

Cities look to partners for help

Corporate sponsors get perks in return

By Helen Gao

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DOCUMENT



- [Spreadsheet breaking down the city's sponsorship deals](#)

SAN DIEGO — The anonymous donor who stepped up to save San Diego's shoreline firepits with 18 months of funding became part of a well-established city program regarded by industry experts as a national model for private sponsorships.

San Diego has a 26-foot surf rescue boat, two fire and rescue helicopters, lifeguard training videos – and millions of dollars of operating funds – all thanks to corporate partners.

The sponsors generally provide goods, services or cash to the city in exchange for recognition or marketing rights, such as the ability to pitch services to city employees at their workplace or through internal newsletters.

The city has offered the program since 1999, and it has generated more than \$16 million in cash, services and goods. It will become even more critical as the city's \$54 million budget deficit looms for next year.

Chula Vista, which faces a \$4 million deficit this year and a \$20 million deficit next year, is also looking at corporate partnerships and sponsorships – specifically naming rights – as a way to save programs and services.

Chula Vista's proposed budget cuts included closing its Nature Center and Eastlake Library. The Sempra Energy Foundation recently stepped in with a \$125,000 donation to help save the Nature Center.

"There are many programs that are affected by these proposed budget reductions. We are looking for new innovative ways to fund some of these programs," said Liz Pursell, Chula Vista's spokeswoman.

San Diego's corporate partners include international companies, such as Pepsi Bottling Group, and local businesses, such as San Diego Metropolitan Credit Union.

The city's partnership with Evolution Film & Tape Inc., which produces reality shows about lifeguards, inspired similar deals in Huntington Beach, Miami and Hawaii. Evolution provided San Diego a rescue boat, lifeguard training videos and money in exchange for the right to film city lifeguards' day-to-day work.

San Diego is rare in that it has a staff person devoted to developing partnerships and ensuring the terms of agreements are met. Most cities, industry experts say, don't have that.

William Chipps, senior editor of the IEG Sponsorship Report who has tracked municipal deals for about a decade, described San Diego as a "shining light" – a city that has managed to continue to ink deals even though the popularity of corporate partnerships has waned since the late 1990s.

Chipps said partnerships are hard to pull off because of the perception that City Hall is selling out – even though those deals often don't involve plastering billboards on city properties.

"As evidenced with San Diego, these deals can be done and done successfully. It makes sense if cities and governments can align with corporate partnerships instead of having to raise taxes or to offset existing taxes," he said.

In exchange for allowing San Diego Metropolitan Credit Union to market its products and services to city employees, San Diego is getting \$500,000 under a five-year partnership.

Joe Schroeder, the credit union's CEO, said the partnership has helped his company recruit more customers and has led to higher customer loyalty. Metropolitan has a person dedicated to serving city employees, and that person attends city employee orientations and visits work sites.

"City management is to be congratulated for kind of thinking outside the box and having partners like this," Schroeder said.

San Diego has policies designed to ensure good taste in corporate partnerships. For example, the city bans marketing that involves tobacco or police-regulated businesses.

The city allows its contractors to opt in, or out, of the sponsorship program. But Jenny Wolff, who heads the San Diego Corporate Partnership Program, said whether bidders express an interest in the program does not affect their chances of landing a contract.

"At the end of the process, the procurement department selects a provider. They select a provider that is in the best interest of the city in terms of price," she said.

If the selected bidder is interested in a partnership, she works separately with the company on a marketing arrangement.

Online: Download a spreadsheet accounting for city sponsorship deals at uniontrib.com/more/documents

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