

<i>VTA NAMING RIGHTS POLICY</i>	POLICY	
	Document Number:	CMA-RE-PL-0201
	Version Number:	01

1.0 Purpose:

To set forth the VTA policy for evaluating and processing naming rights proposals for VTA real estate assets such as transit centers, stations, and park and ride lots, as well as for VTA transit assets such as transit shelters, bus lines, and light rail lines.

2.0 Scope:

This policy applies to all entities that submit naming rights proposals for VTA real estate assets and/or VTA transit assets. This policy does not apply to advertising on bus vehicles, light rail vehicles, transit shelters or other restrictions that limit the ability of VTA to sell naming rights.

3.0 Responsibilities:

The VTA Property Development and Management Department, known as “VTA Real Estate”, will manage all documents relating to this policy, and will coordinate with applicable VTA divisions on the review and processing of the transactions. As applicable, each VTA division will be responsible for reviewing and processing applications, drawings, agreements, permits, construction and payments relating to this policy.

4.0 Policy:

VTA has an extensive portfolio of real estate and transit assets located throughout Santa Clara County, with a service area covering approximately 346 square miles and county population of approximately 1.8 million people. In 2013, average weekday ridership on VTA’s light rail station was 34,241 passengers, while average ridership on VTA’s bus routes was 106,161 passengers. On weekends, ridership on both the light rail and bus network will often peak during special events such as sports games, concerts and holiday events. Weekend ridership is expected to increase with the upcoming opening of Levi Stadium in Santa Clara, which will be hosting NFL football games as well as other sporting and entertainment events. This creates unique opportunities for private sponsors to seek naming rights at one or more VTA real estate assets or VTA transit assets, in order to enhance their brand recognition. VTA is amenable to creating new revenue through sponsorship opportunities in its transit system, and is setting forth this policy to establish guidelines by which VTA will consider naming rights proposals for VTA real estate assets and/or VTA transit assets.

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- 4.1. Request for Proposal (RFP). From time to time, VTA may issue an RFP seeking naming rights proposals for one or more VTA real estate assets and/or one or more VTA transit assets. Based upon RFP responses, VTA in its sole discretion may choose to enter into direct negotiations with an RFP respondent for one or more assets, reissue the RFP, take no further action, or take other action as VTA deems appropriate.

Notwithstanding the foregoing, VTA at all times will retain full discretion to receive and process unsolicited naming rights proposals. In the event of unsolicited proposals, VTA further reserves the right to promote competition and transparency by either (i) issuing an RFP for the asset described in the unsolicited proposal, or (ii) contacting similar potential naming rights sponsors to seek additional naming rights proposals.

In addition, even after conducting a process for naming rights, VTA may choose not to sell the naming rights to any particular asset, whenever it reasonably determines that to do so would be contrary to its purpose or its commercial interests.

- 4.2. Nexus Required for Naming Rights. Many transit centers, light rail stations and bus stops within the VTA transit system require geographically accurate names in order for VTA passengers to orient themselves and navigate the transit system. Therefore naming rights proposals for VTA real estate assets and VTA transit assets will only be considered if there is a strong nexus between the proposed naming sponsor and the proposed asset (i.e., a geographic, iconic, historic or other connection). The ability and ease by which VTA passengers will identify, locate and use a location is an essential factor in considering a naming rights proposal. The number of characters in a proposed name will also be evaluated, due to the physical parameters of signage on items such as stations and bus/light rail vehicles. VTA may in its sole discretion include a geographic designation as part of the re-named asset, for instance "Downtown/Your Name Here," in order for VTA passengers to continue to easily navigate the transit system.

Furthermore, proposed names must be consistent with applicable VTA ordinances, rules, regulations and policies. VTA may in its sole discretion deny a naming rights proposal which: (i) violates any applicable VTA ordinances, rules, regulations or policies, (ii) is offensive, discriminatory, or promotes a particular religion or political view, or (iii) is not in the best interest of VTA and/or its passengers.

- 4.3. Naming Rights Agreement. A written agreement between VTA and the naming rights sponsor, approved as to form by VTA General Counsel, shall be required prior to any re-naming of a VTA real estate asset or VTA transit asset. All naming rights agreements under this policy will be brought to the VTA Board of Directors for approval. In addition, the VTA Board of Directors will be required to approve any agreements

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exceeding the maximum amount, or the maximum term, permissible under Section 9-2 (c) of the Administrative Code (which on the date of approval of this policy is an amount of \$100,000 and any term exceeding 3 years).

- 4.4. Term of Agreement. In order to ensure a long-term commitment between VTA and the naming rights sponsor, the minimum term of a naming rights agreement shall be ten years. The agreement shall provide for VTA's ability to terminate the agreement under certain conditions, such as when a naming rights sponsor ceases to exist as an entity.
- 4.5. Compensation. VTA will receive fair and reasonable compensation for use of its real estate assets and transit assets, based on comparable market rates for similar facilities and markets. VTA may, in its sole discretion, procure the services of a qualified and independent firm that regularly provides naming rights valuations, to assist in VTA's consideration of a naming rights proposal.
- 4.6. Costs Associated with Re-Naming. The naming rights sponsor shall pay for all costs associated with re-naming a VTA real estate asset or VTA transit asset, including but not limited to the costs of replacing and/or supplementing affected signage, system-wide maps, headsigns, public materials, websites, graphics, software and VTA systems. Furthermore, the naming rights sponsor shall deposit an amount that equals or exceeds the anticipated cost of removing its name from said VTA real estate asset or VTA transit asset, for use at the expiration or earlier termination of the naming rights agreement.
- 4.7. VTA Asset Inventory. VTA Real Estate will prepare a list of VTA real estate assets and VTA transit assets which are available for naming rights proposals, and update such list periodically.
- 4.8. Consultant Services. From time to time, VTA may issue an RFP seeking consultant services relating to one or more VTA real estate assets or VTA transit assets, for any or all of the following professional services: (i) identification and/or valuation of assets available for naming rights proposals, (ii) development of a naming rights strategy and marketing plan, (iii) solicitation of potential naming rights sponsors, (iv) negotiation of naming rights agreements, (v) and any other services deemed appropriate to implement this policy. Based upon RFP responses, VTA in its sole discretion may choose to enter into direct negotiations with an RFP respondent, reissue the RFP, take no further action, or take other action as VTA deems appropriate.
- 4.9. Application of Policy. This policy is intended to apply to naming rights proposals submitted after the approval of the policy. Notwithstanding the foregoing, VTA reserves

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the right to initiate, consider and process the re-naming of one or more existing VTA real estate assets or VTA transit assets.

- 4.10 Modifications to Policy. Non-substantive or legally-compelled modifications to this policy may be made under the General Manager’s authority without further Board approval.

5.0 Definitions:

Administrative Facility: The term shall have the definition set forth in VTA Ordinance 98.1. As of the approval date of this policy, VTA Ordinance 98.1 defines “administrative facility” as all buildings, structures, parking lots, and property, owned or operated by the VTA, except transit facilities.

Naming Rights: The right to name a VTA real estate asset or VTA transit asset for predominantly advertising or marketing purposes, in exchange for financial or other consideration.

Naming Rights Agreement: The written agreement between VTA and the naming rights sponsor which sets forth the terms and conditions for re-naming one or more VTA real estate assets or VTA transit assets.

Naming Rights Sponsor: An entity which seeks to re-name one or more VTA real estate assets or VTA transit assets, through a naming rights proposal and subsequent naming rights agreement.

Transit Asset: A transit-related, non real estate asset owned by VTA. These include but are not limited to transit shelters, bus lines, and light rail lines.

Real Estate Asset: Real property which is owned, leased or administered by VTA, through fee ownership or other regulatory, contractual or recorded right. These include but are not limited to any VTA “transit facility” as defined in VTA Ordinance 98.1, any VTA “administrative facility” as defined in VTA Ordinance 98.1, and any express lanes controlled or administered by VTA.

Request for Proposal (RFP): A request based on business requirements which seeks specific data, offerings and quotations for a defined service or project.

Transit Facility: The term shall have the definition set forth in VTA Ordinance 98.1. As of the approval date of this policy, VTA Ordinance 98.1 defines “transit facility” as




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any and all transit centers, light rail stations, light rail platforms, and parking lots used for transit system access.

6.0 **Summary of Changes:**

N/A.

7.0 **Approval Information:**

<i>Prepared by</i>	<i>Reviewed by</i>	<i>Approved by</i>
 Kathy Bradley Manager, RE & Project Administration	 Bijal Patel Deputy Director	 Nuria I. Fernandez General Manager