list of contacts that support parks and children and seek references to where they can seek sponsorships. Los Angeles is not a corporate city and therefore most of the sponsorship is community dollars. Jane makes personal calls to seek and solicit sponsors; the Department does not use RFPS to do this.

How are the contracts set up for the corporate partnerships?

Most of the contracts are letters of understanding between the Department and the corporate sponsor. The letters state what they are agreeing to, and they are not that complicated. However with Nike, they did have an extensive contract drawn up. Normally, they include 30-day clauses that allow the Department to get out of contracts if something occurs with the sponsors.

Are their any policies or procedures for creating these types of partnerships?
No special policies are present for creating these partnerships. Often, they will jut take the sponsors to the Board and thank them for their involvement. If it is a grant, then that is different and there is a procedure that must be followed.

Has the Department experienced any obstacles creating partnerships?
Some sponsors want longer contracts. However, it is a city policy that rights for logos cannot be longer than ten years.

Has the Department done or considered a consolidation of assets?
They already do this with Coke where the vending contract goes along with other types of partnerships within the Department.

How do corporate partnerships fit into the infrastructure?
If the project is for a specific project, the money will usually go through that specific project's manager. However, some of them do go through her and most citywide projects are created through her.

Are their any costs to the Department? And do the benefits outweigh the costs?
The Department only has staff costs. The benefits outweigh the costs.

What percentage of the Department's budget is from corporate partnerships or what is the average revenue brought in?
Jane is not sure, as not all the partnerships go through her Division.

What have been the keys for a successful partnership?
The Department and sponsor must have similar goals and target audiences that agree with each other. The Department and sponsor need to be going in the same direction.

What recommendations would you provide to Garcetti's office?
They should be careful in what they are looking for and the choices they make because giving away the store is sometimes easy to do. This is where New York ran into problems.

They also need to be very careful about how they structure a partnership, and ensure that it is equal. It is easy for a corporate partner with a lot of money to take control over the deal. They can avoid this by making ground rules very stringent and making it clear upfront. Even if it makes you lose the partnership, in the end it is worth it.

Key Points:
- Public role is minimal if the sponsorship is tied to a program
- Sponsors like to give back to the community
- Matching entity and sponsor goals are important
- Logo rights cannot be longer than 10 years in the city
- Need upfront, stringent rules to avoid corporate take over of the contract/deal

APPENDIX 2H: ENTERTAINMENT INDUSTRY DEVELOPMENT CORPORATION TRANSCRIPT

Informal Contact: Kathleen Milnes
Date: April 21, 2004
Location: Phone
Interviewer: Ariella Loewenstein

After a brief introduction into the project, the following question and answer took place.

What are your thoughts regarding the idea of municipal marketing for Los Angeles City?
When entering into this field, it is important for the city to be as easy to deal with as possible. The level of bureaucracy has to be put aside and the image that is emanated should be one, not of independent agencies, but of a seamless, smooth-running machine that serves the needs of the businesses the City is looking to partner with. The underlying idea is that government should be organized around specific industries rather than the services that they provide. Another important trait is that the city should be transparent to the user.

Centralizing around a theme has helped EIDC to meet their mission by making it easier for production companies to come and film in the City of Los Angeles. Those production companies are able to approach EIDC due to the agency's accomplishment of centralization and simplified the process of filming in Los Angeles.

APPENDIX 2I: CITY OF NEW YORK TRANSCRIPT

Interview: Joe Perello, Chief Marketing Officer
Marketing Development Corporation
Date: April 23, 2004
Location: Phone
Interviewers: Tracey Cross, Emily Guthman, Ariella Loewenstein, and Amy Sheller

Context: Joe Perello is the Chief Marketing Officer of the City of New York's Marketing Development Corporation. Mr. Perello and his team coordinated the $166 million Snapple contract for the City of New York.

After a brief introduction into the project, the following question and answer took place.

Interview:

Can you talk about how New York got started in municipal marketing?
The idea of this office came about because Deputy Mayor Doctoroff (Economic Development) and Mayor Bloomberg realized that The City of New York has powerful brand recognition. That is the foundation of the premise of the idea of the City of New York Marketing Development Corporation.

For the same reasons that corporate sponsors care to associate with entertainment, sports, and cause-related programs, they also want to affiliate with The City of New York. It is a powerful brand, and people are emotionally connected to brands. Brands have equity and critical masses of people are aware they exist. These brands are inspirational, meaning you aspire to compete in the Super Bowl or go to Disneyland or compete in the Olympics. They have inspirational qualities. Mr. Perello also stated that it is about centralizing all of the rights, assets, and authorities in one place. The largest television agreement in history is the NFL contract. They have a powerful brand, and people are emotionally connected to it. They also centralize their brand with ABC, ESPN, etc. This provides value to a broadcaster because they are centralized.

The City of New York has those same types of brand meanings (as NFL). Everyone is aware that the City of New York exists. There is an enormous amount of equity in it, and people are emotionally connected; it is an inspirational place. The best of the best compete in NYC. You must package and protect this brand and centralize the assets. Only then can you look at New York as a marketer. There are 350 square miles, 8 million people, thousands of parks, many airports, subways, and 35 million visitors annually. You can assemble the most compelling set of marketing assets together, and then can generate revenue without raising taxes. You can solve problems and make life better. You can promote the real image of the city around the globe.

During the first year of business, you must manage the city as a league. You must capture the city as a brand identity. NYC has so many wonderful assets that needed to be communicated in a unique way.

The first agreement was with Snapple. It essentially took small pieces of land (that vending machines were placed on) in thousands of buildings and centralized the vending operations citywide. Previously, it was all done ad hoc. They were selling the wrong beverages at schools, and principals were responsible for filling the machines (when they should have been administering the school). It did not leverage the city's assets.

Three important things about the Snapple contract: (1) Juice and water are nutritional for the schools; (2) Schools will not have to worry about vending anymore, and (3) Snapple now has a viable business. The schools are now making $40 million from this agreement. It can allow them to build the foundation for a powerful team sports platform. There will be more gym teachers and more equipment.

On the city side (separate from school agreement), NYC is generating $66 million in cash and Snapple has committed to spending $40 million in marketing and promoting the city around the world. This is very much like the relationship between MasterCard and Major League Baseball. Snapple is from New York, and they love it!

The Snapple contract generates new revenues and solves problems by providing nutritional beverages. It also funds concerts, team sports, and lots of different campaigns (all that Snapple loves). There is now a campaign to recruit lifeguards.

We really need to stick to those principals. Revenue will be generated and will be based on the assets of each partner. It is different for each company and NYC is currently pursuing agreements with retail, wireless, etc. There is no bible on how to sell or make money, aside from taxes. Cities don't ever sell; they just buy, buy, buy. Cities are set up by bureaucrats who may not appreciate the flexibility that one needs in order to sell and not just buy. NYC has created a process that meshes the principals of procurement and the need to be open and transparent, so Mr. Perello and his team can be flexible with the best deal for the city, yet maintain the public's trust.

Can you describe how your office is structured?
There are 14 people in the office and it will grow to 20 in the next two months. They work with four key agencies, the mayor, corporation counsel (Michael Cardozo), and the deputy mayor of economic development (Doctoroff). The mayor's support is a key to success; it would not work in any city without the help and encouragement of the mayor.

It is so innovative, so revolutionary, and so powerful. Politics and media— it is the perfect opportunity for people to take shots at you. If a mayor fights for you, sooner or later you will be successful. The first year or two was difficult, but it is worth persevering through, since the rewards are big. The parks department is very important. All marketing functions report directly to their office. Their office is the city's central agency for marketing, sponsorship, licensing, media management, and brand management. No other agreements exist outside of their office. Nothing goes through any other agency.

Los Angeles and New York have similar assets.

Can you discuss the costs and benefits?
Their office was profitable in less than twelve months. They generated a $166 million agreement in seven months with only four people.

What are the keys to a successful partnership?
You must centralize authority and get support; that is number one. A custom marketing solution is needed with two main ideas (1) generate revenue and (2) impact the community in a positive way or else this is pure, unadulterated commercialism. The goal is to generate revenue without raising taxes. It must be win-win (a cliché—but it must go beyond making a donation). You have to remember to go back to the shareholders and say this is good for business. This is not about philanthropy. A custom marketing solution for each partner must be created. In order to get buy in from community, anything that a partner does should impact daily life.

Was it a challenge to get all the different departments and stakeholders on board?
It was not a challenge, but it took a lot of work. Barriers had to be broken down, and there was no system in place to sell. But people immediately understood the strategy. They were able to attract a very qualified team of professionals that had done this in many arenas previously, including private sector advertising and marketing firms. They hired the people who had already done it in order to build credibility.

Can you project overall revenue?
The City of New York has a $44 billion budget, so anything they do may not appear significant. A percentage of revenue will not make a dent in the city's budget. But all you need to do is create a real marketing budget. They have 10-12 major partners on board that will talk about the real New York City.

It was said that $1 spent marketing turns into $7 of economic impact. They only spend $14 million a year promoting the city. Snapple alone invest $20 million in promotions. The end game for NYC is after three years, they hope to be generating $50 million a year through corporate partnerships and licensing. It is most important to increase the number of people coming to visit the city.

They spent a million dollars to begin with and earned it back within the first seven months. This is the most rewarding thing that Mr. Perello and his entire staff have ever done, and he encourages other cities to do it as well, stating that it is not terribly difficult.

Key Points:

- Centralize assets and a city team to coordinate all efforts
- Create, package, and protect your brand
- Partner with corporations to help promote city brand
- Benefits far outweigh costs – they spend $14 million a year and hope to generate $50 million a year (Snapple alone invested $20 million in promotions)
- Mayor buy-in is imperative
- City has to learn how to sell and not just buy
- Convene departments and agencies for support
- Must impact the community in a positive way

- Must create a custom marketing solutions for each partner
- Do not expect it to drastically impact the city budget

APPENDIX 2J: CITY AND PORT OF LONG BEACH TRANSCRIPT

Interview: Gail Wasil, Leasing Officer, Port of Long Beach
Date: March 30, 2004
Location: Phone
Interviewers: Tracey Cross, Ariella Loewenstein, and Amy Sheller

Context: Gail Wasil currently works as a Leasing Officer with the Port of Long Beach. Previously Ms. Wasil worked with some of the initial municipal marketing undertakings within the city, in the position of Superintendent, Contract Management and Revenue, with the Department of Parks, Recreation, and Marine.

After a brief introduction into the project, the following question and answer took place.

Interview:

Within our research we have come across Long Beach as a city that has taken important steps into the area of municipal marketing. Can you please provide us with a background as to how Long Beach became involved in this area?

It began in 1995 when the Long Beach City Council adopted a sponsorship and advertising policy [public document that will be provided to us]. Up until that point, the concept of municipal marketing was considered “unholy” due to the concerns regarding First Amendment rights and the fear of opening partnerships to unwanted companies. This fear was enhanced by community pressures that led to the restriction of advertising on bus benches that the City Attorney and City Council had been involved in.

The mood started to change as interest was rising in developing parkland but not having the funds to do so. Prompted by a discussion around whether the City should give back play equipment that had been offered by Pepsi, the City Council adopted the above-mentioned policy creating a Commission of Community Development. The citywide Commission included representatives from the following offices; Financial Management, City Manager, Community Development Department, City Attorney’s Office, Department of Parks, Recreation, & Marine, Library Services, Technology Services, the Fire Department. They discussed what was occurring in other cities as well as future options for the City of Long Beach.

The first efforts were in the area of marketing, rather than sponsorships. The city revisited the idea of advertising on bus shelters and secured an advertising deal that generated approximately $300,000 a year in revenue.

After this deal was put in place, they had learned of the efforts within the City of Huntington Beach, and began communicating with Public Enterprise Group (PEG), who had been leading Huntington Beach and other cities with vending contracts. Long Beach began working with PEG to open up RFP processes that lead to securing a contract with Coca-Cola. The contract represented an additional $300,000 a year to the city in cash and in-kind donations.

From there, a deal with Chevrolet was entered into to acquire lifeguard vehicles. The contract ended up being short-lived, when they had thought it would have lasted longer. The contract was a one-year deal with a verbal understanding that the contract would be extended beyond that. The city was confident that this extension would occur because the relationship with Chevrolet appeared to be strong, and Huntington Beach had been able to extend their contract. Unfortunately, Chevrolet chose not to extend the contract due to changes in company management that felt their efforts needed to be redirected to other projects that could potentially bring in more revenue. The lesson learned from this contractual relationship was that the city would seek out longer termed contracts, or have the ability to buy vehicles for a pre-determined price, which would be written into the initial contract. Long Beach had a great interest in keeping the vehicles because of the amount of equipment that had been added to the vehicles, they were able to negotiate a price for purchasing the vehicles, which was much higher than anticipated.

Another contract that did not produce the expected results for the city was a relationship with *Signs of Support*, a company that was to place community business advertising on the back of vehicles. They had done deals with other cities in Orange County where signs were put on the back of SUVs and pick-up trucks, showing support for local businesses. A fee is charged for placing the sign and the revenue is split 50/50 between the city and the company. Unfortunately, revenues were less than expected.

The best advice gained from these ventures, both lucrative and not, is the need to nurture the relationships that the city enters into. This includes an effort to maintain the relationship, not simply seek out and start relationships. This idea of maintenance is in contrast to what local government has been used to doing. It includes changing the thought process as it relates to contracting, and relations between the public and private sector.

Because of amount of time necessary for maintaining these relationships, a full-time person is needed within the city; it is difficult for city employees to take on these extra responsibilities. Last week the city began interviewing to fill the position of Marketing and Sponsorship Director.

Does the City of Long Beach have an ongoing relationship with PEG? And have there been any additional partnerships other than those mentioned above?

Public Enterprise Group (PEG) managed the RFP with Coca-Cola only. Ms. Wasil had previously worked for the Department of Parks, Recreation, and Marine, specifically involved in sponsorship partnerships. In mid-2003, she left that department and moved to the Port of Long Beach. Since her move, no additional projects have occurred; all efforts were put on hold until the position of Marketing and Sponsorship Director has been filled.

You had mentioned that the city council had initially seen these types of projects as 'unholy,' do you have a sense to the public's response to these projects?

The perspective has been constantly changing. Initially, the response was very skeptical and there are still some community members that have adverse reactions to marketing, but mostly that is due to a lack of understanding. As awareness of municipal marketing increases, the public slowly realizes that it does not simply mean advertising and signage everywhere. There are experiences now that show this is not the case and that advertising can be done in good taste. The city's financial situation is "gloomy" and the public has been drawn into the financial planning process. There is much more openness to considering non-traditional ways of infusing revenue into the cities. Relationships with the private sector are more palatable.

The City of Long Beach has done a lot of public outreach with developing their Strategic Plan. Have they included area of marketing in their community surveys?

Municipal marketing was not included in the surveys, but the city has held town hall meetings and created different forums for people to share ideas regarding the production of new revenue opportunities. Municipal marketing has come up in conversation and is continued to be seen as a viable opportunity.

What do you believe are the keys to success for a marketing partnership?

For a partnership to be successful, it is necessary for the city and company to "buy in" to the idea behind their partnership. With Coca-Cola, it was important for everyone within the city to receive direction from top city management. The City Manager in Long Beach made it a point to communicate with his staff the positive nature of the partnership, the need to cooperate with the company and make the process simple. This was critical to the success of the contract.

Asset bundling to obtain partnerships is also important from the beginning. PEG conducted a brainstorming session with representatives from the abovementioned Commission to get ideas as to the city's assets, and to try to "get their arms around the city's potential." So many people were involved with the brainstorming session that it became an educational process for city employees as well.

Were there implementation issues that you experienced as you continued to build the program?

From the dealings with the Coca-Cola Company, it was important to keep in mind that the company was not involved in the dealings merely for the intangible rewards; their goal is to increase their revenue generation and show concrete sales improvements. Long Beach was to come up with new and unique sites for 226 vending machines, but the actual installation became an issue and they were faced with problems of things like vandalism and low sales in certain locations. If the city is not able to deliver what the company wants, than the company may not feel they need to keep up their end of the contract.

How is revenue that is received through these types of agreements disbursed within the city?

The revenue is split between the General Fund and the Tideland Fund. Initially, this type of revenue was going to be used for environmental programs, specifically the designation of an Environmental Officer position. But as the city's budget began to experience fiscal problems, the designation to environmental programs was less feasible. But currently, a portion of the revenue does go directly to the General Fund to pay for necessary city procedures.

Are there any costs to the City of Long Beach associated with municipal marketing aside from the cost of hiring the outside consulting group, PEG? Is there a significant cost/revenue ratio?

Most of the cost arises from the installation of the new machines as well as the utility cost. But many of the machines being placed in the designated locations are replacing existing machines. Therefore, the utility cost is the only really extra cost involved and it is minimal compared to the revenue that these projects generate.

Do you have any recommendations to other cities that are beginning to venture into municipal marketing, Los Angeles specifically?

Specifically for Los Angeles, it is important to keep in mind the following:
- What are the benefits to both the potential sponsor and the city?
- There needs to be a constant follow through and maintenance with marketing partnerships; a constant assurance that the benefits continue to meet their needs. It is imperative that the relationship remain open and honest between both parties.
- A full-time staff person is necessary to develop and maintain these programs. This cannot be something that is done on a part-time basis.

Key Points:
- Revenue is split between the General Fund and the Tideland Fund
- Need city and company buy-in
- Public opinion can change over time as citizens see the benefits
- Asset bundling is important
- Include buy out options in the contract for sponsored assets
- Maintain and nurture partnerships throughout
- Full time staff needed to maintain partnerships

APPENDIX 3: ADDITIONAL RELEVANT CONTACTS

The contacts listed below were identified throughout the research as individuals who may provide additional insight into municipal marketing. However, due to time constraints, the research team was unable to conduct interviews.

Scott Becher
President
Sports & Sponsorships, Miami Beach
Miami Beach, FL

Becky Benkamp
Brandweek
Nationwide

Robin Chancellor
City of Beverly Hills
Beverly Hills, CA

Daniel L. Doctoroff
Deputy Mayor
NY City Economic Development and Rebuilding
New York, NY

Steve DuCharme
Chairman
Gaming Control Board, Las Vegas
Las Vegas, NV

John Fujishiro
DD Marketing
Pueblo, CO

Oscar Goodman
Mayor
City of Las Vegas
Las Vegas, NV

Steve Jarmon
Vice President, Partner Marketing & Community Ventures
Snapple Beverage Group
White Plains, NY

Michael Kamins
Professor of Marketing
University of Southern California
Los Angeles, CA

Terry Lefton
Brandweek
Nationwide

Leonard Lodish
Marketing Professor
University of Pennsylvania, Wharton School
Philadephia, PA

Chris Lund
Vice President of Municipal Marketing
Superlative Group
Cleveland, OH

Noah Manduke
Managing Director, Los Angeles Office
Siegel & Gale
Los Angeles, CA and New York, NY

Carol Martinez
LA INC.
Los Angeles, CA

Chris McKenzie
Executive Drector
League of California Cities
California

Don Oblander
Finance Director
City of Beverly Hills
Beverly Hills, CA

Dale Persons
Vice President
Viking Range Corporation
Greenwood, Miss.

Doug Pirnie
SVP - Sales and Marketing Services
IMG
New York, NY

Kenneth Shropshire
Legal Studies Professor
University of Pennsylvania, Wharton School
Philadephia, PA

Terry Standley
AdAge
Nationwide

Alan Sutin
Partner
Greenberg Taurig
Los Angeles, CA

Mary Ann Wilson
National Advertising Manager
Audi of America
Auburn Hills, Mich.