



PHASE 1 REPORT: NAMING RIGHTS SPONSORSHIP ASSET INVENTORY, AND VALUATION FOR THE CITY OF RIVERSIDE

Office of the City Manager

**Economic Development, Placemaking, and
Branding/Marketing Committee**

November 2, 2023

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1

BACKGROUND

- May 5, 2020 the City Council approves a Citywide Partnership (Naming Rights) Policy.
- March 21, 2023 City approved RFP 2203 with Superlative Group, Inc., to assist in developing a comprehensive naming rights program, including a market analysis for potential Riverside naming rights.
 - *Structuring a naming rights program in terms of implementation market best practices and potentially guiding the City in initial naming rights negotiations.*



2

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2

DISCUSSION

- **Broad Outline of Deliverables:**

A. Market Analysis

B. Review of Existing City Contracts, site data, visitor information, etc.

C. Onsite site evaluations (April)

Comprehensive analysis of Major buildings (Convention Center, Fox Theater) and other assets that could be packaged for naming rights (parks facilities, trails, etc.) and also the potential to brand festivals and events.

D. Guidance on new partnerships, agreements, and naming rights management.

E. Potential sales.



3

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3

NAMING RIGHTS IN CALIFORNIA

- **Some California Examples:**

- City of Sacramento – SAFE Credit Union Convention Center – Approximately \$920,000 annually for 25 years.
- City of San Diego – Toyota Motors donation of 34 lifeguard vehicles – Approximately \$245,000 in value annually.
- City of Santa Monica - Bikeshare Program sponsor – Approximately \$700,000 annually for 5 years.
- City of Irvine – Multiple sponsorship packages for the Great Park – Approximately \$650,000 annually for 20 years.
- City of Huntington Beach – Toyota Motors donation of 24 water safety trucks - \$960,000 net cost savings.



4

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4

REPORT FINDINGS

- “Impressions Based Valuation” - Placement of naming rights and the valuation specific to the placement itself:
 - More visibility (e.g., placement adjacent to a freeway) equals a higher valuation because larger number of views received,
 - Naming a building placed on a quiet side street would be valued lower.
- Cost-Per-Thousand criteria based on number of views and pricing with regional market, economic, and consumer data.
- Some large assets are partnered separately, whereas others are bundled.




REPORT FINDINGS

Asset	Fair Market Value (FMV)	Value Range (Floor)	Value Range (Ceiling)	Term (Years)	Revenue Potential (Floor)	Revenue Potential (Ceiling)
Riverside Convention Center Naming Rights	\$283,046	\$250,000	\$300,000	25	\$9,114,816	\$10,937,779
Main Library Naming Rights	\$119,309	\$100,000	\$120,000	25	\$3,645,926	\$4,375,112
PRCSD System Corporate Partnership	\$163,540	\$150,000	\$200,000	10	\$1,719,582	\$2,292,776
Fox Theater Presenting Sponsorship	\$155,080	\$130,000	\$160,000	10	\$1,490,304	\$1,834,221
Library System Corporate Partnership	\$140,387	\$120,000	\$150,000	10	\$1,375,666	\$1,719,582
Mission Inn & Spa Festival of Lights Presenting Sponsorship	\$102,217	\$90,000	\$110,000	5	\$477,822	\$584,005
Box Theater Presenting Sponsorship	\$39,882	\$30,000	\$50,000	10	\$343,916	\$573,194
Riverside Aerial Fireworks Show Presenting Sponsorship	\$21,453	\$20,000	\$30,000	5	\$106,183	\$159,274
TOTAL	\$1,024,914	\$890,000	\$1,120,000		\$18,274,216	\$22,475,942



REPORT LIMITATIONS

- Based on best current market data;
- No guarantee that every asset can be named;
- Existing agreements can change or make partnerships impossible;
- Does not take into account philanthropic and foundation naming rights potential for some buildings.



7

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7


STRATEGIC PLAN ALIGNMENT

Envision Riverside 2025 Strategic Plan Priorities




High performing government - 5.4 Achieving and maintaining financial health by maximizing funding opportunities.


Cross-Cutting Threads




Community Trust
Sets a standard for all City departments to maximize sustainable naming projects .



Fiscal Responsibility
Sustains the municipal budget by utilizing external sources of capital.




Sustainability & Resiliency
Sustains the City's financial present, while also tackling projects and programs that can position the City for future growth.



Equity
Policy encourages leveraging naming investment that can benefit all neighborhoods in the City.



Innovation
Addresses new policy related activities and technology.


8

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8

Recommendations

That the Committee:

1. Receive and file a report on Phase 1 Sponsorship Asset Inventory and Valuation for potential naming rights of Riverside municipal buildings and other assets; and
2. Advise staff regarding the next phases of a naming rights program for the City of Riverside.



9

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