



Agenda Item No. 8.A.1.

To: Board of Directors Meeting
Meeting of October 26, 2007

From: Kellee J. Hopper, Marketing and Communications Director
Mary Currie, Public Affairs Director
Celia G. Kupersmith, General Manager

Subject: **APPROVE IMPLEMENTATION OF PHASE II OF THE GOLDEN GATE BRIDGE PRESERVATION PARTNERSHIP PROGRAM**

Recommendation

The staff recommends that the Board of Directors approve proceeding with Phase II of Contract 2007-D-2, *Consultant to Provide Development and Implementation of a Corporate Sponsorship Program*, by approving the following:

- 1) Implementation of a modified version of the original proposed Program (Version #2) which would allow only minimal onsite presence in the visitor area of the Bridge; and,
- 2) In the first year of the program, potential partners will be requested to provide feedback to the Board regarding their interest and the financial implications of an alternative approach that would allow no onsite presence; and,
- 3) Authorize a budget adjustment of \$270,000 for Phase II implementation, to be initially funded from District reserves; and,
- 4) Authorize the General Manager to negotiate and execute a contract amendment with Bartram Sponsorship Strategies for Phase II services within the Phase II implementation budget.

Summary

At its August 24, 2007, meeting, the Governmental Affairs and Public Information Committee (GAPI) reviewed the Executive Summary of the Phase I research and development of a Partnership Program. At the direction of the Board, the District then hosted several open houses to receive additional public comment about the proposed program.

On September 10, September 17, and September 18, staff held open houses in Petaluma, San Francisco, and San Rafael, respectively. A total of 23 public members attended the three open houses to learn more about the proposed program and provide comments (six in Petaluma, 16 in San Francisco, and one in San Rafael). Numerous media interviews, including District participation on The Forum radio program on KQED, and a presentation to the San Francisco

Board of Supervisor’s City Operations and Neighborhood Services Committee were made on the proposed program. The editorial boards of several regional newspapers were visited as well. In addition, the presentation and all associated materials, including the complete plan for this proposed program, were posted on the District’s website, with a link to receive email comments and all comments received a response.

In the months since November 2006 when the Board of Directors first approved investigating a partnership program, a total of 108 comments have been formally received. A chart summarizing the comments received is attached to this report. Overall, the vast majority of the comments were opposed to the proposed program based primarily on a concern that the Bridge not be commercialized via renaming or presence of corporate logos and slogans.

In response to these concerns as well as comments and specific direction provided to staff by the Board of Directors, staff has identified two additional versions of a Partnership Program. Version #1 is the original proposed program as developed by the staff, consultant, and Board Advisory Committee. Version #2 modifies the program to limit corporate identification/Partner attribution to only five interpretative sign locations in the Golden Gate Bridge visitor area. Version #3 eliminates any onsite corporate presence, with the exception of an acknowledgement on a proposed recognition wall located in the visitor area. In every version of the Program, a design manual will be developed that will clearly identify design parameters, such as “within any single interpretive sign panel, informational material about the Bridge itself will constitute 85% of the information presented on the panel” (example).

Comparison of Three Versions of Proposal

	Version #1 Original Proposal	Version #2 Limited Onsite Presence	Version #3 No Onsite Presence
Partners	Three to five Lead Partners including media partner plus supporting partners	One Lead Partner and a media partner only in Year One; Two Lead Partners in Year Two No supporting partners	One Lead Partner in Year One Two Lead Partners in Year Two No supporting partners
Program Value	Minimum of \$4 million/year once program is fully mature	\$3 - \$4 million/year once program is fully mature	Difficult to project due to unknown tolerance of program limits by potential partners
On-Site Presence at Golden Gate Bridge	Discrete logos on interpretative signage & fixed equipment	Discrete logos limited to five interpretative sign locations	None except Recognition Wall (see below)
Campaign Website/Logo	Yes	Yes	Yes
Naming Rights of the Bridge	No	No	No
Advertising on Bridge Structure or Toll Plaza	No	No	No

	Version #1 Original Proposal	Version #2 Limited Onsite Presence	Version #3 No Onsite Presence
Allow Partner Attribution in Currently Approved Non-Bridge locations and in District Collateral Materials	Yes	Yes	Yes
Allow Partners to Use Bridge in their Corporate Advertising	Yes	Yes	Yes
Recognition Wall at Golden Gate Bridge	Yes	Yes	Yes

Staff recommends that the Board approve moving forward with implementation of Version #2, “Limited Onsite Presence” of the Partnership to Preserve the Golden Gate Bridge. Staff and the Advisory Committee formed to shepherd development of the original proposal believe that the program as designed can have a positive impact on our financial condition. Based on the success of similar programs in other highly sensitive locations, it is believed that it is possible to implement a tasteful and respectful program that allows the District to benefit from the extensive use of the Bridge in corporate advertising that takes place today.

At the last Board discussion of this issue, staff was asked to research a proposed partnership program that does not allow any onsite presence by corporations beyond listing their name on a Recognition Wall located in the Bridge’s visitor area. Version #3 represents such a program. It is highly difficult to determine what the revenue of such a program would be given that there are no models to follow. Some form of onsite presence is always a component of any similar program. Therefore, staff recommends that the Board request any potential partner also consider a proposal not only under the parameters of Version #2, “Limited Onsite Presence”, but also a proposal that would include no onsite presence so that the Board can determine the ramifications of each option and determine which approach to follow.

Fiscal Impact

Approval of Phase II, the implementation phase of this Contract, would result in a not-to-exceed fiscal impact of \$270,000 of which \$95,000 would be for campaign development and up to \$175,000 would be for Phase II implementation activities. Funds for Phase II implementation would require a budget adjustment, with funds coming from reserves with the understanding that the future earnings of this program will cover all long-term costs.

Campaign Development: Approval of Phase II would necessitate the activation of several campaign work tasks. These include activities such as development of a sales video and associated collateral materials, expanded press-related wire services, and development of a

dedicated website. Consultant support will also be needed for these activities and a campaign start-up consultant budget of \$49,500 is requested for Phase II for development and production activities, which is included in the proposed \$95,000 budget for campaign development activities. These are one-time costs.

Phase II Activities: The compensation structure presented during Phase I approval called for the consultant to be paid a commission on final approved deals and to receive \$60,000 in advance payments against future commissions. This advance would be credited against future commissions so that the total amount paid does not exceed the approved commission rates. Commissions will be paid in the following manner:

- 10% commission on gross revenues generated that equal \$1 million or less, accrued on an annual basis; and,
- 8% commission on gross revenues generated that exceed \$1 million, accrued on an annual basis; and,
- 6% commission on gross revenues generated that exceed \$3 million or more, accrued on an annual basis.

In order to ensure that that the partnership program is properly implemented and that all District responsibilities associated with any partnership deal are correctly carried out, a new Marketing and Communications Specialist position (in-house or consultant, yet to be determined) is requested in the Phase II budget at a not-to-exceed cost of \$115,000 annually. This expense, whether in house staff or outside consultant would be added only when adequate revenues are ensured form the program to cover the expense.

Attachment

Attachment

	<u>COMMENTS RECEIVED</u>
Comments IN FAVOR of Proposed Program	7
Comments OPPOSED of Proposed Program	
<ul style="list-style-type: none">• Opposed to Bridge naming rights• Opposed to corporate logos on or around the Bridge• Opposed and suggested alternate fundraising efforts (e.g., raise tolls, bicycle/pedestrian toll, reduce operating expenses)	94
Suggestions	
<ul style="list-style-type: none">• Suggesting potential organizations with which the District might wish to partner• Suggesting the use of private support rather than corporate support• Suggesting the use of a user fee for visitors	7