



**City of Phoenix**

## **STRATEGIC MARKETING PLAN**

**An Analysis of the Opportunities for the City of Phoenix  
to Generate Revenue From Corporate Partnerships  
and the Strategies to Maximize Those Opportunities**

January 2010

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# City of Phoenix

## STRATEGIC MARKETING PLAN

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**City of Phoenix**

## **Introduction and Overview**

# **Strategic Marketing Plan**

In the last decade, cities have discovered marketing partnerships with corporations as a way of generating new sources of revenue. Similar to private-sector “sponsorships” of sporting events (Olympics, Super Bowl, college bowl games) and sports and entertainment facilities (U.S. Airways Center, Chase Field, Cricket Wireless Pavilion), public-sector “partnerships” have become a sustainable source of revenue for some cities.

The City of San Diego has become the model in the U.S. for its success in generating revenue from corporate partnerships. Since its Corporate Partnership Program began in 2000, San Diego has generated nearly \$20 million from the Pepsi Bottling Group, Verizon Wireless, General Motors and other corporate partners.

Other cities that have been successful in generating revenue from corporate partnerships include New York, Dallas and Miami. Chicago, Philadelphia, Indianapolis and other cities are in the process of organizing their municipal marketing programs. Portland, Austin and Atlanta all have engaged in evaluations of their potential to generate revenue from corporate partnerships.

In an effort to identify new sources of revenue for the City of Phoenix (“the City”), the City Manager formed the Special Revenue Task Force (“Task Force”) during the summer of 2008.

At its September 23, 2008, Policy meeting, the Mayor and City Council approved 10 ideas recommended by the Task Force including generating revenue from corporate partnerships.

On February 19, 2009, the City issued a request for proposals (RFP) for a consulting firm to conduct a Strategic Marketing Study (“the Study”) to evaluate the City’s potential to generate revenue from corporate partnerships.

## **Introduction and Overview (cont.)**

A committee designated by the City evaluated the proposals and recommended The Pathfinder Group (“Pathfinder”). On June 17, 2009, the City Council approved the award of the consulting contract to Pathfinder.

The Pathfinder Team that conducted the study included Ed Augustine, Managing Partner of Pathfinder. Mr. Augustine coordinated the team that developed the Strategic Marketing Plan for the City of San Diego in 1999 and has served as a consultant to San Diego’s Corporate Partnership Program since it began in 2000. A description of the background and experience of the entire Pathfinder Team is included in the section titled “Research Team” beginning on page 4 of this Plan.

In conducting the Study and developing this Plan, the Pathfinder team worked closely with the City’s Public Information Office in a highly collaborative process involving multiple stakeholders. A description of the research process is included in the section titled “Research Methodology” beginning on page 5 of this Plan.

## **Executive Summary**

Phoenix is well positioned to create a comprehensive municipal marketing program that will attract major corporations and provide a sustainable new source of revenue for the General Fund.

In addition to being the fifth-largest city in the U.S., Phoenix consistently has been recognized as one of the best-managed cities in the country.

Phoenix’s recognition earlier this year as an All-America City for the fifth time further positions it as an attractive partner to the corporate community.

Phoenix has an abundance of marketing assets that create value for companies interested in becoming corporate partners with the City. These assets include 14,000 employees, 7,000 retirees; an abundance of parks, recreation and other facilities; a transit system with several thousand buses and bus shelters; and a wide variety of community programs that engage its citizens and visitors.

With professional planning, preparation and negotiation, these assets will create corporate partnerships that will generate short-term, medium-term and long-term revenue for the City. A description of the City’s assets is included in the section titled “Marketing Assets, Rights and Benefits” beginning on page 6 and in Addendum B of this Plan.

## Executive Summary (cont.)

The City has several different types of corporate partnership opportunities it can pursue including Marketing Partnerships, Community Partnerships and Outdoor Advertising Partnerships. Each of these requires a different approach, strategy and timing and involves different City departments, but all provide opportunities for the City to generate revenue. A description of various types of corporate partnerships is included in the section titled “Partnership Opportunities” beginning on page 7 of this Plan.

The Pathfinder team recommends that developing Marketing Partnerships be the City’s first priority, Community Partnerships its second priority and Outdoor Advertising its third priority primarily due to market conditions. A complete list of Pathfinder’s recommendations is included in the section titled “Strategic Recommendations” beginning on page 16 of this Plan.

In order for the City to implement Pathfinder’s recommendations and to optimize its opportunities to generate revenue from corporate partnerships, it will need to implement certain changes to its organizational and business practices. A list of these specific changes and strategies is included in the section titled “Implementation Strategies” beginning on page 16 of this Plan.

This Strategic Marketing Plan describes the City’s marketing assets, corporate partnership opportunities and implementation strategies. When combined with citywide Marketing Partnership Program Policies and Guidelines (Addendum A), they form a comprehensive program and strategy that, when properly executed, will result in a sustainable source of revenue for the City.

## Scope of Work

The specific tasks that Pathfinder was engaged to complete include:

**Task 1:** Develop Programmatic Guidelines and Policies

**Task 2:** Inventory Existing and Prospective Tangible and Non-Tangible Marketing Assets of the City of Phoenix

**Task 3:** Identify/Prioritize Marketing Sectors/Opportunities Related to Phoenix Assets

**Task 4:** Prepare Timeline of Proposed Marketing Opportunities

**Task 5:** Write and Produce Strategic Marketing Plan/Report

## Research Team and Methodology

### Research Team

The Pathfinder team that conducted the Study included Ed Augustine, Jessica Florez and Tony Motola.

Mr. Augustine is founder and managing partner of The Pathfinder Group. He has conducted similar studies for several cities including the Strategic Marketing Study that was developed for the City of San Diego in 1999. He also coordinated the implementation of the recommendations from that study which has generated nearly \$20 million for the City of San Diego and established its Corporate Partnership Program as the model program of its type in the U.S.

Jessica Florez is president of Jessica Florez, Inc. Her firm consults with clients on fundraising, public affairs and community relations issues in the City of Phoenix. In addition to her strategic planning, project management, advertising and marketing activities, Ms. Florez served as an aide to the Mayor of Phoenix (1995-1998) and on the Phoenix City Council (2003).

Tony Motola is a principal in the Motola Group LLC. His firm consults with public and private clients on strategic planning and public advocacy issues. Mr. Motola has played key leadership roles in the passage of several public initiatives including the Transit 2000 Ballot Initiative and the Phoenix Parks and Preserve Initiative in 2008. He also has held senior positions in City government including Senior Assistant to Phoenix Mayor Phil Gordon.

In conducting this Study, the Pathfinder team worked closely with the City's Public Information Office and representatives from various City departments. They assisted in gathering information, identifying key management and staff with whom to meet, coordinating key group and individual meetings and suggesting and considering multiple strategies and approaches to completing the required tasks. City staff's professional and proactive participation created an efficient and productive research and evaluation process and greatly contributed to the findings and recommendations resulting from this Study.

## **Research Team and Methodology (cont.)**

### **Research Methodology**

The Pathfinder team engaged in the following activities to complete the Scope of Work:

- Met with the Marketing/Advertising Committee of the Special Revenue Task Force to receive their suggestions and to present the Pathfinder Team's approach to conducting the Study. Distributed draft copies of Program Policies and Guidelines and Marketing Assets, Rights and Benefits for review and comment.
- Met with management and staff from various departments and agencies including the Convention Center, Public Transit, Parks and Recreation, Fire, Finance, Purchasing, Planning, Library, Public Works, Community and Economic Development, Human Resources, Downtown Phoenix Partnership and Metro Light Rail to discuss city assets and potential partnership opportunities.
- Met with Assistant City Manager and Deputy City Managers to brief them on the progress of various phases of the Study and to solicit their guidance in conducting the Study.
- Met with attorneys from the Law Department representing various city departments to discuss legal issues related to developing partnerships.
- Participated in weekly conference calls with the research team to discuss research progress and other issues related to conducting the Study.
- Toured Convention Center, selected parks and recreation facilities, winter baseball training facilities, the Burton Barr Central Library and transit properties to identify assets and generate ideas for partnerships.
- Reviewed city policies and ordinances related to marketing, advertising and signage to identify potential conflicts and inconsistencies.
- Reviewed city contracts related to marketing, advertising and signage agreements to learn what partnerships are already in place.
- Evaluated potential for specific types of marketing partnerships and priority and timing for initiating them.
- Evaluated data, information, city processes, personnel, city's strengths and limitations related to implementing corporate partnerships.

## Marketing Assets, Rights and Benefits

To attract companies to invest part of their marketing budget to become a marketing partner with the City, the City must have unique (only the City controls the asset) and substantial marketing assets (of enough value by itself or in combination with other assets) to offer its partners in the form of marketing rights and benefits. The specific marketing rights and benefits companies will be interested in will depend upon the type of marketing partnership involved and the marketing goals and objectives of the company.

The Pathfinder Team has identified more than 20 marketing assets that the City of Phoenix has to offer to companies in the form of marketing rights and benefits. Some of the key assets, marketing rights and benefits include:

1. The right to be designated as the “Official Business Partner” of the City in a specific business category and to use that designation in all marketing, advertising and promotions, subject to image and content approval by the City
2. The right to market products and/or services directly to City employees and retirees through the City’s internal communications vehicles. With 14,000 employees and 7,000 retirees (60,000 to 80,000 people/ consumers when families are factored in), this is both a unique and substantial marketing asset for Phoenix.
3. The right to be designated as a “Community Partner” of the City and to be recognized and promoted as supporting a specific City program, project or facility
4. The right to receive recognition through City news conferences
5. The right to develop a presence on the City’s award-winning government access cable channel, PHX II
6. The right to place advertising on bus shelters, in and on buses, and on City-owned facilities
7. The right to place a corporate name on a City-owned facility
8. The right to be a corporate sponsor of public events produced by the City

The complete list of assets that the City has to offer companies in the form of Marketing Assets, Rights and Benefits is included in Addendum B to this report.

## Partnership Opportunities

It should be noted that in the public sector, the word “partnerships” is more commonly used to describe what the private sector refers to as “sponsorships.”

The following are the types of partnerships most likely to create revenue-generating opportunities for the City of Phoenix and the specific strategies for maximizing those opportunities:

### Marketing Partnerships

The primary features of Marketing Partnerships are:

1. Partnerships are citywide agreements (not specific to a particular department or facility) between the City and a specific company.
2. The company receives the designation of “Official Partner” in a specific business category. For example, Verizon is the “Official Wireless Communications Partner” of the City of San Diego.
3. Only one company can be a partner in each business category.
4. Partnerships are developed in conjunction with a Request For Proposal (RFP) for the procurement of products and/or services by Purchasing or the city department that is initiating the procurement.
5. The most common business categories that are likely to result in Marketing Partnerships are consumer products and services such as wireless communication (cell phones), computers and other electronics, office supplies, healthcare, credit unions or other financial institutions, automobiles and auto parts.
6. The primary motivation of the company that is interested in a Marketing Partnership is the return on investment (ROI) of its Marketing Rights Fee.
7. The primary benefit received by the company is the right to market its products directly to City employees and retirees through the City’s internal communications vehicles.
8. Partnerships are negotiated by the City’s designated marketing staff and/or consultant.
9. The Marketing Partnership Fee that is paid by the company to the City starts at \$100,000 per year. There is no limit to the number of partnerships a City can have, except the City’s ability to manage the partnerships and fulfill the marketing rights and benefits to which the parties have agreed.

## Partnership Opportunities (cont.)

10. In addition to the Marketing Rights Fee paid to the City, there is usually a community service component to the partnership.
11. Marketing Partnership Agreements are prepared by the City's Law Department that works with the company's attorney to finalize the agreement.
12. The Marketing Partnership Agreement and the marketing assets, rights and benefits that the City agrees to provide to the company in exchange for a marketing rights fee are managed and fulfilled by the City's marketing staff.
13. A successful partnership almost always results in the renewal of the partnership for an additional term.

For example, as the City of San Diego's "Official Wireless Communications Partner," Verizon offers a special discount to city employees who purchase cell phones and service. That offer is communicated by San Diego via internal communications vehicles such as the Intranet, memorandums, flyers on bulletin boards and kiosks set up at city buildings. If employees are interested, they call a dedicated 800 number and make their purchase directly with Verizon. Verizon never receives information about the employee unless the employee communicates directly with the company and San Diego always controls the content and frequency of the messages sent to its employees on behalf of Verizon.

This Marketing Partnership has been in place for almost nine years and is in its second, five-year term. The City of San Diego has received more than \$2 million in marketing rights fees and Verizon has opened almost 10,000 new accounts.

## OPPORTUNITY

### **The City of Phoenix's Opportunity To Develop Marketing Partnerships**

The Pathfinder team is confident that Marketing Partnerships provide the best opportunity for the City of Phoenix to generate revenue in both the short term (within one year), the medium term (two to three years) and the long term (more than three years). The primary reasons for this recommendation are:

- These types of partnerships are developed in conjunction with procurements that are being done on a continual basis.

## **Partnership Opportunities** (cont.)

- The City can begin developing these partnerships immediately without having all of the staffing and infrastructure needed for a full-scale strategic marketing program.
- The City can use the revenue from the first Marketing Partnership to begin funding a full-scale strategic marketing program that will generate more revenue.
- Marketing Partnerships have proven to be a sustainable way of generating revenue for cities, as shown by the success of the City of San Diego's Corporate Partnership Program.

A specific Marketing Partnership that should be considered immediately is in the Office Supply business category. The Purchasing Division is currently in the process of evaluating several companies from which to purchase office supplies and plans to make a decision in early 2010. Purchasing is open to discussing how a Marketing Partnership could be developed in conjunction with this procurement.

In the next year, the City also will be renewing and/or entering into new procurement agreements in other business categories in which Marketing Partnerships might be developed. These business categories include computers, electronics, automobiles, hardware and building supplies, office furniture and vehicle batteries.

Pathfinder projects that in Year One, the City could generate \$100,000 to \$300,000 from Marketing Partnerships; in Year Two, an additional \$300,000 to \$500,000 and in Year Three an additional \$500,000 to \$700,000.

### **Community Partnerships**

The primary features of Community Partnerships are:

- I. Partnerships are limited marketing agreements between the City and a company that are tied to a specific program, project, facility or event, e.g. a senior citizen program, library, park, recreation facility and/or special event.

## **Partnership Opportunities** (cont.)

2. The company may receive the designation of “Community Partner,” but only as it relates to the specific program, project, facility or event it is supporting.
3. More than one company in a business category can be a Community Partner; they are not exclusive.
4. Community partners are developed in direct negotiation between the City and a company. No RFP is involved.
5. Partnerships are negotiated by the City’s marketing staff and/or consultant in collaboration with department staff.
6. Community Partnership fees start at \$25,000 per year. There is no limit to the number of partnerships a city can have, except the City’s ability to manage the partnerships and fulfill the marketing rights and benefits to which the parties have agreed.
7. Community Partnership Agreements are prepared by the City’s Law Department, which works with the company’s attorney to finalize the agreement.
8. The Community Partnership Agreement and the marketing rights and benefits that the City agrees to give to the company in exchange for a marketing rights fee are managed and fulfilled by the department responsible for the program, project, facility or event with support from the City’s marketing staff.
9. A successful partnership almost always results in the renewal of the partnership for an additional term.

For example, a construction company and a landscaping company in San Diego recently joined to make \$40,000 in repairs to a fire station. The companies received various forms of recognition from the City and were promoted as a Community Partner of the City of San Diego.

## **OPPORTUNITY**

### **The City of Phoenix’s Opportunity To Develop Community Partnerships**

The Pathfinder team believes that Community Partnerships also provide a good opportunity for the City of Phoenix to generate revenue in the short, medium and long terms. The primary reasons for this recommendation are as follows:

## Partnership Opportunities (cont.)

- These types of partnerships are developed in direct negotiations between the City and a partner/company. Because an RFP is not involved, they can be started immediately and with little complexity.
- City marketing staff can assist departments with developing these partnerships.
- Most departments already have some experience in doing similar types of partnerships so that minimal additional training is required for the person(s) who is developing and negotiating these types of partnerships.
- They require less management because fewer marketing rights and benefits are involved.
- They are managed by the department associated with the program, project or facility that is being supported so that the City's marketing staff can spend most of its time developing the more complex, higher-revenue partnerships.

Several departments have provided Pathfinder with potential programs, projects, events and facilities for which they would like to have Community Partnerships including:

**Parks and Recreation Department** - July 4<sup>th</sup> Celebration, Electric Light Parade, sports complexes

**Fire Department** - mountain rescue vehicles/equipment, Crisis Response Unit vans, injury transport vehicles for large special events

**Phoenix Public Library** - Digital Studio, Workforce Literacy Center, computer classes and reading programs

Pathfinder projects that in Year One, the City could generate \$50,000 to \$100,000 from Community Partnerships; in Year Two, an additional \$100,000 to \$200,000 and in Year Three an additional \$200,000 to \$300,000.

## Partnership Opportunities (cont.)

### OPPORTUNITY

#### **Outdoor Advertising Partnerships**

Because the City controls a vast amount of real estate, it has a variety of opportunities to place signage in strategic locations in high-traffic areas. The City's primary opportunities for generating revenue from advertising are from bus shelter advertising, advertising kiosks and street furniture on city streets, and advertising on the sides of city facilities, such as libraries, recreational centers and parking garages.

The City currently has a long-term contract with Clear Channel for advertising on the outside and inside of City buses and a short-term contract with CBS Outdoor for advertising on bus shelters.

#### **The City of Phoenix's Opportunity To Develop Outdoor Advertising Partnerships**

Because of depressed economic conditions, the opportunity for the City to generate significant new revenue from this type of partnership is extremely limited at this time. The impact of the economic downturn in this business sector was clearly demonstrated earlier this year by the inability of CBS Outdoor to meet the financial obligations of its agreement with the City to provide advertising on Public Transit bus shelters. An informational meeting with Clear Channel during the course of conducting this Study (CBS Outdoor was invited but declined to attend) confirmed the seriousness of the economic challenges for the outdoor advertising industry for the rest of this year and perhaps for most of 2010.

In addition to bus shelter advertising, the City also should consider its potential to add outdoor spaces on the sides of city facilities in high-visibility areas, such as parking garages, recreation centers, libraries and other city buildings. Other city-owned facilities also may offer additional inventory for outdoor advertising that will generate revenue when the market recovers.

While the market is recovering, the Pathfinder team recommends that the City utilize the time in the following ways to engage in a multi-department strategic planning process to:

- Review all policies and ordinances related to outdoor advertising with the goal of eliminating any conflicts and inconsistencies

## Partnership Opportunities (cont.)

- Create ways to streamline the permitting of new outdoor advertising opportunities that are in the City's best interest
- Identify new city-owned advertising "faces"
- Develop an inventory, with the outdoor advertising companies' input, of all of the available city-owned advertising spaces ranked in groupings by value
- Consider a creative and sustainable upgrade of the existing Public Transit bus shelters
- Either train staff or hire an outside consultant to develop and negotiate outdoor advertising partnerships so that the City maximizes its potential to generate as much revenue as possible and structure the best possible agreements when the timing is right

### **Naming Rights Partnerships**

Naming rights are a form of advertising in which a corporate name is placed in strategic locations on the outside and inside of a facility and the facility's name becomes associated with the corporate name as a form of "branding" the facility. Examples include the U.S. Airways Center and Chase Field in Phoenix.

To have the potential to generate significant revenue from naming rights, the facility must have a very high profile in the marketplace. Being associated with a state-of-the-art facility, a popular sports team, renowned concerts and performances, television exposure and a high traffic location are some of the factors that are considered in determining the value of naming rights. Most facilities that have generated substantial revenue from naming rights are privately owned professional sports and concert venues.

## OPPORTUNITY

### **The City of Phoenix's Opportunity To Develop Naming Rights Partnerships**

The Pathfinder Team did not identify any city properties that it felt had enough presence in the marketplace to generate substantial revenue on their own. However, when combined with a larger package of marketing rights and benefits, naming rights could add to the overall value of a partnership.

## Partnership Opportunities (cont.)

### Beverage Vending Partnerships

A beverage vending partnership is an agreement between the City and a specific non-alcoholic (e.g. soft drinks, bottled water, sports drinks, fruit drinks) beverage brand (e.g. Coke, Pepsi, Dr Pepper) wherein the beverage brand has the exclusive rights to sell its products from vending machines on City property.

Currently there are hundreds of vending machines on City property selling multiple brands. For many of these machines, there is an informal commission agreement in place with the City staffers or departments that arranged for machines to be placed at particular locations. Other machines are managed, and money is collected by individuals who are part of the State of Arizona Department of Economic Security's program for the blind and visually impaired.

The financial value to the City from this type of partnership is when the City consolidates all of its beverage vending and beverage pouring locations into one business opportunity and awards it to one company to supply the machines and sell its product.

The value of these partnerships is determined, in part, by the total sales volume the beverage companies' estimate will be generated from these sales locations. The City's revenue will be based, in part, on what portion of the sales it can negotiate for itself.

In San Diego in 2000, Pathfinder negotiated a beverage vending partnership with Pepsi in which the City received \$1.5 million at the time of the signing of the agreement plus 40 percent of the sales or a minimum annual guarantee of \$250,000 per year. This partnership is expected to generate more than \$6 million for the City of San Diego during the term of the agreement. This agreement involved nearly 400 vending machines.

In Dallas in 2004, Pathfinder negotiated a beverage vending partnership with Dr Pepper in which the City received \$3.5 million in the first year of the agreement plus 20 percent of the sales. This partnership is expected to generate more than \$5 million for the City of Dallas during the term of the agreement. This agreement involved nearly 400 machines.

## **OPPORTUNITY**

### **The City of Phoenix's Opportunity To Develop Beverage Vending Partnerships**

The Pathfinder team is unclear at this time whether the City has an opportunity to generate revenue from this type of partnership. The primary challenge is working out a mutually beneficial agreement with the State of Arizona's program to assist the blind and visually impaired. Several meetings with the management and staff of this program combined with several advisory opinions of the Law Department have been inconclusive in providing a clear picture of the rights of each of the parties or the policy direction that would lead to a satisfactory working relationship.

A secondary challenge is determining whether the City controls enough vending machines on its property to create the critical mass needed to generate substantial revenue from a beverage vending partnership. Moreover, the City will not know how many machines are available to pool until it has worked out an agreement with the state program.

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## Strategic Recommendations

1. The Pathfinder team is confident that Marketing Partnerships provide the best opportunity for the City of Phoenix to generate revenue on a sustainable basis and recommends that they be given the highest priority.
2. The Pathfinder team is confident that Community Partnerships provide a good opportunity for the City of Phoenix to generate revenue on a sustainable basis and recommends that they be given a high priority.
3. The Pathfinder team believes that Outdoor Advertising Partnerships are a significant source of medium- to long-term revenue for the City of Phoenix. However, there is currently no viable opportunity to maximize the revenue potential from these partnerships because of depressed economic conditions. The Pathfinder team recommends that the City use this time to identify and consolidate all of its outdoor advertising spaces and prepare internally to maximize this opportunity when the time is right.
4. The Pathfinder team does not believe that the City has any facilities that will provide it substantial revenue from naming rights alone. The Pathfinder team does believe that naming rights can increase the overall value of a marketing partnership and recommends that this marketing right be combined with other marketing rights and benefits and offered as a package to potential partners.
5. The Pathfinder team is unclear at this time about the potential to generate revenue from Beverage Vending Partnerships. Issues with the state program for the blind and visually impaired must be worked out, a complete vending machine inventory must be completed and preliminary discussions with major brands must be held in order for the Pathfinder team to develop an informed recommendation on this revenue-generating opportunity.

## Implementation Strategies

In order for the City to implement the Strategic Recommendations above and to maximize the potential to generate revenue from any or all of the types of partnerships described in this report, it should organize itself in the following ways:

1. Designate at least one person on City staff to be responsible for all corporate partnership and marketing-related activities. That staff

## Implementation Strategies (cont.)

person's role will be to identify and develop new partnership opportunities, navigate those partnerships through the City's approval process, manage the fulfillment of the partner's marketing rights and benefits, coordinate the efforts of an outside consultant if the City chooses to hire one, work with city staff to coordinate information about partnerships and provide advice and training for departments that are interested in developing Community Partnerships.

2. Establish a citywide policy that prohibits City vendors from offering and/or marketing their products and/or services to City employees without approval from the City's marketing staff.
3. Establish a citywide policy that all inquiries to any City department about corporate partnerships and/or marketing-related activities must be directed to the City's marketing staff for mutual coordination, evaluation and support, to avoid potential conflicts and to maximize revenue opportunities.
4. Submit the Marketing Partnership Program Policies and Guidelines to City Council for approval. Review the Guidelines annually and revise them to reflect current conditions. A copy of the policies is included in Addendum A to this report.
5. Review and revise all City policies related to signage, naming rights, marketing, advertising and related issues so that they are consistent with each other.
6. Consider hiring an outside consultant to work with the City's marketing staff to assist in identifying, developing and negotiating Marketing Partnerships and other types of revenue-generating partnerships.
7. Develop a comprehensive list of Marketing Assets, Rights and Benefits to maximize the value of Marketing Partnerships and other types of revenue-generating partnerships. In developing such a list, it is important to consolidate the City's assets, rather than dividing city assets by department. A list of the City's Marketing Assets, Rights and Benefits is included in Addendum B to this Report.
8. Designate and train one person in Purchasing or in another department to be responsible for working with marketing staff to draft requests for proposals (RFPs) when necessary to develop Marketing Partnerships and other types of revenue-generating partnerships.

## Summary

This Strategic Marketing Plan provides the City of Phoenix with a realistic and attainable program to generate revenue from corporate partnerships.

The City has a number of valuable marketing assets, rights and benefits to offer potential corporate partners (page 6 and Addendum B). It is the combination of these resources that creates the value that the City will leverage to negotiate marketing rights fees with its corporate partners.

The City also has a variety of options for the types of partnerships that can be developed, such as Marketing Partnerships, Community Partnerships, Outdoor Advertising Partnerships and other opportunities (pages 7 - 15).

By prioritizing the development of partnerships in accordance with Pathfinder's strategic recommendations (page 16), the City will be able to focus its efforts on those partnerships that are most likely to be successful and sustainable.

By taking the steps outlined in the implementation strategies (page 16), the City will be in the best possible position to generate revenue from the types of partnerships and opportunities that have been recommended.

The City's marketing assets and partnership opportunities combined and coordinated with the strategic recommendations, implementation strategies and Program Policies and Guidelines (Addendum A) form a blueprint for a comprehensive and integrated Marketing Partnership Program.

It should be noted that developing municipal marketing partnerships is not a science but a dynamic process that is driven by the realities of the marketplace, impacted by internal political and management issues and influenced by informed and skilled negotiations.

The key to the City's success with this program will be its ability to implement the various recommendations presented in this Strategic Marketing Plan. Lack of execution has been the primary factor in the inability of many cities to realize their potential to generate revenue from their marketing assets. Phoenix should make this a key consideration in deciding how its program is organized, staffed and supported by upper management.

Phoenix is well positioned for success. It has strong political leadership, solid management, capable staff, valuable marketing assets and multiple partnership opportunities. With this Strategic Marketing Plan, it now has a comprehensive and integrated program to guide it through the process of developing corporate partnerships and creating new sources of revenue.



**City of Phoenix**  
**STRATEGIC MARKETING PLAN**

**Addenda**

Addendum A: Marketing Partnership Program  
Policies and Guidelines

Addendum B: Marketing Partnership Program  
Assets, Right and Benefits

## City of Phoenix

# MARKETING PARTNERSHIP PROGRAM POLICIES AND GUIDELINES

### Background

On (date) the Mayor and City Council approved a Strategic Marketing Plan for developing corporate partnerships for the City of Phoenix through a Marketing Partnership Program (MPP).

The MPP seeks opportunities for the City to generate revenue and other resources from partnerships with the corporate community in order to enhance municipal services and facilities in the City. The specific objectives of the MPP are as follows:

1. To establish and guide relationships with existing and potential business partners who share the City's commitment to providing the highest-quality civic environment throughout the City of Phoenix.
2. To generate revenue to fund existing and additional facilities, projects, programs and activities.

In conjunction with the Mayor and City Council's approval, this Marketing Partnership Program Policies and Guidelines document provides general guidelines for implementation of the MPP.

### Purpose

To provide guidelines for developing and managing marketing partnerships, which ensure that all partnerships support the City of Phoenix's goals of service to the community and remain responsive to the public's needs and values. The following guidelines are established to maintain flexibility in developing mutually beneficial relationships with the business sector.

### Definitions

#### Marketing Partnership:

A mutually beneficial business arrangement between the City and a business entity, wherein the business entity provides cash, in-kind goods or services and/or other resources to the City in return for access to the commercial marketing potential and/or other benefits associated with the City. Marketing Partnerships may include sponsorship of one or more of the City's programs, projects, events, facilities or activities.

#### Marketing Partnership Agreement:

A written contract between the City and a business entity that states the terms and conditions of the Marketing Partnership.

### Request for Sponsorship:

An open and competitive process where business entities may express their interest in participating in Marketing Partnership opportunities with the City of Phoenix. All Request for Sponsorships (RFS) will include a summary of the partnership opportunity, benefits for participation and a description of the open and competitive procedure for expressing interest in participating in Marketing Partnership opportunities.

### **General Principles**

a. The City of Phoenix accepts the principle that business entities may become a partner with the City in the sponsorship of City-approved programs, projects, events, facilities or activities where such partnerships are mutually beneficial to both parties and in a manner consistent with all applicable policies and ordinances set by the City. Under the conditions of this policy, City staff may solicit such partnerships for the City.

b. At all times, recognition for partners must be evaluated to ensure the City is not faced with undue commercialism and is consistent with the scale of each partner's contribution.

c. Restriction on Partnerships

In general, the following industries and products are not eligible for partnerships with the City of Phoenix.

1. Police-regulated businesses.
2. Companies whose business is substantially derived from the sale or manufacture of tobacco products.
3. All alcoholic beverages except for beer and wine. Also, alcoholic beverages when the targeted beneficiaries of the partnership are youth under the legal drinking age.
4. Parties involved in any stage of negotiations for a City contract unless the procurement process is directly linked to a partnership opportunity.

All decisions on partnerships under the MPP are independent of city procurement processes.

d. The following are not subject to the MPP Policies and Guidelines:

1. Gifts or unsolicited donations to a department or the City where no business relationship exists. All city regulations, policies and guidelines shall be followed when providing gifts and unsolicited donations.

Partnership proposals forwarded to the City may not be subject to the Marketing Partnership Policies and Guidelines if the proposed partnership is determined through a good faith effort to be unique and without interested competitors, subject to department head and City Manager's Office approval.

## **Marketing Partnership Process**

The general procedure for developing corporate partnerships will be as follows:

- a. Define scope of partnership program or project, including a description of the community need, financial goals and general marketing strategy.
- b. Develop an RFS for each partnership opportunity valued at a level consistent with the dollar values in City of Phoenix A.R. 3.10 and submit to City Council for approval.
- c. Disseminate RFS and implement an open and competitive bidding process for interested partners.
- d. Review and analyze all responsive proposals received through the RFS process.
- e. Negotiate the best possible partnership for the City of Phoenix.
- f. Develop a Marketing Partnership Agreement which is consistent with all applicable City procurement policies and ordinances, as well as other local and federal regulations.
- g. Submit all Marketing Partnership Agreements to the City Council for final approval.
- h. Partnership is awarded.

## **Marketing Partnership Agreements**

All Marketing Partnership Agreements will include contractual language consistent with all applicable City policies and ordinances and good business practices. In general, Marketing Partnership Agreements should include:

- a. Contractual Relationship
- b. Term
- c. Renewal
- d. Consideration
  - Marketing Rights Fee
  - Commissions
  - In-kind Goods
  - In-kind Services
- e. Description of Programs, Projects and Activities
- f. Marketing Rights and Benefits
- g. Termination Provisions
- h. Standard terms and conditions relevant to City contracts

## **Responsibilities**

- a. All partnership activities will be coordinated by departments in conjunction with the marketing partnership program coordinator, who will be responsible for:
  1. Implementing the citywide Marketing Partnership Program.
  2. Providing guidance to all City departments regarding the interpretation and application of this policy;
  3. Providing assistance and advice to departments regarding partnership activities;
  4. Reviewing, negotiating, and assisting in the development of Marketing Partnership Agreements as requested;
  5. Tracking and reporting on a quarterly basis all Marketing Partnerships developed by the City.

For further information contact:

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## City of Phoenix

### **MARKETING PARTNERSHIP PROGRAM MARKETING ASSETS, RIGHTS AND BENEFITS**

The following are marketing assets, rights and benefits that can be offered to potential City of Phoenix marketing partners. It is the combination of these rights that creates the value that the City can negotiate as a marketing rights fee.

1. The right to be designated as the “Official Business Partner” of the City of Phoenix within a specific business category, e.g. the “Official Wireless Communications Partner of the City of Phoenix”
2. The right to use the partnership designation in the partner company’s news releases, news stories, features and other publicity for promotional and marketing purposes
3. The right to appear and announce the partnership at a City Council meeting that is featured on the City’s government access cable channel, PHX 11
4. The right to participate in a City news conference that announces the partnership and is featured on PHX 11
5. The opportunity to create a public service announcement that airs on PHX 11
6. The right to create a logo that combines the partnership designation with the City of Phoenix bird logo (final logo must be reviewed/approved by City of Phoenix Public Information Office)
7. The right to have a logo presence on various pages of the City’s Web site, phoenix.gov
8. The right to have a logo presence on the City’s intranet Web site, “Inside Phoenix”
9. The right to have a logo presence on City promotional and marketing materials and initiatives to specific target markets and/or the general public
10. The right to communicate promotional offers to City of Phoenix full- and part-time employees through existing City employee communications vehicles, including Inside Phoenix, Enterprise e-mails and employee newsletters
11. The right to have the City place promotional information in employee break areas
12. The right to host kiosks at various city departments and facilities on certain days
13. The right to participate in special events hosted at various city facilities
14. The right to conduct product/educational seminars at various city facilities

15. The right to have information shared in the City's new employee orientation training programs
16. The right to communicate promotional offers to retirees, through existing, internal City of Phoenix communications vehicles
17. The right to communicate promotional offers to city volunteers, through existing, internal City of Phoenix communications vehicles
18. The right to include promotional/educational material in the City's license renewal correspondences to the thousands of businesses that have business licenses issued by the City of Phoenix
19. The right to participate in some of the workshops held by the City for vendors interested in doing business with the City
20. The right to be a corporate sponsor of public events produced by the City
21. The right to be a corporate sponsor or Community Partner of a specific program, project, activity or individual facility
22. The right to place a corporate name on a major City facility
23. The right to place street-level advertising on designated public sidewalks or in other outdoor areas controlled by the City