

TO: HONORABLE CITY COUNCIL
ATTN: POLICY AND SERVICES COMMITTEE
FROM: CITY MANAGER DEPT.: CITY MANAGER'S OFFICE
DATE: NOVEMBER 14, 2007 CMR: 410:07

SUBJECT: MODIFICATION OF THE EXISTING POLICY ON NAMING CITY-OWNED LAND AND FACILITIES TO ACCOMMODATE CAPITAL FUNDRAISING CAMPAIGNS FOR THE CONSTRUCTION OR RENOVATION OF CITY FACILITIES.

RECOMMENDATION

Staff recommends that the Policy and Services Committee review potential modifications to the existing Policy and procedure 1-15 on Naming City-Owned Land and Facilities to accommodate naming opportunities to be associated with significant donations to capital campaigns that raise funds for the construction or renovation of City facilities, and make recommendations to the City Council.

BACKGROUND

The success of the private fundraising efforts for the recent renovation of the Children's Library has ignited enthusiasm in several local groups to initiate capital campaigns to supplement the City's funding for the upcoming library/community center and public safety building projects. There has also been an ongoing effort to raise funds for additions and/or improvements to the Art Center. Although it is unlikely that sufficient private funds could be raised to completely fund any of these projects, the contributions raised can significantly increase the City's ability to help make these desired facilities and amenities possible. In order to be successful, these fundraising groups need to have the tools and authority to make commitments to potential donors in return for the benefits of making such a financial commitment. One of those benefits is naming opportunities. On October 1, the City Council voted in favor of referring this matter to the Policy and Services Committee for review and comment.

The current City facility naming policy was designed to address how the City would go about naming a new facility, or how a facility might be re-named. This policy was created well before the current trend to incorporate private fund-raising as an effective, and oftentimes substantial, funding mechanism for construction projects. As far as naming a facility or component within a facility in honor or recognition of a person, the current policy deals only with honoring people for outstanding community service and support, with no mention of significant monetary contribution or support.

DISCUSSION

Staff met to review the current policy and make suggestions for modifications to support the efforts of the non-profit bodies that will conduct capital campaigns for several upcoming projects. A draft document outlining Commemorative Naming Opportunities had already been created for the Art Center; policies and information from surrounding agencies were also reviewed.

Staff believes the policy should not be too encompassing or restrictive, in order to allow the fundraising bodies the flexibility they need to achieve the desired results. Although it will be important to set naming schedules, the dollar amounts identified to name a gallery at the Art Center might be different from the dollar amount to name a room at the libraries, community center, or public safety building. It is suggested that each of the fundraising bodies be allowed to propose their own naming schedules, with the assistance of the staff liaisons and the project manager (if a new facility), subject to the final review and approval of the City Council prior to the start of the campaign. This will provide flexibility for each project and would allow for fluctuations with the times and current economic conditions.

Staff proposes that the existing policy be modified to outline the process and guidelines for establishing facility naming opportunities. The policy would also include specific language that the groups conducting the capital campaigns would need to work closely with City staff on the development of the naming schedules.

Current policy also allows the City Manager, subject to the final approval of the City Council, to approve the naming of places within City-owned land or facilities, such as a room or patio within a building, or a trail or athletic field within a park. These do not require formal dedication by the City Council. These naming opportunities, when incorporated into a capital campaign, would be subject to the same guidelines as facility naming outlined above. Staff proposes that these naming opportunities also be proposed on a naming schedule to be reviewed and approved by Council prior to the initiation of the capital campaign, so that each separate potential naming opportunity for a space within a facility would not have to be reviewed by the Council individually, prolonging the process for securing donations, as well as subjecting the donors to a cumbersome process.

Staff is soliciting specific direction from the Policy and Services Committee on the following issues:

1. Should the City award naming rights to commercial or corporate donors for recognition of monetary contributions? Some cities do not allow the use of corporate names on their facilities; others do. *Impact: If it is not allowed, it may eliminate some considerable donations. If it is allowed, parameters can be set whereby names must be in keeping with the vision and mission of the City or department in whose facility the name is proposed” would be accepted.*
2. How significant should a donation be in order to have the building named after the donor? Some cities establish dollar amounts and others specify a percentage of the estimated cost of the project. *Impact: Setting these funding levels is an intricate process as levels shouldn’t be set too high as to be unattainable, but not so low that multiple offers would be made, which means someone goes away unhappy. One suggestion would be to allow each fund-raising body to make recommendations at the time of the campaign. This would accommodate fluctuations in market conditions and allow for the greatest flexibility.*
3. Would naming rights be offered for cash donations only? Would a donation of land (cash value) be considered equal to the donation of cash?
4. Would the City Council be willing to waive approval on the name of a facility if the donor met all the established criteria? The process of setting a naming schedule, which is approved by the Council in advance of the fundraising, and then returning to Council for final approval on the naming corporate entity or individual, as required in the existing policy, can be time-consuming and alienating to a potential donor. *Impact: A donor may not want to go through the process of having their name “considered” for approval/denial – especially if they are making a substantial (\$1,000,000+) donation; such a process may become a barrier for the prospective donor. By empowering the authorized fundraising bodies with the clear authority, within specified guidelines and parameters, to offer a naming opportunity in exchange for a donation of a specified amount, the process is likely to yield the best results.*
5. Should the Palo Alto Historical Association and related commissions still serve as a point of review for naming opportunities that may be awarded in response to a significant capital campaign donation? Should they review and comment on the proposed naming criteria (what would or would not be acceptable) prior to City Council review and action?

6. Although the process of re-naming a park, building or facility is generally avoided, is it appropriate to grant naming rights for both the new Mitchell Park Library and Community Center? There could conceivably be two separate names for the facilities: Donor X Library at Mitchell Park and the Donor Y Community Center at Mitchell Park. *Impact: The concept of two different names, each attached to one of the new buildings could be confusing and would make public signing for the facility more challenging.*
7. Is it appropriate to consider naming opportunities for all of the current facility needs (Mitchell Park Library/Community Center, Main and Downtown Libraries, and Public Safety Building)?
8. What are some criteria the Council would like to see for naming rights? Examples include: names being in keeping with the vision and missions of the City and/or Department; and names not confusing the public as to the building's purpose. *Impact: To be consistent and avoid confusion, it will be important for the fundraising bodies to have clear criteria for names (individuals or companies) that would not be acceptable. If any questions arise, the fundraising body or potential donor could be directed to the criteria within the policy.*

RESOURCE IMPACT

The proposed modifications to the City policy on Naming City-Owned Land and Facilities could result in substantial contributions to the City on projects that involve capital campaigns where significant donations are recognized with naming opportunities.

POLICY IMPLICATIONS

These policy modifications once developed and approved by the City Council, will be incorporated into the policy on Naming City-Owned Land and Facilities as procedures for offering naming opportunities in exchange for and/or in recognition of significant contributions to capital campaigns organized and operated by authorized support groups. Any implications to the City's Gift Policy will be clearly stated in the final report.

ENVIRONMENTAL REVIEW

This is not a project under the California Environmental Quality Act.

ATTACHMENT A: Existing policy (1-15) for Naming City-Owned Land and Facilities

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