



City of Modesto Parks and Recreation Fund Development Plan and Implementation Strategy

Final Report



Submitted by:

BerryDunn
2211 Congress Street
Portland, ME 04102-1955
207.541.2200

Chad Snow, Principal

csnow@berrydunn.com

Chris Dropinski, Project Manager

Chris.Dropinski@berrydunn.com

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Acknowledgements

Project Team

Laurie Smith, Director – Parks, Recreation & Neighborhoods Department

Diane Sheatsley – Administrative Analyst II

Staff

Ashley Weaver – Recreation & Services Manager

Kelly Gallagher – Park Operations Manager

Nathan Houx – Parks Planning & Development Manager

Consultant Team

BerryDunn

Chris Dropinski – Project Manager

Art Thatcher – Subject Matter Expert

MRG, LLC

Nancy Kaiser – Senior Consultant

Pamela Sloan – Principal Consultant

William Zenoni – Consultant

Caravel Marketing

Paula Beadle – CEO



Executive Summary

The Modesto Parks, Recreation & Neighborhoods Department (PRND or Department) has taken a proactive step to complete this Fund Development Plan and Implementation Strategy, addressing an increase in demand for facilities and services while experiencing a decrease in funding for those facilities over the last decade. The goal of this effort is to fulfill the City of Modesto's (City's) strategic plan, which aims to improve quality of life, economic vitality, governance, and service delivery while equipping PRND with knowledge, tools, guidance, and resources to carry it out.

The health and well-being of all residents is of paramount importance to PRND. As the community moves beyond the COVID-19 pandemic, staff is looking toward the future. They are examining opportunities to develop new strategies for generating revenue and exceeding the community's expectations for variety and high quality of parks and spaces, trails, programs, activities, and services.

New and updated revenue development strategies have been identified along with improved operating efficiencies related to revenue generation. Recommendations regarding program administration, structure, staffing, and oversight have been given high consideration to build capacity in PRND. A pullout Implementation Plan detailing short- and long-term priority, timing, and staffing needs is provided as a roadmap for the next three to five years and beyond. Detailed information and analysis for more complex topics are provided as attachments to better understand each matter and assist with implementation.

The plan aligns with the focus areas outlined in the City's strategic plan as illustrated below.

Quality of Life

QUALITY OF LIFE	Engage partners across the community to ensure the safety, resilience, and attractiveness of Modesto.
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This plan requires a visible annual reinvestment into parks and facilities to attract external funding through impactful contributions, including sponsorships and donations to supplement tax dollars and fees. This should begin with a brand that speaks to taking care of what Modesto has and building quality by promoting partnership and engagement with a sense of "we are all in this together." PRND's constrained funding is currently designated for an extensive backlog of deferred maintenance, and there are no mechanisms to fuel a dedicated funding source as new assets are added to the system. A series of definitions, goals, and objectives for managing a philanthropy and partnership program—including clear goals for bringing in new monetary donations to the Stanislaus Community Foundation (Foundation)—needs dedicated staff support.

Policymakers and the public must hear and understand the PRND story and the critical nature of its current circumstances so that, as solutions are proposed, it will be evident that those measures will make a difference, set the Department on a new course, and allow it to build and promote a recognizable and desirable identity for the City.

Economic Vitality

ECONOMIC VITALITY

Retain and attract residential, commercial, and industrial development to meet the community's needs today and for the next generation.

Revenue development through sponsorships has become more prevalent across the country for park and recreation agencies and is anticipated to continue expanding. Sponsorship has transformed over the past several years and is now evolving at an accelerated pace. Brands are seeking opportunities to form trusted relationships with the community, and the intersection between sponsorship and social good initiatives is stronger than ever. A successful revenue development effort requires an investment of staff, time, and resources. The effort must have a consistent and continuous approach to potential sponsors, strong execution, and devoted relationship management.

Modesto's parks and recreation legacy serves as a regional hub for activities, special events and facilities. The Transit Occupancy Tax (TOT) is providing some funding toward the Modesto Center Plaza Convention facility; however, the condition of other assets is affecting the ability to draw businesses, new residents, and visitors. Non-traditional sport activities would expand the outdoor and adventure recreation offerings near or on the rivers, and additional active staff involvement in Citywide tourism efforts could attract more visitors as City-owned facilities are brought to and kept in, good shape. PRND is an economic engine for the City and should be funded as such.

Pressing demands are outpacing current traditional and alternative revenue strategies. Governmental accounting systems are not designed to track and measure the cost of producing a service against the revenue received for that service at the activity level; consequently, cost recovery performance metrics are difficult to establish and accurately report. The budget structure for PRND returns all revenues to the general fund. This structure provides no incentive or pathway to manage a cost recovery effort. A full cost recovery study would allow PRND to maximize service to the public through a responsible and managed balancing of tax dollars, fees and charges, and other revenues. The creation of a special recreation fund would provide the incentive, ability, and flexibility for the Department to grow its programs and services to meet resident demand by generating revenues to offset expenses incurred within the fund. This can help assure the public that revenues generated through fees and charges are used to support parks and recreation efforts and justify appropriate fee increases.

Governance and Service Delivery

GOVERNANCE AND SERVICE DELIVERY

Build community trust in City government through responsive, transparent and efficient service delivery.

PRND has been operating in a survival mode for quite some time, using limited resources to provide the best possible services to its community, focusing intently on the participant experience. Staff are stretched very thin, often scrambling to find alternative funding sources. Policies and procedures are outdated or lacking, and the pandemic has taken its toll as the Department had to find ways of providing virtual services while also dealing with an explosion in use of the park system.

The consultant team has recommended new and updated policies and procedures that address revenue development and operations related to budget and purchasing. Regular fee increases to keep up with rising expenses would avoid the impression that fees should be static, and increases are arbitrary. Recreation staffing and structure has not kept pace with trends or program implementation due to vacancies and staff development needs. Yet, opportunities are available: Data shows that Modesto residents' spending on recreation is quite strong, and the November 2022 passage of the Modesto ballot measure is anticipated to begin addressing quality/deferred maintenance issues, which will help attract further private investment.

During the last two decades, Modesto has been providing services with unstable staffing levels, a lack of resources, limited quality personnel, and a vacillating revenue stream; this has impacted the Department's ability to operate at a high level, resulting in little ability to manage an impactful fund development program. Fund development, partnerships, philanthropy, and marketing need a champion at the management level to reprise the program as well as regular staff to coordinate implementation. While the pandemic may have led to all staff pitching in wherever necessary to keep the Department afloat, the Department needs to evaluate how to move forward with new staff training opportunities on fund development, marketing, trust building, and cost recovery, sparking enthusiasm and establishing a solid platform for growth. Building a cohesive team from the inside out will directly impact the success of overall fund development and long-term sustainability for providing services.

The BerryDunn consulting team with our partners, MRG and Caravel, appreciates the opportunity to assist the PRND with this important, timely effort and trusts this study and its Implementation Plan will help set a new course and create a new legacy for the Department, for the City, and for the community.

1 Introduction

This section of the report describes the background of the project, methodology, the format of the report, and common themes found during the study.

1.1 Project Background

PRND enjoys a longstanding history of serving the community and providing a variety of parks and spaces, trails, programs, and activities that contribute to the health and well-being of all residents. As the community moves beyond the COVID-19 pandemic, staff is looking toward the future and examining opportunities to develop new strategies for generating revenue and exceeding the community's expectations for high-quality service. All efforts are aligned with the City's guiding principles as identified in its strategic plan.

Most importantly, this plan is designed to build capacity in PRND. In recent years, the Department has faced increased demand for facilities and services while experiencing decreased funding for those facilities. Parks and recreation systems throughout the nation are facing similar hardships, including competition for scarce resources, state and local budget shortfalls, dwindling funding sources, and a national focus on public safety. Noting these trends and using its set of guiding principles, PRND is determined to take proactive steps to secure the future of its services and programs and reduce its dependence on the City's general fund by creating this Fund Development Plan and Implementation Strategy.

Modesto Guiding Principles

Accessibility

Inclusivity

Affordability

Equity

Diversity

Sustainability

Flexibility

City of Modesto Strategic Plan 2020 – 2025

1.2 Methodology

A project team guided this effort and conducted interviews and group work sessions with Department division leaders and other key staff. Presentations and interviews were conducted with the City Manager and Finance Director.

Trends research and comparative analysis supplemented a review of all current policy and other documents related to revenue generation and supporting operations.

The BerryDunn consulting team worked with staff to develop this plan to allow for a thoughtful and systematic implementation of new revenue development strategies as well as to update existing and outdated methods for generating revenue. Operating efficiencies related to revenue generation strategies have been identified for improvement. Strategies are supported through recommendations regarding program administration, structure, staffing and oversight. An Implementation Plan details short- and long-term priority, timing, and staffing needs.

1.3 Format of the Plan

The plan aligns with the focus areas detailed in the City’s strategic plan. These areas are further defined by key findings and themes, and specific matters of importance determined by the consulting team in our research.

City of Modesto Strategic Plan 2020 – 2025

Vision

Modesto is an inviting and safe community with thriving neighborhoods.

Mission

We are committed to the delivery of exceptional public services and building partnerships that promote economic prosperity and engaged neighborhoods.

Focus Areas

QUALITY OF LIFE	Engage partners across the community to ensure the safety, resilience, and attractiveness of Modesto.
ECONOMIC VITALITY	Retain and attract residential, commercial, and industrial development to meet the community’s needs today and for the next generation.
GOVERNANCE AND SERVICE DELIVERY	Build community trust in City government through responsive, transparent and efficient service delivery.

For each matter of importance, the BerryDunn team provides brief background information, analysis, findings, and opportunities to address challenges and recommendations. An implementation matrix with recommendations and suggestions for prioritization is found at the end of the plan and is intended to become a standalone document for action. Detailed information and analysis for more complex topics are provided as attachments to better understand each matter and assist with implementation. Implementing new strategies will require a three- to five-year timeline followed by regular review and update.

1.4 Common Themes

Initial research allowed the consulting team to identify themes that provided guidance for analysis and recommendations. These included:

- **Programs and partnerships** and the opportunity to rebuild and balance with cost recovery and service assessments
- **Sponsorship** and the opportunity to improve operating models
- **Cost recovery** and the opportunity to enhance the overall policy with a philosophical underpinning for cost recovery targets
- **Current operations** and the opportunity to enhance maintenance planning, update lease agreements, and review budget structure
- **Policies and protocols** and the need to update to reflect new directions
- **Fiscal structures** and the opportunity to review funding sources, enhance community engagement and charitable donations, and consider budget structure enhancements
- **Organizational development** and the opportunity to develop cohesive planning and clarity regarding staff roles and efficiency

2 Strategic Vision and Branding

This section of the report summarizes the Department's current strategic vision and branding.

2.1 Background

The City's strategic plan identifies several goals aimed at improving the quality of life for its residents and visitors for which the PRND is a major contributor. These include:

- Building and promoting a recognizable and desirable identity for the City of Modesto.
- Increasing pride in Modesto's diverse neighborhoods and business districts through beautification efforts and investments in community assets and amenities.
- Creating and implementing a comprehensive tree health, maintenance, and replacement program and education campaign.
- Providing safe, efficient, and reliable infrastructure through proactive community investment, maintenance, and sustainability efforts.
- Developing and implementing a City communication plan and branding campaign.

PRND is challenged with living out the historical legacy of beautiful, modern facilities and programs as economic conditions over the past two decades have affected the Department's ability to keep up with aging facilities and changing public needs. The COVID-19 pandemic has been a sharp reminder of the importance of strong, well-kept park systems and opportunities as people fled to those facilities when the impact was at its worst.

National and local trends continue to indicate that "fixing what we have" in our systems is at or near the top of nearly every community survey. Although the Department has a well-identified deferred maintenance listing that totals nearly \$100 million, it has been short the funding to make much more than a dent. American Recovery Program Act (ARPA) funding and the recent passage of the Modesto ballot issue are critical to turning this around, but more is needed.

Assets need revitalization for public use and to appeal to potential sponsors. Sponsorship goals will not be achieved with the condition of current parks and facilities. The extensive list of projects will take time to complete, and it is difficult to prioritize.

The Department should consider a fresh branding approach and a stronger web presence. This needs to start from inside the Department, providing inspiration and belief that can be shared through promoting the brand.

2.2 Findings

Modesto is an established city and hub of the county, with a heritage and legacy of attractive and well-used facilities. However, branding based on the physical assets of the Department is not only incongruent at this point, but also at risk due to aging facilities; this makes it almost impossible to live up to this brand. PRND can market a new brand to the community based on adopting a shift to reinvesting and delivering on two strong sentiments that surfaced in this study: “taking care of what we have” and “building community/healthy living.” This branding can provide renewed inspiration to greatness.

Currently, the City’s strategic plan does not have a strong presence in Department operations. The current marketing emphasis appears to focus on what is available but not necessarily why. Staff recognizes change is needed; they have worked hard to do the best they can over the past decade with limited staff, resources, and tired facilities. Their engagement in and understanding of this process and implementation is imperative to its success. Fulfilling a revitalized vision will require starting small to rebuild the Department’s reputation for delivering robust quality and comprehensive service, whether that be a direct program offering or management of a volunteer effort.

PRND has extremely limited designated funding for deferred maintenance yet an extensive backlog of need. There are no mechanisms in place to fuel a dedicated funding source as new assets are added to the system.

Web and social media use is limited to sparse efforts, with no one person dedicated to providing reliable, consistent messaging and promoting the brand of the Department.

2.3 Opportunities

PRND should not fear telling the story of where it is now. Policymakers and the public need to understand the problem so that, as solutions are proposed, it will be evident that those measures will make a difference, set the Department on a new course, and allow PRND to build and promote a recognizable, desirable identity for the City.

Staff will need to adapt their internal mindsets, strengthening their commitment to making a difference despite constrained resources. They will be strengthening the PRND story acknowledging, “we can be better, we are better, and the community deserves better” and affirming, “we can make a difference, it is a hard road, and we won’t give up,” - all sentiments they shared through staff interviews. A focus on writing and developing new standards and a wholehearted philosophy among staff to create their own future will enable fulfillment of the new brand. The steps to achieving accreditation as a parks and recreation agency can provide the path to excellence even if formal accreditation is not in the immediate future.

Engaging the community and enhancing its involvement includes external messaging in which residents can find a role for themselves: “we need to take care of what we have, we are all in this together, and we will make a difference.” Support for funding and prioritization of projects and attracting sponsorships and charitable giving needs to be inspired by quick and thoughtful

messaging through contemporary media channels and direct contacts, encouraging participation in something where everybody wins.

The biggest need is funding. Though some sources have been identified, the effort needs to be significant enough to support the messages above and demonstrate progress. Funding mechanisms need to be diversified with protective measures to build trust. Some will be tax funding; some will be direct contributions and sponsorships; and some will be fee increases, with an understanding that money will be dedicated to taking care of the system and, fulfilling the goal of providing safe, efficient, and reliable infrastructure through proactive community investment, maintenance, and sustainability efforts.

A key to success for PRND is aligning with the City in its efforts to develop and implement a communication plan and branding campaign, allowing PRND to accomplish its job of improving the quality of life for the residents.

2.4 Recommendations

- A. Incorporate City strategic planning and branding activities into Department operations. Begin with back to basics, including training staff and identifying a team to lead a department-wide adoption of the City's strategic plan.
- B. Adopt new goals and standards for marketing focus on the "why;" for example, there is information about applications for the youth commission but little information about the value of participating and the benefits of serving.
- C. Implement an overall branding shift to reinvigorate interest and support in Department operations; incorporate City strategic plan vision elements in operations.
- D. Market a brand that speaks to taking care of current asset, fosters collaboration, and builds quality; plan a very visible annual reinvestment into parks and facilities and brand this effort.
- E. Work within capacity to build quality and consistency into all offerings and management services; develop prioritization criteria to identify return on investment.
- F. Invest in facilities to enhance appeal and command market rate use fees; develop a planning system to track fee use to tell the story of reinvestment.
- G. Hold a planning session with the PRND leadership team to identify key messages for the Department, develop a plan to incorporate that messaging into operations, and include all staff implementation.

3 Partnerships/Foundations

This section of the report describes the City's current partnerships and foundation relationships. A complete report titled "Foundations and Philanthropy" is provided as Attachment A to this document and is intended for staff use to improve its foundation strategy.

3.1 Background

The City enjoys a rich history of community support for parks, trails and open space, celebrations and events, and recreational programs for residents. Recently, the City received statewide recognition for its partnership with community organizations. By combining resources, and growing support for keeping the parks clean and safe, the City estimates that in the last eight years or so community groups conducted more than 109 cleanups and deployed more than 6,000 volunteers, which is equivalent to 20,000 community service hours and valued at approximately \$600,000. PRND provides smaller-scale fundraising now with community groups.

PRND has conducted the Neighborhood Environmental Action Team (N.E.A.T.) Program, a volunteer effort to adopt public rights-of-way, remove litter from parks and parkettes, conduct weed abatement, and provide horticultural maintenance. Although the program is dormant currently, staff find N.E.A.T. to be beneficial, and the public expressed genuine interest.

The Park Partners Program, with approximately 20 projects in motion, now takes advantage of expressed interest in developing a project in a park or park facility. These are community-driven projects (replacement or enhancement to park) with a fundraising component. PRND helps the community raise funds, but provides limited or no general fund support, and helps organize the volunteer labor group. Past projects have included play equipment, plantings, small structures, and a mural. These are essentially small capital projects, not maintenance efforts like the N.E.A.T. Program. Staff noted there are too many proposals or projects to manage, and there is a need to slow down. Assistance with vetting projects and getting projects started efficiently is needed. There are many ideas, but some are not viable or sustainable, and groups do not always have the capacity to continue providing needed maintenance, which then falls to PRND with no additional funding.

In 2005, PRND created funding accounts with the Stanislaus Community Foundation to accept and manage monetary donations for supporting open space and park development as well as community celebrations and recreation activities. In addition, the Foundation can accept grant funds from funding sources that typically do not fund governmental agencies. There are more than 20 accounts active today, with total revenue holdings of more than \$800,000 (as of 2021). The Foundation provides the administrative and regulatory requirements associated with

charitable funding in exchange for an administrative fee of approximately \$300 – \$400 per month for legal and tax oversight; this fee is required by all foundations as well as industry-standard record keeping of donations, revenue, and expenditures.

3.2 Findings

The N.E.A.T. Program is dormant at this time due to a lack of staff resources to lead and manage it; however, the program is still noted in programs and media. A cost-of-service analysis to determine the viability and sustainability of the program has not been done. The Park Partners Program has become challenging due to the number of projects in the pipeline and difficulties vetting potential projects.

Developing and growing community partnerships appears to be fragmented, and there is not a clear Department-wide strategy. Staff does not differentiate between philanthropy, partnership, and sponsorship components of operations, making it difficult for the community to understand levels of support.

As is typical with community foundation partnerships, there appears to be no outward connection between PRND and the Foundation in terms of marketing, public funding support, and shared mission and vision. Without a dedicated in-house effort by PRND, Foundation support is minimal, essentially serving as the 501(c)(3) and managing donated funds, not actively seeking funds on behalf of PRND. Some potential donors do not like to donate directly to the City, and some grant funding is not eligible to be given directly to the City.

Other findings include:

- Staff focus on the Tuolumne River Regional Park (TRRP) community and volunteer efforts has had successful support.
- The Leisure Bucks Financial Assistance Program provides funding discounts or waivers for Modesto residents based on income and/or disability needs. Approved applicants are eligible for a maximum award of \$100 per fiscal year. Previously funded through the general fund, the program is now dependent on proceeds from the Modesto Spirit of Giving 5K Run fundraising effort.
- The COVID-19 pandemic has disrupted fundraising efforts for the past two years.

3.3 Opportunities

Careful consideration could be given to reinstating the N.E.A.T. Program through a potential sponsorship opportunity. However, the program itself should be evaluated for purpose. It is challenging to maintain the interest of a community group when they are essentially providing maintenance services. Opportunities to enhance overall maintenance, such as the horticulture portion of the project, are much more interest-sustaining. Due to the volunteer nature of the program, it should not supplant regular maintenance funding and services provided by the Department.

The Park Partners Program has stayed strong throughout the past decade. Developing vetting criteria to avoid non-viable and unsustainable projects would strengthen the program, relieve pressure on the Department from the load of projects, and help prevent having to take over long-term care from a group who does not have staying power.

Creating a partnership policy that tests potential partner viability before approvals are given will go a long way in the decision-making process for any type of partnership. Neighborhood park groups are a springboard to partnerships.

The Leisure Bucks program is a prime candidate for sponsorship due to the nature and appeal of the program. The program should be evaluated to help ensure staff time dealing with eligibility requirements is minimized, perhaps relying on another group to verify need, and to determine if the current maximum limit is reasonable especially in the interest of adjusting fees to keep up with program expenses.

The relationship with the Foundation is provides a mechanism for receiving and designating funding for PRND; however, it lacks a proactive and purpose-driven appeal for attracting funding. In this way it is not as strong a relationship as in the past; however, it can be strengthened again. PRND may consider creating its own foundation in the future but does not have the capacity to do so at this time. As donations to a parks and recreation entity often have restrictions on how the funding can be used, these funds need to be separated and protected from the general fund.

3.4 Recommendations

- A. Develop a new plan for growing the partnership with the Foundation; add a web presence and link for public donations on the PRND website; incorporate the “why” and successes of community funding/support.
- B. Adopt a series of definitions, goals, and objectives for managing a philanthropy program, including clear goals for bringing in new monetary donations to the Foundation.
- C. Redesign and rebuild a citywide Park Partners Program. Review program goals, criteria, staff capacity, and vetting and approval processes.
- D. Expand the TRRP community engagement model to other programs and projects; strengthen internal management for partnerships tracking, volunteerism, and revenue generation.
- E. Explore the viability of reinstating the N.E.A.T. Program to supplement park maintenance, not to replace park maintenance funding; consider eliminating the program if unable to secure full funding and staffing to continue. Remove from publications and website if not an active program.
- F. Conduct a comprehensive exploratory evaluation on the ability of PRND to create a separate parks foundation, including managing a board of directors, staff relationships, funding goals, and administrative responsibilities. Compare efforts with

current community foundation partnership after a robust timeline and clear goals are implemented to enhance current efforts.

- G. Adopt a partnership policy (sample language provided in Attachment D).
- H. Develop a new advocacy plan that includes forward-thinking goals and objectives, common narratives, and staff and team champions for engagement; identify community leadership to engage in conversation regarding community needs, trends, and priorities.

ECONOMIC VITALITY

Retain and attract residential, commercial, and industrial development to meet the community's needs today and for the next generation.

4 Sponsorship

The following information is a summary of the complete Sponsorship Insight and Recommendations Report prepared in June 2022 by Caravel Marketing (Caravel). That report, provided as Attachment B to this document, is intended for staff use to improve its sponsorship efforts.

4.1 Background

As part of the BerryDunn consultant team, Caravel was retained to provide insights and recommendations to guide future planning and decision-making related to accelerating sponsorship revenue growth. Caravel is a national sponsorship and partnership marketing company based in Seattle with significant expertise.

A discovery session facilitated with PRND staff was conducted to engage a cross-section of staff members in a robust, creative conversation to better understand their perceptions, challenges, opportunities, and ideas related to sponsorship and branding. The assessment of the exchange confirmed a strong commitment to supporting sponsorship and revenue growth for PRND, highlighting the following strengths on which to build:

- Strong sense of community
- Focus on health and wellness
- Parks and facilities assets
- Very popular community events
- Efforts toward environmental sustainability

Weaknesses were also identified:

- Limited staff resources and understanding to support sponsorship
- No dedicated sponsorship manager
- Too many levels of event sponsorship
- Inconsistent materials, pricing, levels across events
- Minimal sponsor recognition

- PRND assets need revitalization to appeal to sponsors; sponsorship will not be coming with current facility conditions
- 2019 estimated sponsorship revenue was minimal: \$27,700

4.2 Findings

Many parks and recreation agencies are either exploring the viability of corporate sponsorship or actively seeking sponsorship marketing support. The effort to implement a revenue-generating strategy has become vital to sustaining park systems. The approach of revenue development through sponsorships has become more prevalent across many agencies and will continue to expand.

Now is the ideal time to explore a new sponsorship revenue approach. As a marketing strategy, sponsorship has transformed over the past several years and is now rapidly accelerating. Brands seek opportunities to form trusted relationships with the community, make meaningful connections with audiences, and demonstrate their commitment to social issues and causes. As a result, companies are expected to allocate larger budgets to sponsorship in the future.

The intersection between sponsorship and social good initiatives is stronger than ever, and brands are reacting with fresh marketing approaches and objectives toward purposeful outcomes. Research is clear: consumers, particularly younger demographics, are driven by purpose. This provides a powerful opportunity for PRND to create sponsorship programs that connect to sustainability efforts.

Caravel believes there is substantial opportunity to increase sponsorship revenue and improve the sponsorship operating model.

There are several areas of opportunity for improvement and growth. This begins with creating a three-year comprehensive plan, adopting best practices, and redefining what sponsorship means to PRND. In 2019, the estimated sponsorship revenue was \$27,700. Based on the information available, we believe there is an opportunity to generate a minimum of \$250,000 over the next three years if the recommendations in this report are undertaken. It is worth noting that sponsorship can also increase marketing and promotional support and provide in-kind products and services that relieve budget expenses and improve the visitor experience.

4.3 Opportunities

To achieve revenue goals and maximize opportunities, Caravel recommends undertaking the following key actions:

Take a Bigger, Better, Fewer, Sponsorship Approach

PRND will be well served by securing fewer, higher-level investment partners who are integrated into and across the Department. Fostering partnerships with fewer companies and focusing on developing larger, more valuable programs will increase value and revenue. Funneling energy to larger sponsorships will also reduce the staff burden on execution. Creating fewer sponsorship levels with a greater distinction between levels will increase the value of

sponsorships and help create consistent practices. The full report provides suggested pricing levels and associated assets.

Strengthen and Simplify Sponsorship Effort

Consistent practices and procedures need to be implemented. From sales materials and contracts to activity tracking, specific tools and templates are needed to manage the effort to achieve the goals. A customer relationship management (CRM) tool to consolidate contacts and track sales progress, along with an organization system for files, will support consistent practices and improve communication.

Goals are accomplished, and flawless execution happens, when strong project management tools are in place. Sponsorship is a proactive sales effort, requiring a strong sales discipline and revenue management practices. To significantly increase revenue, a broader view and simpler approach needs to be undertaken. Identifying and leveraging all assets available and packaging those assets strategically will increase the value of sponsorship programs.

Completing the asset inventory and assigning value to tangible and intangible assets will enable PRND to articulate a sponsorship's value more effectively.

Create a Future Vision

Development of a comprehensive plan will guide sponsorship efforts and position partnerships as an organizational priority. By articulating the purpose and benefits to PRND, specific goals and staff expectations will reinforce a team approach. Communicating a vision that reinforces the purpose and benefit of sponsorship will help alleviate concerns about too much corporate integration. While we appreciate the concern of "selling out" to corporate partners, in our experience, this concern rarely manifests. With that said, we do believe it is important that sponsors are integrated in meaningful ways and that on-site activation is benefiting visitors and participants and improving the visitor experience.

Securing partners takes longer and is more complex than anyone wants or expects. With the adoption of the recommendations in this report and continued leadership support, PRND will achieve greater success. This report will support the organization's immediate and future sponsorship efforts and serve as a valuable tool in the development of a longer-term strategy as well as future decision-making.

Lastly, it is essential to reiterate that sponsorship is a team effort involving the collaboration of many people to achieve goals and demonstrate success. As such, strong leadership and transparent processes are vital to the successful execution of any sponsorship strategy.

Invest for Success

A successful revenue development effort requires an investment of staff, time, and resources. The effort must have a consistent and continuous approach to potential sponsors, strong execution, and devoted relationship management.

To support PRND revenue development efforts, we recommend hiring a dedicated partnership manager. Given the organization's complexity and breadth of opportunities, the partnership

manager should report directly to the director and would be responsible for securing all sponsorship revenue. An additional team member dedicated to providing sales support and managing sponsorship program execution should also be hired.

A common mistake is to hire one person to fulfill both roles because the experience, skills, and talents required are vastly different. Successful sponsorship operations typically have a minimum of two team members with two distinct areas of responsibility: sales and execution. Sponsorship relationships require a daily watchful eye and constant internal communication and collaboration. Programs not executed well impact future success. Conversely, the sales process can be complex, so one person must lead strategy and negotiations.

4.4 Recommendations

- A. Adopt a unified definition of sponsorship and philanthropy that all staff can follow, understand, and implement.
- B. Develop a comprehensive three-year plan to direct and guide staff throughout implementation of sponsorship.
- C. Focus on goals that emphasize fewer higher-level investment partners integrated across PRND.
- D. Update the Department's sponsorship and naming rights policy (suggested language provided in Attachment D) to reflect new strategies, standards, and action steps; revise current sponsorship agreements and obtain new signed agreements reflecting updated terms.
- E. Add dedicated staff to serve as sponsorship director and incorporate other staff as sponsorships evolve.
- F. Adopt a CRM tool to manage sponsor contact information while also developing tracking tools for prospective sponsors and revenues. Create templates, new filing systems, and a website sponsor page; develop a storytelling presentation that includes all events.
- G. Develop a policy for in-kind products, services, and small monetary donations that includes acceptance only if items relieve budgeted funds that includes acceptance only if items relieve budgeted funds or significantly contribute to improving the visitor/participant experience.

ECONOMIC VITALITY

Retain and attract residential, commercial, and industrial development to meet the community's needs today and for the next generation.

5 Tourism, Economic Impact, and Visitation

This section of the report addresses tourism and economic impact.

5.1 Background

The City's strategic plan identifies several goals aimed at increasing economic vitality by retaining and attracting residential, commercial, and industrial development for which the PRND is a major contributor. These include:

- Driving the success of a vibrant and economically sustainable business climate.
- Developing public-private partnerships with local firms and educational institutions.
- Engaging and training the community to serve as ambassadors of Modesto's brand.
- Engaging stakeholders and developing a comprehensive community marketing strategy.
- Making downtown Modesto a regional destination.
- Creating a downtown economic development strategy (including infill housing, mixed-use development, business retention and attraction, and placemaking).
- Collaborating with downtown partners to expand upon existing successful downtown events and entertainment offerings.

Modesto enjoys a parks and recreation legacy as a regional hub for activities, special events, and facilities, offering several regional event venues (e.g., golf courses, a minor league baseball stadium, and the Mary Grogan Soccer Complex).

The City has an agreement with the Convention and Visitors Bureau stipulating that 30% of any amount over an established minimum of the 13.33% for TOT be directed toward the PRND Modesto Center Plaza Convention facility for deferred maintenance. This generated \$250,000 in the first year. The need to reinvest this money into the park and recreation system is paramount, as the condition of the park system and facilities is causing the City to lose the capacity to draw businesses, new residents, and visitors to the area.

5.2 Findings

Modesto's legacy as a hub for sports, events, and large activities is made possible by its sizeable inventory of assets for regional use, including golf courses, the Convention and Visitors Center, minor league baseball stadium, historic and cultural amenities, and sports complexes.

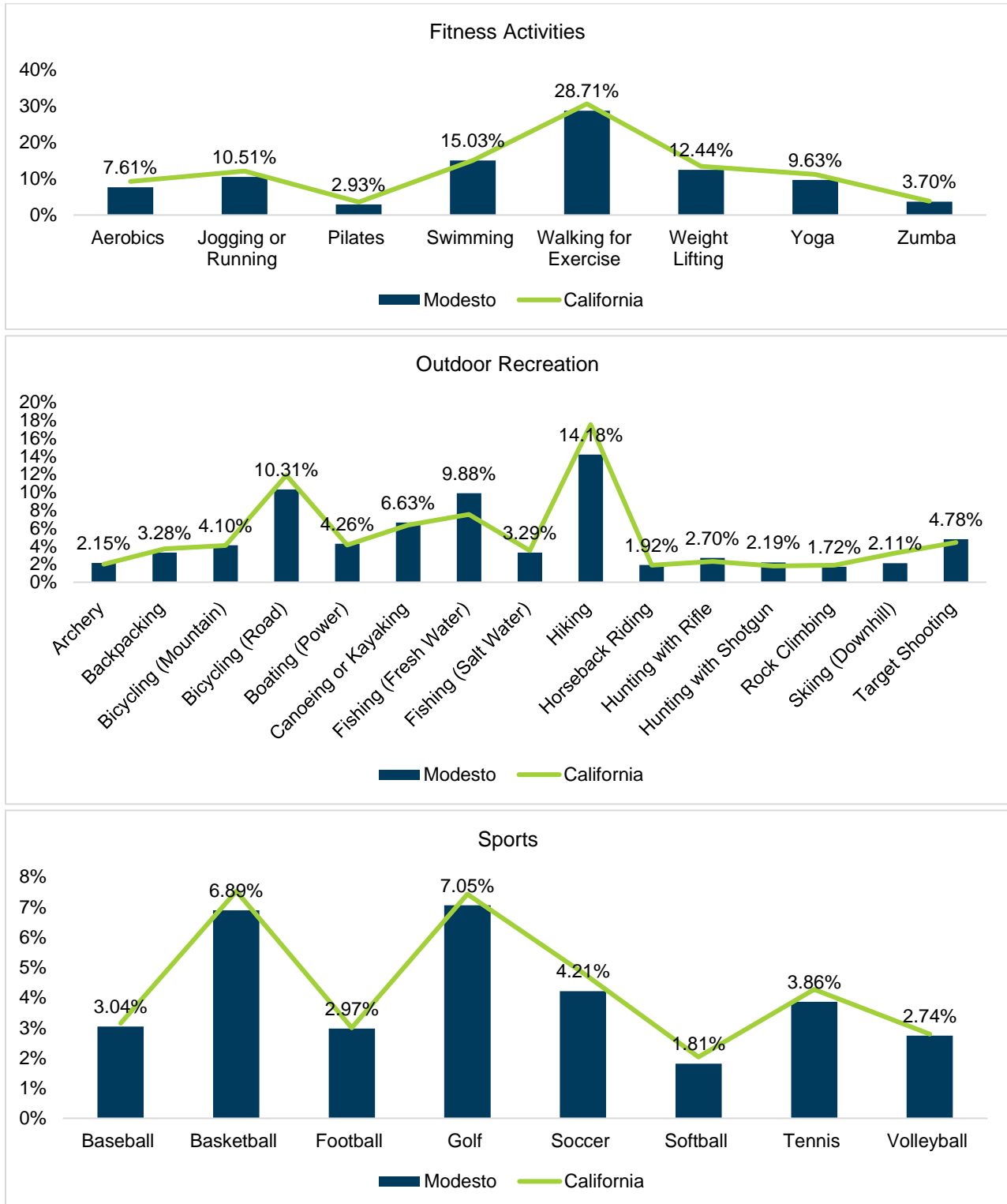
Although PRND offers a variety of experiences, its activity guides and other program marketing lacks programs or other opportunities for participating in many potential outdoor ventures.

The Tuolumne and San Joaquin Rivers provide opportunities for non-traditional sport activities, including kayaking, standup paddleboarding, off-road triathlons, and fishing. There are other opportunities in the City and the county for expansion of outdoor and adventure recreation activities, including:

- Opportunities for field sports camps, leagues, and tournaments at the Mary Grogan Soccer Complex
- Increased activity related to the Modesto City FC (USPSL Premier Division) Soccer
- Increased activity related to the Modesto Nuts Baseball (California League Mariners Farm Team)
- Opportunity to extend reach through the new Convention and Visitors Bureau

Esri sources, as shown in Figure 1, indicate that adult residents of Modesto are active participants in fitness activities, outdoor recreation, and adult team sports at similar rates to all California residents. (Esri does not report on youth participation.)

Figure 1: Residents of Modesto



There is a healthy TOT tax, and—through an agreement between the City and the Convention and Visitors Bureau—a portion of that tax is available to PRND.

PRND does not appear to have active involvement in Citywide tourism efforts, although it does provide special events, sports tournaments, and minor league activity, which attract visitors to the city.

5.3 Opportunities

Parks and recreation systems impact communities in many ways, including providing an attractive environment, promoting a healthy community, driving economic momentum, generating tourism, attracting talent, and contributing heavily to brand recognition for the city. As reported by the National Recreation and Park Association (NRPA), “local public park and recreation agencies in the United States generated nearly \$218 billion in economic activity and supported almost 1.3 million jobs that boosted labor income by more than \$68 billion from their operations and capital spending in 2019.”¹

Further, the City Parks Alliance reports that providing parks, trails, and green spaces and creating opportunities for physical activity and socialization “help to reduce the costs of healthcare,” specifically citing that “maintaining a healthy weight saves \$1,861 per person per year in healthcare costs.”²

PRND is an economic engine for the City and should be funded as such. In collaboration with the new Convention and Visitors Bureau, there is an opportunity to further promote the image of the city as a local and regional recreation destination. Attractive, well-kept facilities and this regional draw would support and encourage sponsorships. As part of a focus on storytelling, there is a need for enhanced education to the community on economic impact to show the connection between facility investment and return on investment. PRND can also capitalize on a national trend for placemaking; when this occurs, big businesses come, and mom and pop businesses follow.

Hiking, biking, golf, and the high school cycling event which draws visitors from across the state, could be supplemented by exploring potential non-traditional outdoor activities. The rivers provide a unique opportunity for non-motorized water-based craft and other possibilities may exist for extreme sports venues. Trail development and use is increasingly popular around the country by all types of users at all ages and ability levels.

More fields, especially lighted fields, are needed for local and regional play, as soccer and ball fields are currently full. There is also a growing interest in soccer and minor league teams.

¹ NRPA. n.d. “The Economic Impact of Local Parks.” *National Recreation and Park Association*. Accessed April 4, 2023. <https://www.nrpa.org/economicimpact/>

² City Parks Alliance. n.d. *City Parks Are a Smart Investment for American’s Health, Economy, and Environment*. Washington, D.C.: City Parks Alliance. Accessed April 4, 2023. https://cityparksalliance.org/wp-content/uploads/2022/05/CPA_3-Infographics_2022.FINAL_.pdf

These professional sports inspire youth participation and can also result in sponsorship opportunities and in-kind support. Furthermore, programming of facilities exposes people to and encourages much-needed physical activity. The City Parks Alliance reports that “each additional supervised activity increased park use by 48% and physical activity by 37%.”³

Setting parameters for use of the TOT tax and a midyear review, can help ensure dedicated staff are available to increase programming efforts and provide appropriate marketing materials to promote existing and new opportunities.

5.4 Recommendations

- A. Consider including non-traditional sports, such as kayaking and other river activities, as classes and experiences; seek experts and independent vendors to partner in teaching and leading programs.
- B. Collaborate with Convention and Visitors Bureau and other tourism efforts to actively brand and promote Modesto as an outdoor recreation destination; regularly review funding policies that provide revenues to PRND from TOT/hotel taxes to help ensure PRND receives adequate funding.
- C. Actively partner with semiprofessional sports providers to attract, provide, and promote camps, classes, and tournaments.
- D. Take a leadership role in promoting trail development and trail use as part of health and wellness for all ages.
- E. Consider including trail walking and naturalist-led activities as classes and experiences; seek experts and independent vendors or professionals to partner in leading programs.
- F. Increase “family recreation” opportunities and connect with programs such as walking and outdoor experiences.
- G. Incorporate cultural amenities, sports venues, and outdoor recreation in all tourism efforts and promotions supported by the City and other organizations.
- H. Incorporate the City’s strategic plan goals into storytelling and marketing implementation; demonstrate the value of recreation amenities.

³ City Parks Alliance. n.d. *Active Parks, Healthy Cities*. Washington, D.C.: City Parks Alliance. Accessed April 4, 2023. <https://cityparksalliance.org/wp-content/uploads/2019/06/active-parks-healthy-cities.pdf>

ECONOMIC VITALITY

Retain and attract residential, commercial, and industrial development to meet the community's needs today and for the next generation.

6 Cost Recovery and Revenue Generation and Diversification

This section describes PRND's plans through more intentional cost recovery efforts and opportunities for revenue generation and diversification.

6.1 Background

In 2019, a firm known as NBS completed a *Programs and Facilities Fee Study* (Fee Study) for PRND. The Fee Study estimated the full cost of a limited number of services currently recovering some costs from fees; it also assisted in translating those costs into individual fee amounts across these various programs and services:

- Senior and Child Services
- Sports and Aquatics Programs
- Neighborhood Recreation Centers

The stated purpose of the Fee Study was to “evaluate whether existing fees are calibrated to the costs of service and to provide an opportunity for the City Council to optimize its revenue sources, provided that any increased cost recovery from user fees would not conflict with broader City goals and values.” It also recognized “it is generally accepted in California that a fee may not exceed the estimated reasonable cost of providing the service or performing the activity.” The Fee Study was really a point-in-time cost-of-service analysis; useful and appropriate to serve as a base to build on for a more holistic and comprehensive future cost recovery study.

To better understand how the 2019 Fee Study was used in PRND, as a part of this 2022 fund development plan, staff participated in information-gathering sessions and a cost recovery workshop. The workshop was designed to introduce the concept of a comprehensive cost recovery study and promote the sharing of information through questions and feedback that helped the consultant team understand the effectiveness of what is in place today regarding cost recovery efforts.

The City has a strong history of tax support for its parks, recreation, and neighborhood service offerings. It also has an impressive history of support through sponsorships and donations. It employs nearly 40 different traditional and alternative revenue strategies currently; however, these are not adequate to keep up with pressing demands.

According to the 2022 City budget, PRND has an annual budget of \$15.7 million, and it is returning \$4.4 million to the general fund.

The project team provided information regarding current and potential funding sources during a funding exercise in which staff identified additional avenues for diversifying revenue streams.

6.2 Findings

PRND faces challenges with managing an effective cost recovery system for several reasons:

- There is not a comprehensive financial policy regarding cost recovery and program pricing.
- Fee setting and adjusting is not timely and, in some areas, is ad hoc. It is not possible to maintain a cost recovery target when costs are incrementally increasing but fees are not.
- Due to limited funding for income-based scholarship or discounted pricing, the scholarship opportunity is not widely marketed.
- Governmental accounting systems are not designed to track and measure the cost of producing a service against the revenue received for that service at the activity level. Consequently, cost recovery performance metrics are difficult to establish and accurately report.
- Program registration systems able to track revenues per program and service do not interface with the system that accounts for expenses.
- The 2019 Fee Study is aligned with the principles of a cost recovery study but was limited in scope.
- Aging infrastructure and high levels of deferred maintenance call into question the value of service, making it more difficult to justify appropriate fees and charges and appeal to potential sponsors, which is a significant component of a cost recovery program.
- The budget structure for PRND returns all revenues to the general fund. This structure provides no incentive or pathway to manage a cost recovery effort.
- Traditional funding sources currently used to support PRND include:
 - General Operating Funds (includes property tax, sale tax, and cannabis tax)
 - Development Impact Fees
 - Local Improvement Districts
 - Park Lands Dedication Ordinance
 - Proposal 68 Funding
 - Daily Admission, Annual Pass Sales, and Vehicle Parking Permits
 - Registration Fees
 - Ticket Sales/Admission

- A large variety of alternative funding sources are also used:
 - General Obligation Bonds
 - Certification of Participation Bonds
 - Interlocal Agreements
 - Privatization – Outsourcing Management
 - Advertising Sales
 - Corporate Sponsorships
 - Fundraising
 - Grants
 - Facility and Equipment Grants
 - Matching Grants
 - Program or Support Grants
 - Land and Water Conservation Funds
 - Philanthropic Giving
 - Foundations/Gifts
 - Friends Associations
 - Volunteers/In-Kind Services
 - Adopt-A-Park or Trail
 - Equipment Rentals
 - Flexible Fee Strategies
 - Franchise Fees on Cable Services
 - Lighting Fees
 - Parking Fees
 - Recreation Surcharge Fee on Sports and Entertainment Tickets, Classes, MasterCard, Visa
 - Security and Cleanup Fees (Deposits)
 - Signage Fees
 - Cell Tower and Wi-Fi Leases
 - Concession Management
 - Merchandising Sales and Services
 - Private Concessions
 - ARPA Funding Grants for Capital Projects

6.3 Opportunities

BerryDunn (formerly GreenPlay) introduced a Pyramid Methodology and Model that has been used over the past two decades with parks and recreation agencies across the country. The model serves primarily as a business tool for implementation and a framework for the discussion that should take place among staff, policymakers, and the community. The discussion fosters better and common understanding of how parks and recreation entities are financed and the benefits of a well-managed fees and charges system to maximize service to the public.

Responsible stewardship of resources includes the creation and maintenance of affordability, fairness, and equity in the system. This requires proactive planning and a business tool designed around these principles—one that addresses a much more comprehensive picture

than just pricing. Although fee adjustments are likely, the objective is not to simply generate new revenues through fees, but to help ensure a sustainable system into the future by using tax revenues and fees in the most appropriate ways, supplemented where possible by grants, donations, partnerships, and other sources of alternative revenues. A secondary objective is to identify areas where an alternative service delivery mechanism (such as partnering) should be explored and where cost savings might be possible.

There are 10 basic steps to developing the philosophy, employing the methodology, and populating the model. Steps one through three focus on orientation and discovery and set the stage for development of the model. These steps were pursued during this study as a part of our assessment. The cost recovery training presentation and draft categories of service are provided as Attachment C to this document. Suggested language for a cost recovery policy that aligns with community values is also provided as D4 in Attachment D. Steps 9 and 10 address deployment of the model through implementation, performance metrics, accountability, and annual evaluation.

- Step 1: Acknowledging that this model builds on your organization's values, vision, and mission.
- Step 2: Understanding the Pyramid Methodology and its Benefits filter; this was accomplished through an orientation and training workshop. The presentation is provided in Attachment C1.
- Step 3: Developing the organization's categories of service, a draft categories of service document was produced and initially vetted by staff (Attachment C2). This will serve as the starting point for the remainder of a recommended comprehensive cost recovery study.
- Step 4: Sorting the categories of service onto the pyramid.
- Step 5: Defining direct and indirect costs so that revenues received can be aligned with the cost of delivering a service.
- Step 6: Determining current cost recovery levels.
- Step 7: Establishing cost recovery targets.
- Step 8: Understanding and preparing for influential factors.
- Step 9: Implementing the methodology and model.
- Step 10: Evaluating the outcome of use of the model.

Completing an implementable cost recovery model and methodology would require the following:

- Finalization of the categories of service to truly delineate service objectives and eventually allow the public to engage in the process. This is an arduous process that requires challenging traditional thinking and achieving clarity to avoid confusion.

- Engagement of staff and the public in a dialogue that results in a consensus determination of how to populate the Pyramid Model.
- Determination of definitions of direct and indirect costs at a level appropriate to PRND's capacity to reasonably segregate and apply shared costs.
- A full cost of analysis exercise that accounts for and assigns all costs for all parks and recreation programs and services based on the most recent year of actual costs. This must account for all costs managed by PRND to help ensure no expenses are inadvertently left out and requires thoughtful management decisions on formulas for most accurately assigning shared costs to specific programs and services.
- Review of all revenue-tracking sources (registration software, point-of-sale operations, recording of donations and sponsorship revenues, etc.), to help ensure all revenues are accounted for and applied appropriately to programs and services within each category of service.
- Calculation of current level of cost recovery for each program and service within each category of service.
- Placement of categories of service on the model. This is a very intentional and facilitated process that engages staff and the public separately and generates the discussion and collaboration needed to understand community values and appropriately place categories of service on the model.
- Establishment of target levels of cost recovery based on placement on the model and acknowledgment of current cost recovery levels. This step aligns targets with community values.
- Consideration of other influential factors, including historical, political, local initiatives, and others, that would cause an intentional contrary treatment of a program or service within the model.
- Adoption of the cost recovery policy to guide staff and allow them to establish and adjust fees and charges in alignment with and fulfillment of the policy.
- Identification of performance metrics and tracking systems for accountability, training, and implementation.
- Identification of a project champion tasked with ensuring compliance and accountability, and ensuring adequate training is available for staff. Identification of budget or administrative analyst support to help ensure integrity in future coding of revenues and expenses.

From a comprehensive listing of traditional and alternative sources of funding and cost-saving strategies for parks and recreation entities provided by BerryDunn, 23 new potential strategies were identified for PRND to explore and consider in the future to maximize efforts to meet the needs of the community.

- Traditional funding sources to consider:
 - Extraction-Based Funding – Percentage Dedicated to Parks and Recreation
 - Dedicated Property Tax
 - Dedicated Sales Tax
 - Dedicated Sin Tax – Cannabis Tax
- Alternative funding sources that could most easily be pursued:
 - Naming Rights
 - Gift Catalogs
 - Neighborhood Park Watch
 - Gifts in Perpetuity
 - Irrevocable Remainder Trusts
 - Life Estates
 - Maintenance Endowments
 - Raffleing
- Alternative funding sources that could be considered:
 - Crowdfunding
 - General Purpose or Operating Grants
 - Management or Technical Assistance Grants
 - Planning Grants
 - Capital Improvement Fees
 - Development Surcharge/Fee
 - Processing/Convenience Fees
 - Recreation Service Fees
 - Catering Permits and Services
 - Manufacturing Product Testing and Displays
 - Land Trust

6.4 Recommendations

- A. Conduct a full cost recovery study, including community engagement and full cost analysis for all services, as a follow-up to the introduction/orientation session on cost recovery philosophy provided during this study.
- B. Enlist all staff to participate in the study, along with members of advisory groups and City Council, if possible, to generate buy-in for the philosophy and cost recovery policy.
- C. Address all services of the Department from park provision, a basic mission of the Department, to private lessons and rentals that serve specific individuals or groups.
- D. Adopt a comprehensive cost recovery policy (suggested language Attachment D4). Language includes articulation of the philosophical underpinnings and allows staff flexibility in fee setting to be able to respond to the needs of the community while accounting for the rising cost of providing services.

- E. Establish an internal project champion for this effort to help ensure follow through and adherence to the cost recovery policy; fully engage staff and establish appropriate staff roles for implementation of the cost recovery policy.
- F. Adjust program fees annually based on the cost recovery philosophy and policy and reasonable cost recovery targets (including market rates where appropriate); attempt to keep up with incremental annual increases in expenses.
- G. Create a special recreation fund for PRND—with an appropriate level of general fund support—that provides the incentive, ability, and flexibility for the Department to grow its programs and services to meet resident and visitor demand by generating revenues to offset expenses incurred within the fund. Showing reinvestment in the programs and facilities can help assure the public that revenues generated through fees and charges are used to support the parks and recreation effort and justify appropriate fee increases.

7 Current Operations

This section describes general operations of PRND and its capacity for efficiency and effectiveness

7.1 Background

PRND has been operating in a survival mode for quite some time, with limited resources to provide the best possible services with a focus on the participant experience. A desire to provide outstanding service is hampered by staff being stretched very thin, often scrambling to find alternative funding sources. Policies and procedures are outdated or lacking causing inefficiencies. More recently, the pandemic has taken its toll as the Department had to find new ways of providing virtual services while dealing with an explosion of use of the park system.

A focus on cost recovery, while admirable, has made it challenging to always provide the most relevant program offerings. Marketing efforts are often singular, missing the opportunity for cross-exposure. Seeing little return on investment from fees generated and placed in the City's general fund, and the hesitancy by the City to raise fees in the face of rising expenses, provides no incentive for using program fees to expand programming efforts.

Tired, aging facilities provide challenging circumstances for attracting sponsorships. Losing sponsorships results in a minimized programming effort, and short staffing impacts the ability to use funding that is available. One time capital funding, generally easier to come by than annual operations and maintenance funding, causes additional hesitancy in adding new assets to the system or even renovating, knowing the resources to care for those amenities over time is very limited.

7.2 Findings

Lease and other use agreements are serving PRND well. Staff changes and attrition have resulted in some agreements lapsing or not recognizing that an agreement exists. Centralizing, evaluating, and updating regularly as part of standard procedures will help maximize revenues and reduce risk to the City in the case of default. Exit provisions should be a part of all long-term agreements.

There is a need to update and/or create policies and procedures that address revenue development and operations related to budget and purchasing. Program fee revenues going directly to the general fund provides no incentive to staff nor the public to consider or easily accept increases in fees. Fee increases that are necessary to keep up with rising expenses are particularly challenging to implement when they are infrequent, leaving the impression that fees

should be static and fee increases are somewhat arbitrary. Cost analysis of programs and cost recovery expectations must be balanced with the relevance of program offering choices with general fund support as appropriate.

The Leisure Bucks Financial Assistance Program is no longer funded through the general fund; it is dependent upon fundraising efforts. The program is not meeting community need and has been disrupted during the COVID-19 pandemic. There is no visible effort to seek donations from the community for this program.

Much of the Department's physical asset inventory is aging, rendering it unappealing for attracting revenue through sponsorship or use fees. In addition, there is need for more structured and visible maintenance plans, including timelines for periodic capital maintenance.

The Department has an identified and largely unfunded deferred maintenance backlog of over \$100 million that needs to be prioritized and scheduled for at least five years out in a Capital Improvement Program so that all other efforts around facilities can be properly planned.

Recreation staffing and structure has not kept pace with trends or program implementation due to vacancies and staff development needs. It is challenging to retain and recruit staff in these circumstances. Web and printed materials are not comprehensive in offerings; for example, pickleball as a new program is not easily found.

7.3 Opportunities

Although on average Modesto residents are spending less for recreation than California residents as a whole, spending by Modesto residents is quite strong, as shown in Tables 1 and 2, according to the 2022 Esri report on recreation spending. To sustain programming efforts, fees must be raised incrementally and usually annually to keep up with rising expenses. This is much easier for residents to tolerate than infrequent and much larger fee increases and speaks to the continuing value of the program offering.

Table 1: Total Recreation Expenditures

	Modesto – Total Recreational Expenditures	California – Total Recreational Expenditures
2022 Membership Fees for Social/Recreation/Health Clubs	\$18,093,003	\$4,824,685,851
2022 Fees for Participant Sports (Excluding Trips)	\$8,599,275	\$2,209,774,271
2022 Tickets to Parks or Museums	\$2,521,599	\$670,458,443
2022 Fees for Recreational Lessons	\$10,108,302	\$2,928,192,976
2022 Sports/Rec/Exercise Equipment	\$13,127,631	\$3,308,734,710
2022 Bicycles	\$2,193,937	\$565,307,744
2022 Admission to Sports Events (Excluding Trips)	\$4,590,204	\$1,215,415,547
2022 Camping Equipment	\$1,676,986	\$413,134,832

	Modesto – Total Recreational Expenditures	California – Total Recreational Expenditures
2022 Hunting and Fishing Equipment	\$3,365,014	\$782,347,385
2022 Water Sports Equipment	\$555,275	\$143,009,761
2022 Other Sports Equipment	\$534,847	\$135,199,321

Table 2: Average Recreation Expenditures

	Modesto – Average Recreational Expenditures	California – Average Recreational Expenditures
2022 Membership Fees for Social/Recreation/Health Clubs	\$243.46	\$355.54
2022 Fees for Participant Sports (Excluding Trips)	\$115.71	\$162.84
2022 Tickets to Parks or Museums	\$33.93	\$49.41
2022 Fees for Recreational Lessons	\$136.02	\$215.78
2022 Sports/Rec/Exercise Equipment	\$176.65	\$243.83
2022 Bicycles	\$29.52	\$41.66
2022 Admission to Sports Events (Excluding Trips)	\$61.77	\$89.57
2022 Camping Equipment	\$22.57	\$30.44
2022 Hunting and Fishing Equipment	\$45.28	\$57.65
2022 Water Sports Equipment	\$7.47	\$10.54
2022 Other Sports Equipment	\$7.20	\$9.96

A recreation services assessment/program plan using criteria to determine program offerings based on mission, financial capacity, market position, and alternative providers will help ensure the best use of limited funding, evaluate service delivery strategies, and balance the use of general funds with fees, sponsorship, and other sources of revenue to maximize service to the public.

The November 2022 passage of a Modesto ballot measure will provide some relief for the identified \$100 million capital backlog just to take care of what exists today. This can be supplemented with ARPA funding and the generation of new revenue through rental and use fees as well as sponsorship fees, recognizing that increase in usage will require facility upgrades. A budget structure mechanism to support policy, such as a 1% tax measure could allow a portion of total revenue from fees and/or a specific amount per project to go to a deferred maintenance fund, with a targeted balance goal, to help build the fund.

An accelerated deferred maintenance program made possible through this funding may require additional staffing or assistance from another department such as Public Works for implementation.

A written deferred maintenance policy that recognizes the deferred maintenance list of projects, provides priority, identifies funding in the upcoming year budget, and establishes potential sources of ongoing funding is possible through a multiyear Capital Improvement Program. This policy and practice will also allow the Department to connect potential sponsorship and partnerships to this issue. A citizen oversight committee may lend credibility to prioritization and other potential funding support.

Of the utmost importance is operations and maintenance funding to support the capital program. Capital planning can minimize these expenses through design and materials, and identification of structured maintenance plans.

7.4 Recommendations

- A. Help ensure all new or renewed lease agreements are complete, with exit provisions, and include escalators, and establish formalized and regular tracking mechanisms for all agreements to help ensure timely payments are received to maximize revenues.
- B. Budget for and implement annual incremental increases in fees to keep up with the rising cost of providing services.
- C. Review Leisure Bucks Financial Assistance Program considering if eligibility verification could be linked to another existing program to reduce staff time commitment, reevaluate annual amount per applicant following the cost recovery study, put the fundraising effort back on track, and identify a staff resource to manage the program.
- D. Explore special assessment measures for park maintenance (updating Citywide landscape maintenance assessments).
- E. Pursue a recreation services assessment using criteria to determine program offerings based on mission, financial capacity, market position, and alternative providers.
- F. Develop clear evaluation tools for staff to make decisions about fees, marketing, starting and sunseting programs, starting and ending partnerships, and identifying successful sponsorships.
- G. Increase staff roles in reviewing and updating public materials to help ensure that all programs, parks, and amenities are easily located by residents. Check for current relevance and remove if not active or current.
- H. Update organizational structure to better reflect program delivery and services – meeting staff strengths, industry trends, and best practices.

8 Organization – Structure and Staffing/Leadership and Management

This section describes the City's current and potential structure—as well as leadership and management staffing opportunities—to best provide for the management of parks, open space, and recreational services.

8.1 Background

PRND has four divisions within the Department: Administration (including Administrative Functions, Fund Development, Marketing and Facilities), Planning and Development, Recreation Programming, and Maintenance and Operations. Currently, the Department director is managing the administration division. The other divisions are overseen by an individual manager in that area of expertise. Staff is enthusiastic about opportunities to increase revenues and has actively participated in discussions about alternatives for moving forward.

During the last two decades however, Modesto has been providing services with unstable staffing levels. The lack of resources, quality personnel, and a vacillating revenue stream have impacted the Department's ability to operate at a high level. Community engagement has decreased, and some services or programs have been placed on hold due to lack of staff. Revenue and fund development has been coordinated by multiple staff at various levels within the Department, while philanthropy efforts have not shown much growth.

8.2 Findings

In general, the constraints with staffing levels and resources have resulted in little ability for managing a comprehensive fund development program. Additionally, staff training and fund development goals have lacked emphasis. The vacancy of a division manager position that oversees administrative functions, facilities, and fund development has impacted opportunities. The level of readiness to launch a successful fund development program needs to be cultivated among management and supervisory staff.

The director's day-to-day management of a division as well as department-wide oversight has stretched the capacity and ability to focus on strategic initiatives and develop key community partnerships. Using temporary staff to deliver services is a short-term solution but limits overall effectiveness. Fund development, partnerships, philanthropy, and marketing need a champion at the management level to reprise the program as well as regular staff to coordinate implementation.

The division managers are not on par with each other related to compensation and duties and would benefit from a class/compensation review. Supervision of programs and services needs to be reviewed and reorganized to enhance overall effectiveness. Programs such as Jr. Giants appear to be isolated instead of being a part of overall sports offerings. Volunteer programs are divided among divisions, and marketing does not have clear management oversight. While the pandemic may have led to everyone pitching in, the Department needs to evaluate what should be utilized moving forward.

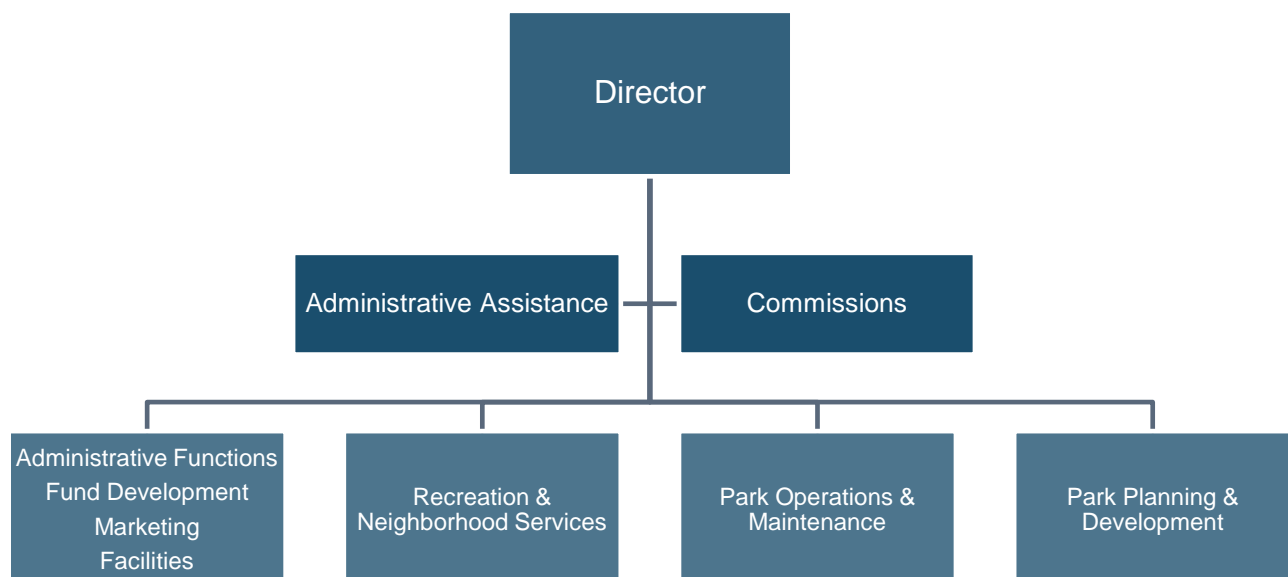
There are several commissions and advisory groups that provide community support and advice for PRND; however, the commissions appear to be singularly focused. The Department could benefit from having an overarching commission related to parks and recreation matters, especially fund development and community support. The culture commission could be reorganized to provide advice on regular Department operations as well as cultural services.

8.3 Opportunities

The Department is well positioned to update the organizational staff structure to coincide with a rigorous fund development program. The administrative division manager should be identified as a PRND manager assigned to administrative functions and fund development. This position is well suited for a manager with a deep understanding of the role parks and recreation has within the community.

Breathing new life into the administrative division provides opportunity for fresh growth. The sample organizational chart in Figure 2 allows for fund development and related functions under a consistent structure.

Figure 2: Sample Organizational Chart



After establishing the new division, the Department leadership team can develop a plan for filling current vacancies that are directly tied to sustainable fund development. The City has

positions dedicated to marketing and administrative tasks, which could be included in the Department staff structure.

The Department also can realign programs and services accordingly. New staff training opportunities on fund development, marketing, trust building, and cost recovery can spark enthusiasm among all staff and establish a solid platform for growth. The newly established goals and objectives can be aligned with the City's strategic plan. The "we have always done it that way" sentiment can be then directed toward innovation and best practices. These elements of organizational culture, leadership, and management need to be prioritized to maintain long-term fund development.

To expand public involvement and advocacy, the Department should consider broadening the purpose of the Culture Commission to include general parks and recreation advocacy along with art, literature, music, and cultural activities. The broader focus allows the Department to increase engagement among residents and enhance decision-making efforts. New policies and protocols on generating revenues and fund development efforts can be embedded within operations instead of relying on council approval, which allows staff to be nimbler and more responsive to change.

The Department leadership team, comprising the director, division managers, and administrative supervisor, can rebuild the Department by seeking out best practices and incorporating them into operations. Standards for conducting business and providing services should be reviewed and adopted. The leadership team should be the champions for making enhancements and motivating staff to implement marketing plans, deferred maintenance priorities, revenue increases, and program evaluation. Building a cohesive team from the inside out will directly impact the success of overall fund development and long-term sustainability for providing services.

8.4 Recommendations

- A. Add a Parks, Recreation, and Neighborhoods manager position to oversee the fund development, facilities, and administrative division; promote and recruit to park and recreation professionals.
- B. Consider a department reorganization that shifts staff responsible for managing philanthropy, partnerships, sponsorships, and marketing into one unit under administration; strengthen comprehensive planning and implementation efforts; create shared philosophy and understanding.
- C. Develop a strategic marketing plan to complement revenue development; identify clear goals to strengthen the Department's presence in the community.
- D. To implement the plan, identify specific staff roles and responsibilities to carry out the plan and incorporate in staff annual work plans.

- E. Develop staff training programs to address building trust, team building, goal setting, and program evaluation; encourage PRND leadership team to work as one voice to champion change, innovation, and trends.
- F. Help ensure staff at all levels have the same understanding around revenue strategies, roles and responsibilities, and goals and objectives; create definitions pages, handbooks, orientation programs.
- G. Develop a planning timeline for filling current position vacancies and a longer-term plan for introducing new strategies to meet deferred maintenance standards, community engagement plans, and cultural services plans.

9 Fund Development Strategy and Implementation Plan

The following Implementation Plan Matrix has been constructed as a pullout, standalone document to serve as the foundation for PRND annual work plans. This matrix is a summary chart of various policies, strategies, and actions, including identification of anticipated priority and timeline.

- Priority is established as high/medium/longer term
- Timeline or start date is suggested as FY23 – 24, 1 – 3 years, and 4 – 5 years

Critical to successful implementation of this plan is recognition that full staff engagement is key, and mentoring will be necessary regarding staff roles. Everything should be approached incrementally to allow continuing operations while changes are made. Launching of the plan and use of the matrix must include clarity regarding responsibilities and decision-making at each authority level.

Attachments

- A. Foundations and Philanthropy Report
- B. Sponsorship Report Insights and Recommendations Report
- C. Cost Recovery Workshop Materials
 - C1. Orientation Presentation Slide Deck
 - C2. Draft Categories of Service
- D. Suggested or Sample Policy Language
 - D1. Sponsorship
 - D2. Naming Rights
 - D3. Partnership
 - D4. Cost Recovery

Table 3: Implementation Plan

Modesto Parks, Recreation, and Neighborhoods Department Fund Development Implementation Plan			
1.0	Introduction		
	<p>Modesto PRND enjoys a longstanding history of serving the community and providing a variety of parks and spaces, trails, programs, and activities that contribute to the health and well-being of all residents. As the community moves beyond the COVID-19 pandemic, staff is looking toward the future and examining opportunities to develop new strategies for generating revenue and exceeding the community's expectations for high-quality service. This plan was developed to allow for a thoughtful and systematic implementation of new revenue development strategies as well as update existing and outdated methods for generating revenue. Findings and recommendations are outlined by topic, along with suggestions for prioritization. As a whole, implementing new strategies will require a three- to five-year timeline, followed by regular review, updates, and evaluation with revisions, as needed, to maintain sustainability.</p>		
This plan sets a five-year timeline for implementing priorities: High priority: FY23 – 24; medium priority: 1 – 3 years; longer term: up to 5 years			
2.0	Strategic Vision and Branding	Priority	Lead/Timeline
	<p>Findings:</p> <ul style="list-style-type: none"> ✓ Modesto is an established City and hub of the county with a heritage and legacy of well-used facilities now at risk due to aging. ✓ The City's strategic plan does not have a strong presence in Department operations. ✓ Staff has been through a lot over the last decade, but change is needed; their engagement in and understanding of this process and implementation is imperative to success. ✓ Branding based on physical assets may be incongruent at this point; a shift to taking care of what exists and building community/healthy living may provide more inspiration to greatness. ✓ Modesto has the opportunity to market a new brand to the community based on reinvesting. ✓ Start small to build Department reputation for delivering quality service, whether that be a direct program offering or management of a volunteer effort. 		

Modesto Parks, Recreation, and Neighborhoods Department Fund Development Implementation Plan			
	<ul style="list-style-type: none"> ✓ PRND has no designated funding for deferred maintenance but has a \$100 million backlog. ✓ Current marketing emphasis is about the “what” but appears to be lacking in the “why.” 		
	Recommendations:		
2.4A	Incorporate City strategic planning and branding activities into Department operations. Begin with back to basics, including staff training and identifying a team to lead a department-wide adoption of the City’s strategic plan.	High	FY23 – 24
2.4B	Adopt new goals and standards for marketing focus on the “why;” for example, there is information about applications for the youth commission but little information about the value of participating and the benefits of serving.	High	FY23 – 24
2.4C	Implement an overall branding shift to reinvigorate interest and support in Department operations; incorporate City strategic plan vision elements in operations.	Medium	1 – 3 years
2.4D	Market a brand that speaks to taking care of current asset, fosters collaboration, and builds quality; plan a very visible annual reinvestment into parks and facilities and brand this effort.	Medium	1 – 3 years
2.4E	Work within capacity to build quality and consistency into all offerings and management services; develop prioritization criteria to identify return on investment.	Medium	1 – 3 years
2.4F	Invest in facilities to enhance appeal and command market rate use fees; develop a planning system to track fee use to tell the story of reinvestment.	Longer Term	Initiate within 3 years
2.4G	Hold a planning session with the PRND leadership team to identify key messages for the Department, develop a plan to incorporate that messaging into operations, and include all staff implementation.	High	FY23 – 24
3.0	Foundations/Partnerships	Priority	Lead/Timeline
	Findings: <ul style="list-style-type: none"> ✓ There appears to be no outward connection between the Department and the Stanislaus Foundation in terms of marketing, public funding support, and shared mission and vision. ✓ The N.E.A.T. Program is dormant at this time due to lack of staff resources to lead and manage it; however, it is still noted in programs and media. 		

Modesto Parks, Recreation, and Neighborhoods Department Fund Development Implementation Plan			
	<ul style="list-style-type: none"> ✓ Staff focus on the TRRP community, and volunteer efforts have had successful support. ✓ Staff does not differentiate among philanthropy, partnership, and sponsorship components of operations, making it difficult for the community to understand levels of support. ✓ Developing and growing community partnerships appears to be fragmented, and there is not a clear Department-wide strategy. ✓ The Park Partners Program includes small capital improvement projects and has become challenging due to the number of projects in the pipeline. 		
	Recommendations:		
3.4A	Develop a new plan for growing the partnership with the Foundation; add a web presence and link for public donations on the PRND website, incorporate the “why” and successes of community funding/support.	High	FY23 – 24
3.4B	Adopt a series of definitions, goals, and objectives for managing a philanthropy program, including clear goals for bringing in new monetary donations to the Foundation.	Medium	Initiate and complete in 1 – 3 years
3.4C	Redesign and rebuild a Citywide Park Partners Program. Review program goals, criteria, staff capacity, and vetting and approval processes.	Medium	1 – 3 years
3.4D	Expand the TRRP community engagement model to other programs and projects; strengthen internal management for partnerships tracking, volunteerism, and revenue generation.	Medium	1 – 3 years
3.4E	Explore the viability of reinstating the N.E.A.T. Program to supplement park maintenance, not to replace park maintenance funding; consider eliminating the program if unable to secure full funding and staffing to continue. Remove from publications and website if not an active program.	Medium	Evaluate with resolution in 3 years
3.4F	Conduct a comprehensive exploratory evaluation on the ability of PRND to create a separate parks foundation, including managing a board of directors, staff relationships, funding goals, and administrative responsibilities. Compare efforts with current community foundation partnership after a robust timeline and clear goals are implemented to enhance current efforts.	Longer Term	5 years
3.4G	Adopt a partnership policy.	High	FY23 – 24

Modesto Parks, Recreation, and Neighborhoods Department Fund Development Implementation Plan			
3.4H	Develop a new advocacy plan that includes forward-thinking goals and objectives, common narratives, and staff and team champions for engagement; identify community leadership to engage in conversation regarding community needs, trends, and priorities.	Medium	1 – 3 years
4.0	Sponsorship	Priority	Lead/Timeline
	Findings: <ul style="list-style-type: none"> ✓ There is substantial opportunity to increase sponsorship revenue and improve the sponsorship operating model. ✓ Sponsorship plans and strategies need to be updated and forward-thinking. ✓ Current sponsorship efforts focus on a greater number of sponsors instead of fewer, higher-quality sponsors. ✓ Consistent practices and procedures are lacking. ✓ Staff training is lacking, and there is not a clearly identified team of staff with a strong manager serving as champions for managing a sponsorship program. ✓ Reports, recognition of sponsors, and outcomes of sponsorship could be enhanced. ✓ The Naming Rights draft policy has never been adopted. 		
	Recommendations:		
4.4A	Adopt a unified definition of sponsorship and philanthropy that all staff can follow, understand, and implement.	High	FY23 – 24
4.4B	Develop a comprehensive three-year plan to direct and guide staff throughout implementation of sponsorship.	Medium	1 – 3 years
4.4C	Focus on goals that emphasize fewer higher-level investment partners integrated across PRND.	Medium	1 – 3 years goals set
4.4D	Update sponsorship and naming rights policy to reflect new strategies, standards, and action steps; revise current sponsorship agreements and obtain new signed agreements reflecting new terms.	High	FY23 – 24
4.4E	Add dedicated staff to serve as sponsorship director and incorporate other staff as sponsorships evolve.	High	FY23 – 24

Modesto Parks, Recreation, and Neighborhoods Department Fund Development Implementation Plan			
4.4F	Adopt a CRM tool to manage sponsor contact information while also developing tracking tools for prospective sponsors and revenues. Create templates, new filing systems, and a website sponsor page; develop a storytelling presentation that includes all events.	Medium	1 – 3 years
4.4G	Develop a policy for in-kind products, services, and small monetary donations that includes acceptance only if items relieve budgeted funds or significantly contribute to improving the visitor/participant experience.	Medium	1 – 3 years
5.0	Tourism, Economic Impact, and Visitation	Priority	Lead/Timeline
	Findings: <ul style="list-style-type: none"> ✓ Modesto enjoys a legacy as a regional hub for sports, events, and large activities. ✓ Modesto has a sizeable inventory of assets for regional events, including golf courses, the Convention and Visitor Center, minor league baseball stadium, historic and cultural amenities, and sports complexes. ✓ Activity Guides and other program marketing lacks programs or other opportunities for participating in many potential outdoor ventures. ✓ The two rivers adjacent to the community provide numerous opportunities for non-traditional sport activities, such as kayaking, standup paddleboarding, and fishing. ✓ There is a healthy TOT tax. ✓ Residents are active and participate in outdoor recreation opportunities. ✓ PRND does not appear to have active involvement in Citywide tourism efforts. 		
	Recommendations:		
5.4A	Consider including non-traditional sports, such as kayaking and other river activities, as classes and experiences; seek experts and independent vendors to partner in teaching and leading programs.	Medium	1 – 3 years
5.4B	Collaborate with Convention and Visitors Bureau and other tourism efforts to actively brand and promote Modesto as an outdoor recreation destination; regularly review funding policies that provide revenues to PRND from TOT/hotel taxes to help ensure PRND receives adequate funding.	Medium	1 – 3 years
5.4C	Actively partner with semiprofessional sports providers to attract, provide, and promote camps, classes, and tournaments.	High	FY23 – 24

Modesto Parks, Recreation, and Neighborhoods Department Fund Development Implementation Plan			
5.4D	Take a leadership role in promoting trail development and trail use as part of health and wellness for all ages.	Medium	1 – 3 years
5.4E	Consider including trail walking and naturalist-led activities as classes and experiences; seek experts and independent vendors or professionals to partner in leading programs.	Medium	1 – 3 years
5.4F	Increase family recreation opportunities and connect with programs, such as walking and outdoor experiences.	Medium	1 – 3 years
5.4G	Incorporate cultural amenities, sports venues, and outdoor recreation in all tourism efforts and promotions supported by the City and other organizations.	High	FY23 – 24
5.4H	Incorporate the City's strategic plan goals into storytelling and marketing implementation; demonstrate the value of recreation amenities.	High	FY23 – 24
6.0	Cost Recovery and Revenue Generation and Diversification	Priority	Lead/Timeline
	Findings: <ul style="list-style-type: none"> ✓ A 2019 Fee Study provided a cost-of-service analysis for a limited selection of recreation programs and facility rentals; included comparative data for similar services and similar communities; and provided fee recommendations based on cost recovery targets and market analysis. ✓ The study did not provide a comprehensive cost analysis for all services and did not identify a philosophical underpinning for cost recovery targets. ✓ The Department's general recreation and park services is wholly supported by the general fund. ✓ There is not a clear connection between program development and overall philosophy for revenue development. 		
	Recommendations:		
6.4A	Conduct a full cost recovery study, including community engagement and full cost analysis for all services, as a follow-up to the introduction/orientation session on cost recovery philosophy provided during this study.	High	Initiate FY23 – 24

Modesto Parks, Recreation, and Neighborhoods Department Fund Development Implementation Plan			
6.4B	Enlist all staff to participate in the study, along with members of advisory groups and City Council, if possible, to generate buy-in for the philosophy and cost recovery policy.	High	FY23 – 24
6.4C	Address all services of the Department from park provision, a basic mission of the Department, to private lessons and rentals which serve specific individuals or groups.	High	FY23 – 24
6.4D	Adopt a comprehensive cost recovery policy, including articulation of philosophical underpinning and allowing staff flexibility in fee setting to be able to respond to the needs of the community while accounting for the rising cost of providing services.	High	FY23 – 24
6.4E	Establish an internal project champion for this effort to help ensure follow through and adherence to the cost recovery policy; fully engage staff and establish appropriate staff roles for implementation of the cost recovery policy.	High	FY23 – 24
6.4F	Adjust program fees annually based on the cost recovery philosophy and policy and reasonable cost recovery targets (including market rates where appropriate); attempt to keep up with incremental annual increases in expenses.	Medium	Initiate within 1 year
6.4G	Create a special recreation fund for PRND—with an appropriate level of general fund support—that provides the incentive, ability, and flexibility for the Department to grow its programs and services to meet resident and visitor demand by generating revenues to offset expenses incurred within the fund.	Medium	1 – 3 years
7.0	Current Operations	Priority	Lead/Timeline
	Findings: <ul style="list-style-type: none"> ✓ There is some opportunity to shore up lease agreements to maximize revenues and reduce risk to the City in the case of default. ✓ Need for more structured and visible maintenance plans, including timelines for deferred maintenance. ✓ The Department has an identified and largely unfunded deferred maintenance backlog of over \$100 million. ✓ There is a need to update and/or create policies that address revenue development and operations related to budget and purchasing. 		

Modesto Parks, Recreation, and Neighborhoods Department Fund Development Implementation Plan			
	<ul style="list-style-type: none"> ✓ Fee increases necessary to keep up with rising expenses are very challenging to implement when they are infrequent, leaving the impression that fees should be static, and fee increases are somewhat arbitrary. ✓ The Leisure Bucks Financial Assistance Program is no longer funded through the general fund; it depends upon fundraising efforts. The program is not meeting community need and has been disrupted by the COVID-19 pandemic. There is no visible effort to seek donations from the community for this program. ✓ Much of the Department's physical asset inventory is aging, rendering it unappealing for attracting revenue through sponsorship or use fees. ✓ Program fee revenues going directly to the general fund provide no incentive to staff nor the public to consider or easily accept increases in fees. ✓ Cost analysis of programs must be balanced with the relevance of program offerings. ✓ Recreation staffing and structure has not kept pace with trends or program implementation due to vacancies and staff development needs. ✓ Web and printed materials are not comprehensive in offerings; for example, pickleball as a new program is not easily found. 		
	Recommendations:		
7.4A	Help ensure all new or renewed lease agreements are complete, with exit provisions, and include escalators, and establish formalized and regular tracking mechanism for all agreements to help ensure timely payments are received to maximize revenues.	High	FY23 – 24
7.4B	Budget for and implement annual incremental increases in fees to keep up with the rising cost of providing services.	Medium	Initiate within 1 year
7.4C	Review Leisure Bucks Financial Assistance Program considering if eligibility verification could be linked to another existing program to reduce staff time commitment, reevaluate annual amount per applicant following the cost recovery study, put the fundraising effort back on track, and identify a staff resource to manage the program.	High	FY23 – 24
7.4D	Explore special assessment measures for park maintenance (updating Citywide landscape maintenance assessments).	Medium	1 – 3 years

Modesto Parks, Recreation, and Neighborhoods Department Fund Development Implementation Plan			
7.4E	Pursue a recreation services assessment using criteria to determine program offerings based on mission, financial capacity, market position, and alternative providers.	Medium	1 – 3 years
7.4F	Develop clear evaluation tools for staff to make decisions about fees, marketing, starting and sunsetting programs, starting and ending partnerships, and identifying successful sponsorships.	Medium	1 – 3 years
7.4G	Increase staff roles in reviewing and updating public materials to help ensure that all programs, parks, and amenities are easily located by residents. Check for current relevance and remove if not active or current.	High	FY23 – 24
7.4H	Update organizational structure to better reflect program delivery and services – meeting staff strengths, industry trends, and best practices.	Medium	1 – 3 years
8.0	Organization – Structure and Staffing/Leadership and Management	Priority	Lead/Timeline
	Findings: <ul style="list-style-type: none"> ✓ There appears to be a lack of cohesive planning and development among staff relative to revenue generation, volunteer management, event sponsorship, philanthropy efforts, and community engagement. ✓ Staff has shifted focus from growing a relationship with current donors and sponsors to seeking new sources of revenue. ✓ Revenue development oversight, community engagement, and charitable initiatives are fragmented and exist in different units and divisions within the Department. ✓ Staff engagement will be critical to the success of this project, as it is multifaceted. ✓ There is not a collective understanding of the types of revenue strategies and standards to implement. ✓ The Department does not appear to have a comprehensive formal marketing plan in place. ✓ There are several leadership positions that remain unfilled or partially filled that affect strategic planning and revenue development. ✓ Staff is highly interested in being involved in fund development and forward-thinking activities. 		

Modesto Parks, Recreation, and Neighborhoods Department Fund Development Implementation Plan			
	Recommendations:		
8.4A	Add a Parks, Recreation, & Neighborhoods manager position to oversee the fund development, facilities, and administrative division; promote and recruit to park and recreation professionals.	High	FY23 – 24
8.4B	Consider a department reorganization that shifts staff responsible for managing philanthropy, partnerships, sponsorships, and marketing into one unit under administration; strengthen comprehensive planning and implementation efforts; create shared philosophy and understanding.	High	FY23 – 24
8.4C	Develop a strategic marketing plan to complement revenue development; identify clear goals to strengthen the Department's presence in the community.	Medium	1 – 3 years
8.4D	To implement the plan, identify specific staff roles and responsibilities to carry out the plan and incorporate in staff annual work plans.	Medium	1 – 3 years
8.4E	Develop staff training programs to address building trust, team building, goal setting, and program evaluation; encourage PRND leadership team to work as one voice to champion change, innovation, and trends.	High	FY23 – 24
8.4F	Help ensure staff at all levels have the same understanding around revenue strategies, roles and responsibilities, and goals and objectives; create definitions pages, handbooks, orientation programs.	High	FY23 – 24
8.4G	Develop a planning timeline for filling current position vacancies and a longer-term plan for introducing new strategies to meet deferred maintenance standards, community engagement plans, and cultural services plans.	High	FY23 – 24 Over next 3 years

Attachment A: Foundations and Philanthropy Report

This attachment provides background for the current PRND use of the Stanislaus Foundation to support its efforts; a discussion of parks and recreation philanthropy in the United States; a description of select optional models in use around the country, and California, including a comparison chart of foundations; and general findings and recommendations relevant to Modesto.

Foundations & Philanthropy



BACKGROUND

The City of Modesto enjoys a rich history of community support for parks, trails and open space, celebrations and events, and recreational programs for residents. Recently, the city received statewide recognition for their partnership with community organizations to transform two regional parks from being neglected and unsafe to highly valued and regularly used. By combining resources, and growing support for keeping the parks clean and safe, the city estimates that in the last eight years or so community groups conducted over 109 cleanups and deployed over 6,000 volunteers, which is equivalent to 20,000 community service hours and valued at approximately \$600,000.

In 2005, the City's Parks, Recreation and Neighborhoods Department created funding accounts with the Stanislaus Community Foundation (Foundation) for purposes of accepting and managing monetary donations to support open space and park development as well as community celebrations and recreation activities. Also, the Foundation is able to accept grant funds from funding sources that typically do not fund governmental agencies. There are more than twenty accounts active today with total revenue holdings of more than \$800,000 (as of 2021).

The Stanislaus Community Foundation was formed in 2002 to improve the lives of the residents and the vibrancy of the unique and diverse communities throughout Stanislaus County. Their operations model includes managing five different types of funds – including general undesignated funds and designated funds with a special emphasis. According to their 2021 Annual Report, Stanislaus Community Foundation managed over \$47 million in total charitable assets and distributed more than \$7 million in grants and scholarships to the community through more than 175 funds.

PARKS AND RECREATION PHILANTHROPY

Park and recreation municipal agencies across the country utilize the services of a community foundation, creating a relationship similar to Modesto and the Stanislaus Community Foundation. Agencies also cultivate relationships with community leaders for purposes of creating a foundation specific to supporting parks and recreation. For example, The Regional Parks Foundation was created to support the projects and programs for East Bay Regional Park District, a public agency special district serving Alameda and Contra Costa Counties.

According to Philanthropy Roundtable, nature, art, health, and education are top areas of interests for donors, which places parks and recreation in a good position to build a charitable giving program. They also note that 71% of all annual donations are made by individuals, although corporate giving is more often highlighted. Choosing the type of 501 (c)(3) to use for charitable purposes to support park and recreation efforts depends on many factors: existing charitable foundations within the region, past history of funding support, amount of start-up

Foundations & Philanthropy



funds solicited, and capacity to cultivate donors and sustain the charity/fund in the long term. Choosing a community foundation or creating a specific charitable foundation needs to reflect the individual agency's situation.

OPTIONAL MODELS

Starting a fund at an existing community foundation, which is a public charity, is significantly less expensive and easier than starting a new foundation. Creating a new foundation is not an easy task; there will be significant fees for attorneys, accountants, and incorporation. Also, federal and state governments require extensive amounts of paperwork to be filed to apply for tax exempt status and to make a determination on its status. It takes time and energy to manage a foundation, from fulfilling legal requirements to tax filings, and from cultivating donors to properly tracking revenue and disbursements.

East Bay Regional Park District contributes more than \$1 million dollars to the operation of the Regional Parks Foundation, and in return the foundation supports programs and projects for the district in addition to seeking endowments and revenue for land acquisition and development. At the other end of the spectrum is the Orinda Parks and Recreation Foundation, which supports the City of Orinda parks and recreation efforts. It is an all-volunteer organization with minimal support from the parks and recreation department. As a result, the foundation is only active when a significant initiative presents itself and according to the department, volunteers have not given attention to succession planning as current members leave. If an organization does not focus on sustainability, it may eventually cease to exist.

The City of Antioch, upon receipt of nearly \$10 million dollars for purposes of starting a foundation to enhance the community, made the decision to create a separate community foundation and identified a five-year plan to make it operational with its own oversight. The city retained a seat on the Board of directors to ensure that the foundation met the legal requirements. The city recognized that it did not have the long-term capacity to manage, sustain, and grow a charitable foundation. The community foundation and city also agreed that dedicated funding was provided to the city each year for youth and recreational services.

Community foundations that offer charitable fund management services provide the administrative and regulatory requirements associated with charitable funding. The accepted industry fee for these services is approximately 3% of the funds in the charitable account. The administrative fee provides the legal and tax oversight required by all foundations as well as industry standard record keeping of donations, revenue, and expenditures.

Cultivating philanthropy and charitable giving requires its own dedication of time and effort, goals and aspiration, and sustainability. As noted in the report provided by Caravel - *Sponsorship Insight and Recommendation Report*, June 2022, it appears that over time the Parks, Recreation and Neighborhoods Department co-mingled their efforts of philanthropy/fundraising and corporate sponsorship. The report highlighted the differences

Foundations & Philanthropy

between charitable giving and sponsorship and outlined why these efforts should not be co-mingled. In order to be successful with their community foundation, staff was dedicated to developing specific funding strategies around fundraising, but also corporate sponsorship and marketing. And according to department representatives there have been individual staff efforts in the past to create additional support groups and organizations for recreation.

Often referenced as “friends” or nonprofits, formal foundations and sponsorship programs are often mistaken as “friends’ groups.” This label is a common misconception. While friends’ groups may be part of a nonprofit or governmental organization, they are usually more grassroots in operation than philanthropy and sponsorship operations. They are most likely formed by individuals with a shared interest that want to offer hands-on support.

GENERAL FINDINGS AND RECOMMENDATIONS

The Parks, Recreation and Neighborhoods Department appears to have taken a relaxed approach in the past to managing philanthropy but is very interested in strengthening their efforts moving forward. Staff development and training around best practices for managing philanthropy and foundation programs would be a place to start. Identifying the goals and objectives for each area of philanthropy, along with developing a clear understanding about how each type of giving program is utilized ensures that the entire department team is headed in the same direction.

While the desire to create a new foundation or giving program is considered the department and the community is best served by strengthening and growing the many current charitable programs that exist. Examples of things that can be done in a short, mid, and long-term timeline include:

- ✓ Provide reports on the purpose of each Community Foundation account, including the history of each account
- ✓ Share accomplishments that each Community Foundation account has done for the community
- ✓ Develop a web presence for charitable giving, including a link to the Community Foundation and mechanism for donations. Increase community awareness
- ✓ Develop annual story telling reports on charitable accounts
- ✓ Seek a greater presence at the Community Foundation executive level (Department Director become involved)
- ✓ Update staff roles and responsibilities for charitable giving to emphasize cultivating relationships in the community and making donations
- ✓ Update policy and purpose statements directed specifically at charitable giving, using community foundation

Foundations: Comparison Report

Foundation & Community Served	Total Asset Balance Annual Spending Amount	Program Priority Areas	Host Donor Advised Funds	Serve as Fiscal Agent Fiscal Agent Fees
Stanislaus Community Foundation Serves all communities in Stanislaus County Established 2012	Total: \$47 million Annual: \$6-\$7 million	Health & Human Services Arts, Culture & History Community Development Families, Children, Youth Education & Scholarships	Yes 175 Funds	Yes Annual fee based on assets
Regional Parks Foundation Serves the programs and operations of East Bay Regional Park District Established 1969	Total: \$13 million Annual: \$4 million Note: EBRPD donates \$1.2 million in staff services to the Foundation	Universal access Environmental Stewardship Educational & recreational programs Acquisition of parklands.	No Utilizes Donor Restricted Funds in Four Program Areas	No
Antioch Community Foundation Serves the Antioch Community; created by Agreement between City and NRG Established 2014	Total: \$1.2 million Annual: \$150,000	Youth Services & City Programs Nonprofit Capacity Building Economic Security & Health Community Programs	No	No
Orinda Parks and Recreation Foundation Serves the City of Orinda	Varies >\$50,000 unless a project is identified	Park & Facility Improvements Trail Development Recreational Opportunities	No	No



Foundations: Comparison Report

Established 1975	Note: all volunteer organization with some assistance from the Recreation Department			
Richmond Community Foundation Serves the Richmond Community and some initiatives in Contra Costa County Established 1990	Total: \$9 million Annual: \$2 million	Community Growth Health Restoring Neighborhoods Education Public Safety	Yes 2% Administrative Fee	No Manages a Community Impact Fund
Oakland Parks and Recreation Foundation Serves the Oakland Community Established 1981	Total: \$5 million Annual: \$500,000	Park Access Equity Park & Trail Development Community Gatherings/Events Recreation Program Access	No	Yes Over 100 Park/Community Focused Partners Total assets \$4 million
San Diego Parks Foundation Serves the City of San Diego, supports the Department Established 2018	Not Available (new organization)	Urban Greening Adopt-a-Park Recreation Access CIP/Maintenance	No	No
Charleston County Parks Foundation	Total: \$450,000 Annual: \$200,000	Recreation Access Cultural & Historical Preservation Nature Stewardship	No	No In 2014 transitioned into a project-based foundation focused



Foundations: Comparison Report

Serves all of Charleston County, supports Parks and Recreation Commission Established 1990				on specific aspects of the parks system
Louisville Olmstead Conservancy Serves the City of Louisville Established in 1989	Total: Varies Annual: \$500,000 to Millions	Capital Improvement Park Projects including design work, community engagement, acquisitions, and fundraising. Allocated over \$40 million in 33 years.	No	No
Broward County Parks Foundation Serves Broward County Florida Established in 2013	Total: \$80,000 Annual: \$10,000 - \$20,000 (Project Specific)	Broward County parks, recreation, cultural and facility projects.	Accepts funds for specific projects	No
Miami-Dade County Parks Foundation Serves Miami-Dade County Florida Established in 2004	Total: \$1.5 million Annual: \$500,000	Expand recreational programs, build capacity, and enhance visibility through advocacy and fundraising.	Accepts funds for specific projects	No



Attachment B: Sponsorship Insights and Recommendations Report

This attachment is a full report—created through this study—that addresses the sponsorship outlook for Modesto, provides background information on parks and recreation sponsorships, describes the methodology, and outlines staff and stakeholder engagement. It also provides an assets and packaging strategy, presentation materials, and information regarding pricing methodology, the sponsorship sales process, prospective sponsors, operating structure, best practices, and action items.



Sponsorship Insight & Recommendation Report

6.24.22

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Executive Summary

The City of Modesto Parks, Recreation and Neighborhoods Department serves the citizens of Modesto through welcoming community centers and facilities, vibrant parks and trails, extensive recreational programming, a variety of cultural awareness events, inviting destinations and attractions. The Department offers numerous services and programs based on the following guiding principles: accessibility, inclusivity, affordability, equity, diversity, sustainability, and flexibility.

With the expanding demand for services and facilities, and a decline in funding, the Parks and Recreation Department is exploring new revenue opportunities and ways to maximize existing funding sources.

With growing needs and possibilities, Caravel was retained to provide insights and recommendations to guide future planning and decision making related to accelerating sponsorship revenue growth. Caravel is a national sponsorship and partnership marketing company based in Seattle with significant expertise in sponsorship marketing.

Now is the ideal time to explore a new sponsorship revenue approach. As a marketing strategy, sponsorship has transformed over the past several years and is now evolving at an accelerated pace. Brands are seeking opportunities to form trusted relationships with the community, make meaningful connections with audiences, demonstrate their commitment to social issues and causes. As a result, companies are expected to allocate larger budgets to sponsorship in the future.

The intersection between sponsorship and social good initiatives is stronger than ever and brands are reacting with new marketing approaches and objectives towards purposeful outcomes. The research is clear: consumers, particularly younger demographics, are driven by purpose. This provides a powerful opportunity for the Parks and Recreation Department to create sponsorship programs that connect to sustainability efforts.

Our assessment, combined with our decades of revenue development and marketing experience, as well as our understanding of the sponsorship industry, has informed the content of this comprehensive report. **Based on our assessment and experience, we**

believe there is substantial opportunity to increase sponsorship revenue and improve the sponsorship operating model.

There are several areas of opportunity for improvement and growth. This begins with creating a three-year comprehensive plan, adopting best practices, and redefining what sponsorship means to the Parks and Recreation Department.

In 2019 the estimated sponsorship revenue was \$27,700. **Based on the information available, we believe there is an opportunity to generate a minimum of \$250,000 over the next three years if the recommendations in this report are undertaken.** It's worth noting that sponsorship can also increase marketing and promotional support and provide in-kind products and services that relieve budget expenses and improve the visitor experience.

To achieve revenue goals and maximize opportunities, Caravel recommends undertaking these key actions:

Take a bigger, better, fewer sponsorship approach

The Parks and Recreation Department will be well served by securing fewer, higher-level investment partners who are integrated into and across the department.

Fostering partnerships with fewer companies and focusing on developing larger, more valuable programs will increase value and revenue. Funneling energy to larger sponsorships will also reduce the staff burden on execution.

Creating fewer sponsorship levels with a greater distinction between levels will increase the value of sponsorships and help create consistent practices.

This report provides suggested pricing levels and associated assets.

Strengthen & Simplify Sponsorship Effort

Consistent practices and procedures need to be implemented. From sales materials and contracts to activity tracking, specific tools and templates are needed to manage the effort to achieve the goals. A customer relationship management (CRM) tool to consolidate contacts and track sales progress, along with an organization system for files, will support consistent practices and improve communication. Goals are accomplished, and flawless execution happens, when strong project

management tools are in place. Sponsorship is a proactive sales effort, requiring a strong sales discipline and revenue management practices.

To significantly increase revenue, a broader view and simpler approach needs to be undertaken. **Identifying and leveraging all of the assets available and packaging those assets strategically will increase the value of sponsorship programs.** Completing the asset inventory and assigning value to tangible and intangible assets will enable the Parks and Recreation Department to articulate a sponsorship's value more effectively.

Create a Future Vision

Development of a comprehensive game plan will guide sponsorship efforts and position partnerships as an organizational priority. By articulating the purpose and benefits to the Parks and Recreation Department, specific goals and staff expectations will reinforce a team approach.

Communicating a vision that reinforces the purpose and benefits of sponsorship will help alleviate concerns about too much corporate integration. While we appreciate the concern of “selling out” to corporate partners, in our experience this concern rarely manifests. With that said, we do believe it's important that sponsors are integrated in meaningful ways and onsite activation is benefiting visitors and participants and improving the visitor experience.

Securing partners takes longer and is more complex than anyone wants or expects.

With the adoption of the recommendations in this report and continued leadership support, the Parks and Recreation Department will achieve greater success. This report will support the organization's immediate and future sponsorship efforts and serve as a valuable tool in the development of a longer-term strategy as well as inform future decision making.

Lastly, it is essential to reiterate that sponsorship is a team effort involving the collaboration of many people to achieve goals and demonstrate success. As such, strong leadership and transparent processes are vital to the successful execution of any sponsorship strategy.

Sponsorship Outlook

An Optimistic Outlook for Sponsorship Marketing

The sponsorship industry has been transforming over the last several years and is now evolving at a rapid pace. **Trends and research indicate that sponsorship marketing will continue to thrive and change as economic and social landscapes continue to shift.**

Brands will need to form trusted connections with customers; they will have to think locally and adapt their marketing approach in new ways to meet audiences where they are at in a constantly changing cultural landscape. **As a result, the focus will shift toward fewer sponsorships that are more integrated. Spending will not decline, but the investment approach will shift to fewer, more valuable opportunities.** Sponsorship has outpaced other traditional marketing disciplines in spending growth over the last ten years, and that trend will continue. According to data giant [YouGov.com](https://www.yougov.com), 73% of Americans believe real-life physical connection with brands is essential. At the heart of sponsorship is the power of creating links between the shared audiences of brands and rights-holders.

The Intersection between Sponsorship and Social Good is Stronger than Ever

Companies are seeking sponsorship opportunities where they can showcase their social good initiatives. Sponsors want to make an emotional connection to consumers by aligning with events, venues and programs that support their mission and values.

Recent analysis on social good engagement includes the report *The Changing Value of Sponsorship: 2021 Global Sports Marketing Trends*, by Nielsen Sports. It states that considering political and social shifts of this past year and the impact sports and players are having on social justice issues, **“brands are reacting with new marketing approaches, where sponsorship objectives polarize toward purpose and community benefits.”** Brands aren’t just following shifting markets; they are putting their money where their heart is.

According to Nielson Sports, the impact is astounding and profitable: “Half of the younger population globally say they have a greater interest in brands that act in a socially responsible way.”

- 11% revenue growth over the next three to five years for rights holders with a sustainability agenda
- Brands are increasingly seeking sponsorships that can provide them with a platform to promote their own values, such as equality and sustainability
- Advocacy posts generate 63% more engagement for brands compared to other owned social media content” (Source: Nielson Sports Analysis)

Recent research from Forbes also supports the value of investing in global issues of importance to today’s consumer. The publication shares that 88% of consumers will be more loyal to a company that supports social or environmental issues.

Customization is Highly Prized

The value of a sponsorship is not in the assets, but rather in the ideas and customization. The needs of brands and properties are rapidly changing, and a template of assets isn’t going to suffice if you want to stand out among, what is bound to be, fierce competition for sponsorship dollars.

Sponsorship sales teams who adopt an idea-based approach are more successful and confident in their work and ultimately see results for both partners. This requires taking the time to think through and strategize how you’re going to propel your partnerships forward and making a deliberate effort to put custom opportunities at the forefront of your sponsorship program.

Uncovering your sponsor’s marketing objective provides focus to engage in a partnership relationship. **Typically, brands are looking for creative ideas to leverage the assets and engage audiences across multiple touchpoints.** To this point, brands are seeking creative concepts that will make meaningful connections with audiences. In particular, digital and social assets are among some of the most valued benefits. Brands are seeing the power of digital connection like never before and will require properties to bring meaningful and innovative approaches to integrate their brand into customized digital campaigns.

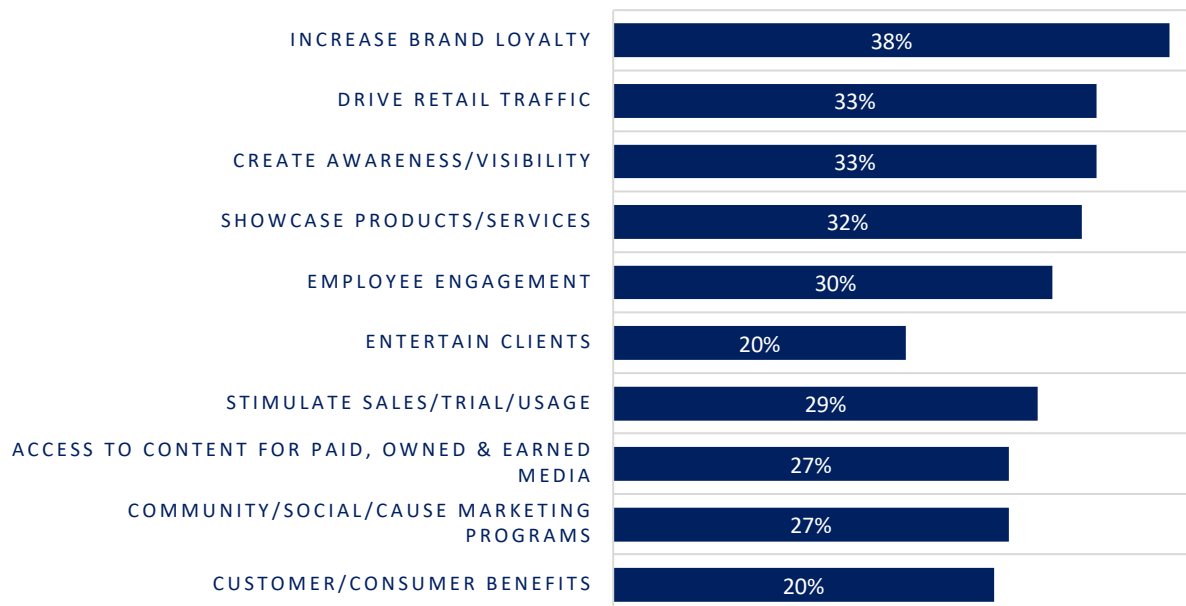
Sponsors Are Seeking “Bullseye” Partner Relationships

Sponsors are interested in opportunities that align with their brand and reach their audience. The Parks and Recreation Department’s flexibility to customize a partnership and respond to changing sponsor priorities and goals is highly rated. Rights-holders who commit to measuring the success of a program and holding themselves accountable for delivering results will form longer-term partnerships.

Sponsorship Brand Study

In September 2021, Caravel commissioned a Sponsorship Brand Study with 400+ participants to better understand sponsor’s current perceptions and future planning. Brands shared the most important objectives and their desire to seek partnerships with properties that are listening, adjusting, and executing to meet their objectives.

Most Important Sponsor Objectives



Most Important Actions Companies Want Sponsorship Representatives to Take

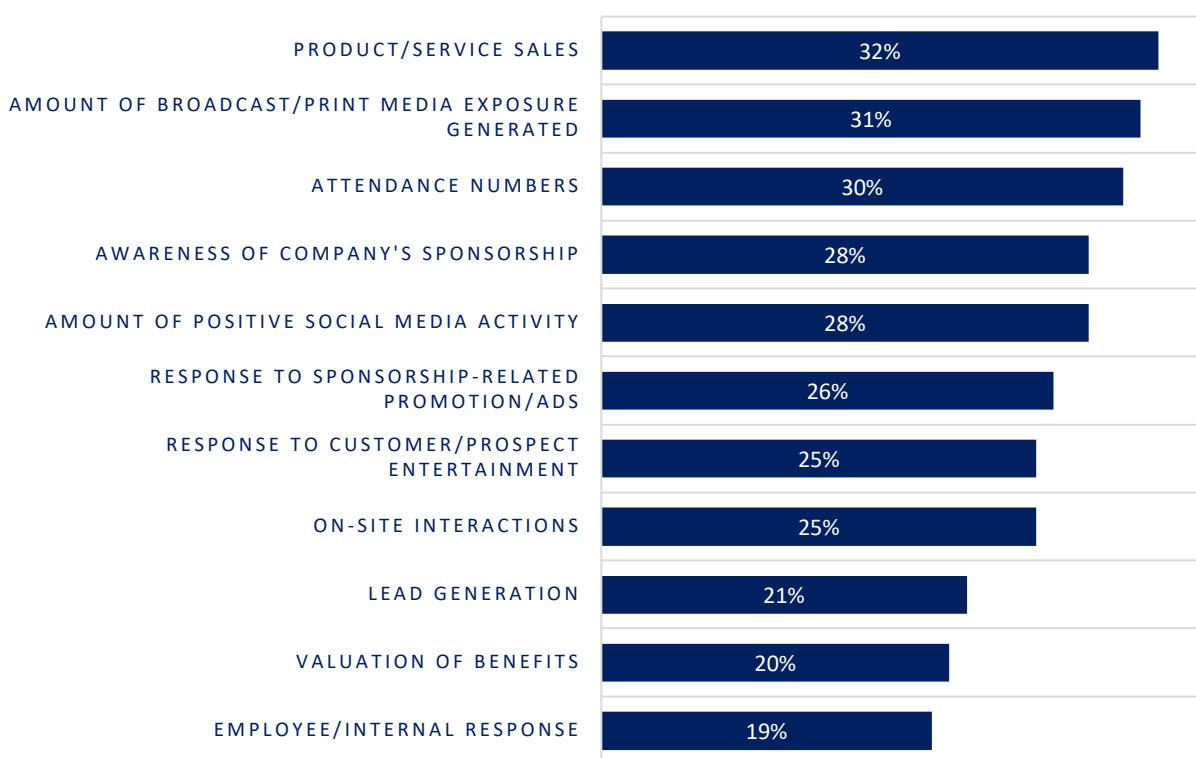


Measurement is a Key Factor in Decision Making

Research, pricing, and measurement are going to drive decision-making for brands. These variables can be tracked and fulfilled with sponsorship. This is a precious strength of events and makes sponsorship a cost-effective marketing strategy.

However, measurement continues to be an industry-wide challenge. Beyond attendee information, properties need to find ways to quantify return on investment. This may include investing in additional data. A mutual understanding of how a partnership will be measured is an important place to begin.

Metrics most often used to determine the return on investment.



Park & Recreation Sponsorships

Many parks and recreation departments and districts are either exploring the viability of corporate sponsorship or activity seeking sponsorship marketing support. To inform the City of Modesto Parks, Recreation and Neighborhood Department, Caravel Marketing gathered forward-thinking examples of sponsorship programs relevant to parks and recreation. A report initially published in 2015 [by Ag Update](#) which still holds true today, explained that the effort to implement a revenue generating strategy has become vital to the sustainability of the parks. The approach of revenue development through sponsorships has become more prevalent across many city departments and will continue to expand.

California Partnerships

City of Irvine and UCI Health – Naming Rights Partnership

The City of Irvine has developed multiple sponsorship programs for its parks, programs, and events. Most recently the City sold its naming rights to a park district in a recent landmark naming rights deal with UC Irvine Medical Center. Irvine's Great Park is home to 1,300 acres, including recreational facilities, soccer and baseball field, and an arts complex. UC Irvine will have naming rights within the park as well as health-centered activations at programs and events.

Fountain Valley Parks & Rec – Naming Rights Opportunities

In 2018, the City of Fountain Valley and the Fountain Valley Parks & Recreation Department approved a plan to develop a naming rights program for up to 15 facilities within the parks district. Likely as a result of COVID-19, no sponsors have been confirmed, however, the city has continued to secure sponsors for community events and programs.

City of San Diego & AED Brands – Project Heartbeat Program

The City of San Diego has developed robust partnerships with a range of partners. Most recently, they [announced a partnership](#) with AED Brands for a promotional and sponsorship rights to the city's Project Heart Beat program. The partnership also includes the installation of over 9,000 defibrillators, national trade show participation, health events and speaking engagements.



City of Pasadena Parks Department – Wi-Fi Accessibility Initiatives

The City of Pasadena was recently awarded funding to expand Wi-Fi accessibility at parks and facilities throughout the region. While funding was provided through a grant process, the opportunity to partner with communications provider to develop a partnership that expands Wi-Fi accessibility at public parks is growing idea.

National Partnerships

Glenview Park & Glenview Bank – Signature Events Partner

Glenview Park District, IL, announced in early 2022 the four-year partnership agreement between the park and Glenview Bank & Trust. The partnership would make Glenview Bank the signature partner for key programs and events through 2026. Additionally, the partnership included a recreational scholarship program for families needing financial assistance.

NYC Parks and AT&T Free Public Wi-Fi and Solar Mobile Charging

AT&T launched as a pilot program in New York City in 2013 to bring innovative solar mobile charging stations to parks, beaches, and other outdoor venues across the five boroughs to keep New Yorkers connected. In 2016, the partnership was renewed and expanded to include free charging for phones and tablets at 40 AT&T Street Charge units.

City of Edwardsville & Multiple Partners – Naming Rights and Supporting Sponsors

The City of Edwardsville, IL, in partnership with local businesses generated partnership revenue to secure naming rights and supporting partner benefits for their new ice rink, teen center, fitness facility and overall community center. Through partnership revenue, the City was also able to offset critical operational expenses such as a Zamboni as well as a Fitness Center sponsor with a local hospital.

Portland Parks & Recreation & Comcast – Title Sponsor Program

Building on a multi-year partnership, Comcast became the Title Sponsor for Portland Parks & Recreation's 2016 *Summer Free for All* program. Support from Comcast, the information and entertainment provider to the most homes in Portland, will help PP&R deliver the popular, free summer program series to an audience that topped 320,000 attendees in 2015.

Discovery Session

Caravel Marketing facilitated a discovery session with City of Modesto Parks, Recreation and Neighborhood staff representing various departments. The primary purpose of this session was to engage a cross-section of staff members in a robust, creative conversation to better understand their perceptions, challenges, opportunities, and ideas related to sponsorship and branding. The exchange confirmed a strong commitment to supporting sponsorship and revenue growth for the Parks and Recreation Department.

The following attendees participated:

Laurie Smith	Bob Quintella	David Arroyo
Ashley Weaver	Stephanie Navarro	Jason Garcia
Nathan Houx	Stacy Dahl	Diane Sheatsley
Kelly Gallagher	Tony Amaral	Jason Ortega

To begin our session, we asked the team to make a list of words that described the brand. A total of 41 descriptors were shared with the following five chosen as the strongest descriptors of the brand (in no order):

- Community
- Healthy living & lifestyles
- Quality of life
- Building community
- Creating memories

To better understand brand strengths and values to a potential partner, each participant was asked to rate ten intangible benefits on a scale of 1-10. This information is used to determine the value of a City of Modesto partnership and provided critical insight into the brand's perceived value. A combined rating of all responses was 47 out of 100. Details can be found in the Pricing Methodology section on page 30.

The collective group brainstormed thoughts and ideas for several topics. Lists were distributed, and choices were made in each category as outlined below.

When thinking about the City of Modesto's sponsorship efforts, what has been positive?

Development of TRIPP

Park Partnerships Program

Rise of community events

What do you see as potential sponsorship opportunities?

Aquatics program

Mary Grogan Park

Sports Complexes

Infrastructure upgrades

Sustainability efforts

What concerns do you have about sponsorship?

Resources for fulfillment against expectations from sponsors

ROI for investing resources against the revenue coming in

Lack of sponsorship framework

Sponsorship relationships

What do you believe are the most valuable sponsorship assets?

Exclusivity

Naming rights – ball fields, golf tee areas, playgrounds,

Marketing related: advertising, social and digital (inclusion, campaigns, giveaways, publicity)

Programs & Events – particularly holiday events

Sustainability assets – water saving, solar panel installation, charging stations



S.W.O.T

This is an abbreviated SWOT analysis based on the discovery session and our assessment to support your focus on the most important factors related to your success.

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. Strong sense of community 2. Focus on health and wellness 3. Parks and facilities assets 4. Community events very popular 5. Efforts toward environmental sustainability 	<ol style="list-style-type: none"> 1. Limited staff resources and understanding to support sponsorship 2. No dedicated sponsorship manager 3. Too many levels of event sponsorship 4. Inconsistent materials, pricing, levels across events 5. Minimal sponsor recognition
Opportunities	Threats
<ol style="list-style-type: none"> 1. Establish a clear difference between sponsorship and philanthropy 2. Develop environmental sustainability partners to support current and new efforts 3. Shift from "Application" process to proactive outreach 4. Fewer sponsors at larger investment levels 5. Create naming rights sponsorship for key facilities 	<ol style="list-style-type: none"> 1. Competition among various community organizations for sponsorship revenue 2. COVID 3. Economic uncertainty

Philanthropy & Sponsorship

Definitions

The distinction between philanthropy and sponsorship is a commonly misunderstood concept. While there are clear distinctions, the definition and allocation of corporate support can be a gray area for many sponsorship properties. In the course of our work with the City of Modesto Parks and Recreation we uncovered some confusion relating to how each of these revenue areas are defined and the benefits provided.

It can be particularly challenging if a corporate entity is given marketing benefits or has expectations of recognition that resembles more of a sponsorship, in exchange for their contribution or membership fees. Philanthropic gifts and grants often result in on-site signage, tickets, or an opportunity to “welcome” audiences. These gifts should be handled carefully when also pursuing corporate sponsors.

Generally, the following definitions are applied to Sponsorship and Philanthropic Gifts:

Sponsorship is a relationship with a business entity where that entity provides money, goods, or services to the property over a specified term, and in return, the business entity receives acknowledgement of the sponsorship via specific benefits like inclusion in collateral materials, signage, website inclusion or hospitality. The business entity may also receive other benefits, including category exclusivity and the use of the logo. Sponsorships always involve a signed contract that outlines the terms of agreement, cash commitments and benefits. Sponsorships are generally funded and managed by the marketing department of a business entity, and therefore, sponsorships differ from philanthropic gifts because of the expectation of a return benefit.

Philanthropic Gifts are private, individual, or corporate donations made to the organization, without expectation of promotional or marketing benefits. Some gifts may have minimal acknowledgement, in the form of signage or recognition in specific areas. These are usually one-time gifts that may be paid over time. Philanthropic gifts are generally funded via a foundation or corporate giving department of a business entity.

One of the primary distinctions between corporate sponsorship and philanthropic gifts is the specified term of commitment for a corporate sponsorship. Corporate sponsorships are secured for a specific term, and always have a contract that defines the quid pro quo marketing relationship. Corporate naming rights sponsorship deals usually have minimum terms of 10 years, however some of the big stadium naming rights deals have terms up to 30 years.

Another key distinction between corporate sponsorship and philanthropic gifts is the place within a company where these relationships originate. Corporate sponsorships almost always come from a corporate marketing department. Philanthropic gifts often come from a company's foundation, community relations or corporate responsibility department. As a property proceeds down parallel paths securing both philanthropic and corporate sponsorship from companies, it is very important to have an immediate and clear understanding of the type of relationships being pursued, so that the pros and cons of each can be evaluated, and the right strategy implemented.

Pursuing sponsorship or a corporate donation will dictate where to best approach the company, as well as how to structure a proposal. Strategic choices also need to be made between the asset inventory that would be available for sponsorship versus requests for philanthropic support.

To illustrate this strategic choice between sponsorship versus philanthropy, take the example of naming rights for a new performing arts venue. If a gift of \$1,000,000 is received to name the venue, that asset would be removed from sponsorship inventory. Alternately, if the arts organization was able to sell a corporate sponsorship package for naming of the venue at \$250,000 per year, within four years the sponsorship fee has equaled or exceed the value of the one-time gift.

We have seen a few non-profit organizations looking carefully at the "in perpetuity" clause for donors, and even going so far as to buy back the naming rights from previous donors. In comparing corporate sponsorships and philanthropic giving there are other considerations:

- Corporate sponsorships must include specific marketing benefits that require management and execution by the property. Staff time and specific costs are often tied to delivering the agreed upon benefits. Gifts generally have very few strings attached from an operational perspective.
- Assuming the property seeks corporate partnerships with well-established brands, the corporate name is generally more recognizable than an individual/family foundation name and can often help attract other corporate partners. On the flip side, there is generally more risk for a corporate partner to develop reputational issues during the term of agreement, than for a donor or next generation donor.
- It should be expected, however, that corporate partners might require some level of category exclusivity, which could preclude funding from companies in the same business category.

While corporate sponsorships and philanthropic gifts both generate revenue for properties, it is extremely important to be diligent about the approach and the execution, given the different risks and intents.

Assets & Packaging Strategy

The City of Modesto Parks, Recreation and Neighborhood Department has valuable assets available for sponsorship programs. Generally, to increase revenue, real and perceived value to partners must be enhanced. A higher value occurs only when the most valuable assets are reserved for the highest investment levels, with clear and tangible differences between each. The more sponsors on each level, the lower the value for each level and every sponsor. The lower number of sponsors, the higher value across the board.

One of the keys to success begins with taking a broad survey of all available assets and strategically package them differently. One of your most valuable areas of opportunity resides in offering title or presenting designations to events, facilities, and programs. This is a business decision to be carefully considered. Assets should be reserved only for sponsors. This is a primary way to increase the value of sponsorship and thereby attract more sponsors.

To make use of your assets, it is critical to appropriately identify and allocate them. As a starting point, Caravel has created an asset inventory grid provided in this section below. To encourage a broader sponsorship sales approach, assets have been organized by category, not by event. A best practice is to recognize sponsors by the program they are associated with, not by the investment they have made.

The allocation of assets into categories and levels creates a clear framework to better communicate program opportunities both internally and externally. Historically, sponsorship levels from event to event have not been consistent. Often, too many levels have been used with minimal distinction between them. A new framework will mitigate confusion and increase value. Additionally, asset grids and pricing levels should only be used internally to guide the development of customized sponsorship proposals.

We suggest creating four levels of sponsorship. Again, these levels should be used as an internal framework, not necessarily for marketing materials or submission to sponsors. The names of each level certainly could be changed to align with terminology or positioning that complements the brand. Most importantly, certain assets must be reserved for specific spending levels. Namely, the most valuable assets should be reserved for the highest level of spending.

“Champion Partner” is a program that would showcase a select number of companies with multiple touchpoints across multiple events, programs, marketing materials, and communication channels. These partnerships may also include a presenting sponsorship of an event to create “ownership.” Park Partners would receive a high level of exclusivity, and a multi-year agreement with a minimum annual investment of \$20,000.

“Presenting Sponsor” designation would typically align companies with a specific event or program as its presenting sponsor. The presenting designation provides companies an “ownership” position, with the company name following the event or program name and classified as “presented by,” “supported by,” “sponsored by,” or “made possible by.” Presenting partners would typically receive exclusivity for each event, inclusion in digital media, and marketing collateral. A presenting sponsor would ideally sign a two-year agreement with a minimum investment of \$7,000 per year.

An **“Official Sponsor”** would typically align companies with a specific event or program and provide a specific designation and some level of exclusivity, such as “Blue Diamond Almonds is the official snack of Movies at Mancini”. Official sponsors typically would sign a one-year agreement; however, it is best to always be open to signing multi-year agreements if requested. Official sponsor investment level would range from \$5,000 to \$7,000.

The final category, **“Friends,”** is for companies that support and participate in the event or program on a smaller level, such as contributing products or services. Typically, they are companies that have made valuable in-kind contributions or provided marketing support and in exchange receive a premium activation location at the event or facility.

The table below shows four categories of general agreement terms, key benefits associated with each, as well as an annual price range.

Park Partner \$20K - \$25K+	Presenting Sponsor \$7K - \$10K	Official Sponsor \$5K - \$7K	Friends \$1K +
<ul style="list-style-type: none"> • Multi-year contract • Title designation of event or program • Exclusive • Marketing benefits 	<ul style="list-style-type: none"> • 1-2 year contract • Presenting designation of event or program • On-site activation • Social and digital • Marketing benefits • Print advertising 	<ul style="list-style-type: none"> • 1 year contract • Presenting or title of an event stage, activity, or area • Prominent signage • Digital media • Promotional materials 	<ul style="list-style-type: none"> • Activation area at event or facility

Asset Overview

This Asset Overview aims to provide a snapshot of key benefits for each asset category as a jumping-off point. The overview below provides a framework for assets that would be reserved for partners, as well as investments that would be available for sponsors, to show a clear distinction between each program. The Partnership Program will be constructed using the most valuable assets to create integrated, high-value marketing programs while also including access to standard event benefits.

This table intends to illustrate the four types of sponsorship levels and the benefits available at each level with the minimum investment to receive the asset. For example, only Park Partners would receive exclusivity or naming rights. This is an abbreviated list of the assets available and meant to provide a working template.

Assets	Partners \$20K+	Presenting Sponsors \$7K - \$10K+	Official Sponsors \$5K - \$7K	Friends \$1K+
Designation & Rights				
Category Exclusivity	X			
Rights to Use Marks & Logo	X			
Naming Rights of Baseball Stadium				
Naming Rights of Modesto Center Plaza				
Naming Rights of Ball Fields	X			
Naming Rights of Golf Holes				
Naming Rights of Playgrounds				
Presenting Sponsor of Sights & Sounds of the Season	X	X		
Presenting Sponsor of Movies at Mancini	X	X		
Presenting Sponsor of Spirit of Giving 5K Run & Walk	X	X		
Event Activation & Recognition				
Field Signage	X	X		
Facilities Signage	X	X		
Parade Banner	X	X		
Stage Banner	X	X		
Start & Finish Banner	X	X		

Logo on T-shirts/Bibs	X	X		
Activation Area	X	X	X	X
Parade Entry	X	X	X	X
PA Announcements	X	X	X	
Programs & Promotions				
Charging Stations	X			
Water Reuse	X			
Solar Panel Parking Lots	X			
Volunteer Program	X			
Sustainability Programs	X			
Community Day	X			
Aquatics Programs	X			
Digital & Social Media				
Social Media posts/promotions	X	X		
E-newsletter inclusion	X	X		
City of Modesto website	X	X	X	X
Event-specific websites	X	X	X	X
Promotional Materials				
Schedule Handouts	X	X	X	
Flyers/Posters	X	X	X	

Advertising & PR				
Public Access Television	X			
Activity Guide	X	X	X	
Inclusion in Press Releases	X	X	X	
Tickets & Hospitality				
VIP Seats	X	X	X	
Breakfast with Santa	X	X	X	
Race Entries	X	X	X	

Presentation Materials

A fundamental key to securing sponsors is the ability to communicate a compelling sponsorship story and create a winning proposal. Caravel recommends creating both a presentation overview and a proposal template as outlined in the "Sponsorship Sales Process" section of this report.

A sponsorship proposal is an important document in the sales process and often misunderstood and underestimated. Before a potential sponsor is approached, it's essential to understand what the organization has to offer that will be of value to a prospective sponsor. It's important to communicate how the Parks Departments audience will align with a sponsor's target consumer. Prospective sponsors will also want to understand the available opportunities to interact with the audience in unique and memorable ways. Ultimately the goal is to submit fewer, better proposals, to highly targeted sponsors, with highly customized offers.

Caravel recommends creating two types of proposals: a presentation and a proposal letter. The purpose of the presentation is to generate interest and excitement, by providing a high-level overview of the Parks Department and the sponsor opportunity. This is a brief document that has the single goal of securing another meeting.

The presentation is the organization's opportunity to showcase its competence and commercial orientation. A liberal use of images and concise bullet points is recommended for both documents, along with descriptive and powerful key facts.

Presentations should tell a compelling story to inspire an exchange of ideas and sharing of information – leading to the development of a specific proposal. As a general guideline, the presentation should:

- Use consistent brand guidelines
- Include high resolution images representative of the organization
- Highlight key messages
- Include demographic information
- Share the benefits of a potential partnership
- Overview various opportunities



- Presentation materials should adhere to the brand guidelines and accurately reflect the City of Modesto Parks Department brand, but also represent the level of the potential financial investment and depth of the partnership relationship. Once the presentation has been shared and key information has been gathered, a customized proposal should be developed.

The proposal letter is used only after an initial conversation, is customized, and provides enough information to make a decision. An effective proposal will make it easy for the potential sponsor because they are able to visualize how the program will work and feel confident, they can secure internal support. A well-written, effective proposal will provide ideas how to leverage the opportunity and explain how sponsorship will improve the sponsors business.

The proposal should concentrate on the sponsors needs and objectives and build the business case for the sponsorship. Most sponsorship proposals fail to consider and clarify the prospective sponsors objectives, ensuring the opportunity connects to their goals. Typically, proposal letters should include:

- Cover page with company logo and who is receiving the presentation
- Overview of event
- Restate the objective of potential sponsor
- The sponsorship idea
- The assets and the benefits the sponsor is receiving?
- Investment
- Timeline and next steps
- Thank you/contact page

Pricing Methodology

The pricing of sponsorships is both an art and a science. When companies sponsor a property, they are primarily paying for a marketing program and the opportunity to associate with the intangible benefits the Park and Recreation offers – these benefits are challenging to put a price on.

Determining a fair market value of sponsorship packages continues to be an industry-wide challenge. However, a handful of organizations have developed formulas – primarily based on media equivalencies – to determine a fair market value of a sponsorship program. Many companies use a method to evaluate the value of sponsorship programs, so it is essential to have a framework for pricing and to understand how companies determine value. The most important and frequently asked question, “How did you determine the cost of the sponsorship?” needs to be concretely answered. The response establishes a level of industry understanding and places the seller in a position of integrity and strength during a negotiation if they can respond intelligently and consistently.

At a minimum, establish a baseline fee by determining the cost of sale – including the cost to deliver benefits and cost of servicing. This baseline fee prevents selling a sponsorship that is valued under the actual cost to deliver the sponsorship.

Most importantly, a methodology must be developed to present a sponsorship program confidently and competently. To arrive at the value of sponsorship programs, Caravel recommends the Parks and Recreation Department apply a simplified “art and science” approach to pricing sponsorship by taking these steps:

Step 1: Create an asset inventory

Step 2: Calculate value of marketing benefits using the “marketing benefits valuation template”

Step 3: Complete intangible benefits valuation template

Step 4: Assess cost of activation

Step 5: Consider price adjusters

Marketing Benefits Valuation Template

Benefit	Description/Metric	Formula	Value
Event Recognition & Activation			
Indoor/outdoor space		\$3.00 per sq. ft.	
Premium Placement of Signage		.075 / visitor	
Secondary Placement of Signage		.03 / visitor	
LED/Video Signage		.02 / visitor	
Speaking Opportunity		.05 / visitor	
Product Sampling		.15 / sample distributed	
PA Announcements		.006 / visitor	
Marketing & PR			
Logo/Name Mention in media		5% - 10% of media value	
Non-Measured Media		.05 / impressions	
Logo in Collateral Materials		.04 / piece	
Digital & Social Media			
Website Logo and Link		.020 / unique visit	
Banner Ad		.025 / unique visit	
Digital Content Features (videos, webinars, podcasts)		.12 / impression	

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E-Newsletter		1.00 / subscriber	
E-Blast		1.00 / subscriber	
Social Media Content		.15 / delivered post	
Venue Use, Tickets & Hospitality			
Use of facilities for the purposes of hosting regional, national, and international events, and conferences		Rate Card	
Tickets		Face Value	
VIP Hospitality		Quality & uniqueness of experience	
TOTAL			

Intangible Benefits Valuation

The next step is to determine an estimated value of intangible benefits. As earlier noted, the intangible benefits are often the most valuable and sought-after benefits and also the most difficult to value.

The tangible benefits are used to calculate the value of intangible benefits and begins by evaluating the intangible benefits and determining a multiplier specific to the Parks and Recreation Department. The multiplier is a subjective rating of specific criteria and does not vary unless there has been some significant change to criteria. The higher property scores in its performance rating, the higher the value of intangible benefits.

Caravel completed the following valuation of intangible benefits based on team members' responses. By conducting this evaluation regularly, the Parks and Recreation Department

will identify strengths and weaknesses and observe how these components evolve over time will affect sponsorship investment levels.

Intangible Benefit	Average Rating (1 - 10)	Comments
What is the strength of the Parks & Recreation brand? <i>Does the community value the PROPERTY and see it as an asset within the community?</i>	7	GEMS: Mary Grogan Soccer Complex, Graceada Park/Mancini Bowl Amphitheater, Community Ball Fields, Community Picnic Pavilions
Recognition and Awareness <i>How well do people know of Parks and Recreation? Is it a beloved organization or venue?</i>	5	Grogan Park is well known in the Community
Level of Audience Interest/Loyalty? <i>Do you have superfans and a solid attendee base?</i>	6	<p>Grogan Park has a solid base of built-in attendees.</p> <p>Sports Organizations – we offer the most fields. Often organizations from adjacent cities rent our fields.</p>
Ability/Assistance to Activate <i>Do you have the support team in place to activate the terms of the deal?</i>	2	We do not have a support team
Level of Exclusivity Offered to SPONSOR	3	No

Are there other sponsor programs that will compete with the SPONSOR?		
Business to Business Opportunities Does the partnership include opportunities to connect the sponsor with other business, including city/gov't's?	5	
Media Coverage Potential for SPONSOR Will there be significant media opportunities for SPONSOR?	5	Grogan Park hosts several events that get media attention Social Media, City's Website available now. Uncertain what other media mechanisms can be secured.
A Promotional Concept or "BIG IDEA" Was there a concept developed exclusively for the SPONSOR? How big and bold is this idea?	3	
Established Track Record with Sponsors Has the PROPERTY had outstanding sponsorships in the past?	5	The Park currently has two sponsors. Yes. We've had some success with our park partners and businesses like Collins Electrical which has provided goods and services for the benefit of Graceada Park and Mancini Bowl.

Social Good, Community Impact Opportunities <i>Is the PROPERTY integrating into community causes?</i>	6	This park is geared towards youth soccer and that would be considered when selecting sponsors

After determining the intangible multiplier and the value of the marketing assets, the next step is to multiply the value of the marketing assets by the intangible multiplier to arrive at the value of the intangible benefits.

This mathematical calculation outlines the first half of pricing a sponsorship program. The second half of the calculation is less scientific—it is the “art” of pricing. The art behind sponsorship pricing relies heavily on the experience of the people negotiating on behalf of the Parks and Recreation Department and an assessment of external factors that may impact the price. Price adjusters for consideration that could increase or decrease the total sponsorship include:

Lead Time	10% - 20%
Ability to Meet Objectives	10% - 20%
Category Interest	10% - 15%
Degree of Sponsor Clutter	10% - 15%
Market Competition	5% -15%
Strength of Partnership	5% - 10%

These market influencers will add or detract value from the baseline price and should be applied before negotiating with prospective sponsors for the sales team to understand the pricing rationale clearly.

As an example, if the value of marketing assets equals \$10,000 and the multiplier is .47:

Value of Marketing Benefits	\$10,000
Multiplier for Intangible Benefits	<u>X .47</u>
Value of Intangible Benefits	\$4,700

Value of Marketing Benefits	\$10,000
Value of Intangible Benefits	\$4,700
Activation Costs	<u>\$700</u>
Value of Sponsorship	\$15,400

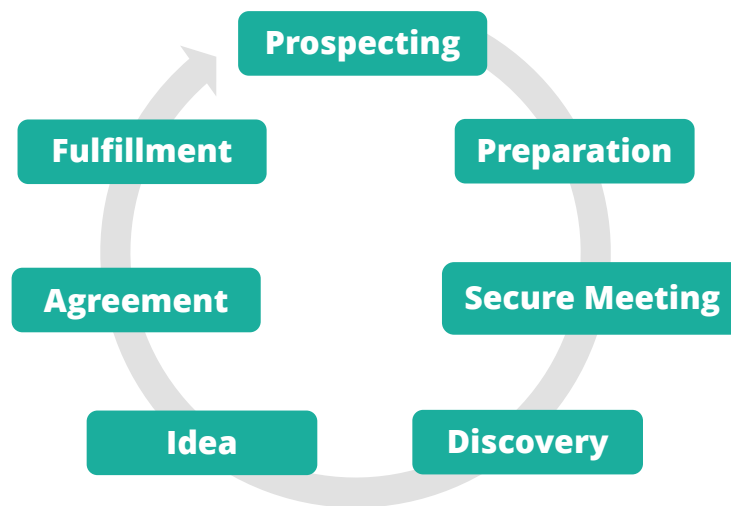
Price Adjusters (+10%)	<u>\$1,540</u>
Sponsorship Fee	\$16,940
Promotional or in-Kind Value	<u>-\$1,000</u>
Total Fair Market Value	\$15,940

The “art and science” of sponsorship pricing models will continue to evolve. It is beneficial to understand how potential sponsors will evaluate and determine the fair market value of a sponsorship. As expected, the final negotiations are subject to the current marketplace and the experience level of the representative leading the negotiation.

Sponsorship Sales Process

A thriving partnership program requires the right process and the right talent. Using an established, repeatable process makes it easier to duplicate successful results and improve performance. A standardized practice will also boost an internal understanding of how partnership efforts will work, create a common vernacular, and serve as a management tool.

Caravel has created a step-by-step process to serve as a guideline for developing and securing partners. The graphic below illustrates seven steps in the process: Prospecting, Preparation, Meeting, Discovery, Idea, Agreement, and Fulfillment. Securing partners can be an intensive and time-consuming process, typically taking 6-12 months, depending on the partnership's complexity and scale. The process may be expedited based on the potential partner's level of interest and timeline requirements. Typically securing partners is a proactive job that requires advanced research, careful preparation, and plenty of time.



The process begins with **prospecting** potential partners. The result of this step is that an Ideal Partner Profile was created, and a prospective list of partners was curated. There is value to monitoring media, similar events, emerging companies, and new product launches, but the best prospects are those who share your brand attributes and audience. Caravel has created an initial list of prospective partners comprised of companies that

actively participate in the community, have a strong brand alignment to the Parks and Recreation Department, and/or a connection to the audience.

The critical **preparation** step is often ignored. Conducting research to learn necessary company information ensures productive conversations and provides a platform to ask informed questions and anticipate potential solutions. Caravel recommends creating a minimum of five "I know" statements for each prospective partner. These statements are most relevant when they relate to the company's current sales/marketing/promotional activities but could also include new market entries, employee information, or general growth plans. Pressure to meet revenue goals might cause sellers to short-cut this step in the process, but it's essential to complete the prospecting research that is necessary.

Once the representative is fully prepared, securing a **meeting** is often one of the most significant challenges. Understanding key information about the prospective company (completing the preparation step) positions the seller as a credible professional worthy of a prospect's time, improving the likelihood of securing an appointment. Personal introductions significantly advance efforts to book meetings. Assistance from leadership or partners to make introductions to prospective partners will considerably accelerate partnership success.

A fundamental key to securing partners is the ability to create and communicate a compelling partnership story. Presentation materials must adequately represent the brand and the strength of a partnership opportunity. The visual appeal of events must be showcased in presentation materials. Caravel recommends creating both a presentation and a proposal template as outlined in this report on page 25 or pages 25-26.

The purpose of the **discovery** step is to gain key insights from the prospective partner about their objectives and provide an overview of the opportunity. Ideally, the meeting should be 30% presentation and 70% listening to the prospective partner's wants and needs. That information is necessary to develop a customized proposal that will show how the Parks and Recreation Department will connect to its objectives.

The goal of this brief presentation document is to create interest and stimulate a conversation. The presentation must include the future vision of the Parks and Recreation Department, demographic information, attendance numbers, an overview of scheduled programs and events. Prospective partners will also want to understand the available opportunities to interact with the audience uniquely and memorably. Liberal use of images and concise bullet points is recommended, along with descriptive and powerful key facts.

Successful partnership sellers are well versed in the benefits most valued by companies and understand the essential objectives companies typically evaluate when considering a partnership of an event or program. The information provided in the industry overview should guide clarifying questions.

The **idea** step is the submission of a customized document that explicitly outlines the partnership program details. This document can be created in advance as a template for specific partnership programs to speed up customizing the proposal. The proposal is used only after an initial conversation has taken place with the potential partner and must be customized to the potential partner's communicated needs and expectations. The proposal must clearly outline how the program will work, contain ideas about how to leverage the opportunity tactically, and explain how a partnership will contribute to the partner's business and community goals while providing enough information about the opportunity for the company to decide. Including this information in the proposal will demonstrate an understanding of the partner's needs and objectives and go a long way towards securing the partnership. The customization of a partnership proposal that highlights the objectives, ideas, and benefits is an essential component of the sales process.

The **negotiation and closing** step must be a natural conclusion to the continuous communication with a prospective partner. During the negotiation phase, it is vital that a methodology to pricing be applied, as is described in the Pricing Partnerships section of this plan. A seller needs to be able to discuss how a price was determined confidently. If there is negotiation on price, benefits must be removed from the package to maintain price integrity. This process must be an open exchange between the buyer and the seller.

Once a prospective partner has indicated a sincere interest, the priority becomes attaining a signature as quickly as possible. Until an agreement is signed, a deal does not exist. The entire organization needs to embrace a "flawless execution" philosophy in the **fulfillment** step. To ensure partnership programs are flawlessly executed, Caravel recommends creating an activation plan for each partner that clearly states the assets, action steps, who is responsible, and deadline for completion. A critical component of the fulfillment phase is an event recap. Though this can be a laborious process, it is essential to help partners show a return on their investment.

If a consistent process is followed, it is easier to manage the partnership initiative's overall results, communicate internally, and execute flawlessly.

Prospective Sponsors

The following prospective sponsors are a culmination of recommendations from the discovery meeting, research on businesses that have sponsored in the Modesto/Stanslaus market and brands who have an alignment to Parks and Recreation.

Big 5 Sporting Goods	Frito Lay	RE/MAX
Big Lots	Fresca Group	Save Mart
Blue Diamond Almonds	E.& J. Gallo Winery	Seventh Generation
Boyett	Georgia Pacific	SimpliSafe
Bronco Winery	Kaiser Permanente	SoFi
CarMax	Kohl's	Sprouts Farmers Market
Central Valley Community Bank	Modesto Credit Union	Stanislaus Surgical
Central Valley Nissan	Nature Valley	Sun Bum
Citibank	Oak Valley Community Bank	Sutter Central Valley
Del Monte	Pacific Southwest	Target
Deloitte	Pepsi Bottling	Umpqua Bank
Dicks Sporting Goods	Play it Again Sports	Verizon
Doctors Medical	PMZ Real Estate	Walmart
Foster Dairy Products	Valley First Credit Union	Winco Foods
		YETI

Operating Structure

A successful revenue development effort requires an investment of staff, time, and resources. The effort must have a consistent and continuous approach to potential sponsors, strong execution, and devoted relationship management.

To support the Parks and Recreation revenue development efforts, we recommend hiring a dedicated Partnership Manager. Given the organization's complexity and breadth of opportunities, the Partnership Manager should report directly to the Director.

The Partnership Manager would be responsible for securing all sponsorship revenue. An additional team member dedicated to providing sales support and managing sponsorship program execution should also be hired. A common mistake is to hire one person to fulfill both roles – the experience, skills, and talents are very different.

Successful sponsorship operations typically have a minimum of two team members with two distinct areas of responsibility: Sales and Execution. Sponsorship relationships require a daily watchful eye and constant internal communication and collaboration. Programs not executed well impact future success. Conversely, the sales process can be complex, so one person must lead the strategy and negotiations. The roles and responsibilities below represent an effective operating model.

Sales	Execution
<ul style="list-style-type: none"> • Manage and execute the overall sponsorship program, including prospecting, selling, and contracting • Serve as point of contact through signing • Develop and execute revenue plan • Cultivate and manage relationships with key sponsors • Develop and manage both revenue and expense budgets related to sponsorship • Identify prospects and prioritize • Determine approach and strategy • Track activity and provide reports 	<ul style="list-style-type: none"> • Responsible for execution of all contract obligations • Serve as point of contact with sponsor through the execution phase • Maintain asset and benefit inventory • Create and maintain relevant sales materials, including templates, proposals, and collateral • Coordinate with staff to develop sponsor ideas and benefits • Draft proposals and presentations • Maintain sponsor files • Contract preparation and invoice

<ul style="list-style-type: none"> • Maintain contacts in the industry and track industry trends 	<ul style="list-style-type: none"> • Prepare execution plan, attend kick-off meeting • Track activity and provide reports
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Sponsorship is a team effort, involving the collaboration of many departments to achieve goals and demonstrate success. As such, strong leadership and clear processes are vital to the successful execution of any sponsorship strategy. Caravel Marketing advises using the following tools to manage the sponsorship initiative:

1. An annual plan, including revenue goals and an actionable timeline for achieving those goals
2. A prospect and status update list, designed to serve as a CRM tool, manage activity, effectively communicate progress
3. Contract templates frequently reviewed by legal counsel
4. Execution plans for each sponsor program
5. A weekly update report submitted to leadership
6. A simple process that allows departments to review sponsorship template proposals

Individual department managers could seek in-kind donations and smaller level sponsorships to offset operating expenses. However, this department-specific information will still need to be collected and submitted to provide transparency across the department. The procedure may change over time, but all efforts to secure trade should initially be submitted to the Partnership Manager. All sponsorships over \$1,000 should be sold and managed by the Partnership Department.

Prospecting, presenting and contracting sponsors should only be done through the Partnership Manager for the Parks and Recreation Department. All client information, sales outreach, proposal development, negotiation terms, contracts and execution plans should be tracked using a standardize system, as mentioned above. This method will provide a centralized information source and aid in providing transparency. It also facilitates better, more accurate revenue projections.

When igniting a sponsorship sales effort, these best practices will improve the results and operating efficiency:

- It is challenging yet imperative for an organization with limited human resources to not burden the sponsorship manager with additional responsibilities, especially if an internal candidate assumes the role. This practice is widespread and often results in under-performance.
- The sales process can be complex, so strategy and negotiations must be led by someone who is focused on cultivating relationships, developing partnerships, and negotiating agreements. Conversely, program execution requires a daily watchful eye and working collaboratively with other departments. Programs not executed well will impact future success.
- Often people in this position are challenged with navigating internal roadblocks and faced with overcoming a lack of understanding and support. This time and effort spent internally has significant impact on external results. It is essential to minimize the amount of “internal selling” as it can often deflate the effort.
- Consider the measurement of success. Ultimately, we believe the goal is to secure large, long-term partners. Therefore, any responsibilities or internal processes that would impede that effort should be removed.
- Prospecting, presenting, and contracting sponsors should only be done through the manager. This approach helps ensure consistent sponsor experience, sponsorship pricing, and execution. However, sponsor leads, and introductions should be provided to the Partnership Manager.
- All client information, sales outreach, proposal development, negotiation terms, contracts, and execution plans should be tracked using a standardized system.
- Compensation for the Partnership Manager should resemble industry standards related to commission and/or incentive compensation. The person in this role needs to be compensated in such a way as to acknowledge revenue results. Typically, compensation includes a base salary with a commission. The commission rate depends upon the salary level. Realizing a compensation plan with commission may go against current policies, it’s important to understand it’s the market standard and could impede the hiring process.

Best Practices

Caravel has developed sponsorship, operational and relationship practices over decades of successful sales and consulting experience. While the guidelines listed below are not exhaustive, they provide useful, tactical, and thoughtful approaches for the City of Modesto Parks, Recreation and Neighborhood Department to consider when seeking and serving sponsors. Several of the points below are mentioned throughout this report but are consolidated here for easy reference. Though implementing all these best practices may not be immediately feasible, Caravel encourages full adoption over time.

Strategic

- Develop an annual partnership plan outlining the assets, pricing, goals, timeframe, and prospects.
- Appoint a dedicated person to oversee the sponsorship strategy and sales efforts.
- Develop a “story-telling” presentation and proposal templates to reflect the brand and the sponsor opportunity.
- Involve the entire team in the development of promotional concepts that integrate the sponsor throughout the organization in a meaningful way.
- Evaluate the sponsorship program annually with defined metrics.
- Build a culture where sponsorship is “a team sport” by clearly articulating the goals and expectations of all team members to support the effort. Recognize and celebrate the wins with the entire team.

Sales

- Follow a sales process and timeline that aligns with partners.
- Develop and collect “story-telling” communication pieces for internal and external purposes.
- Maintain a real-time CRM tool to track contact information, activity and status using either a simple excel spreadsheet or a technology software platform such as HubSpot.

- Be prepared to explain and justify the sponsorship price. It is essential to understand the value of the sponsorship and be ready to share that information with a prospect. To reinforce pricing integrity, be prepared to increase or decrease the sponsorship fee when significant benefits are added or removed.
- Refrain from sending unsolicited presentation or proposal materials to prospective sponsors; customized proposals must always be presented in person.
- Send thank you notes regularly—after a first meeting, when a contract is signed, and when payment is received. Ideally, a personal connection is made from leadership.
- Define and limit in-kind sponsorships to those who provide only budget-relieving products or services.
- Minimize the number of sponsorship levels to no more than four and develop consistent names for levels.
- For presenting sponsors only sign multiple-year (ideally 3) contracts.
- Agree on sponsor-only assets, and assets allocated for development and fundraising.
- Reserve social media only for the highest-level sponsors and feature content attractive to your audience. Work with the communication team to create guidelines for sponsor integration into social media platforms.

Operational

- Maintain a status sheet that houses all contact information, activity status for each prospect, current sponsor and projected revenue.
- Ensuring a mutual understanding, signed agreements should be in place for all sponsorships and no execution should occur before the agreement is signed.
- Implement a policy that all sponsorship payments must be received in full before the event.
- Tracking using a standardized system for sales outreach, proposal development, negotiation terms, contracts and execution plans.

Execution

- Set a realistic deadline date for sponsor contracts that allows for execution of the sponsorship program.
- Make an organization-wide commitment to flawless execution of sponsorship programs.
- Internally commit to delivering agreed-upon benefits and create a plan to exceed sponsor expectations. Go beyond contract terms by regularly providing new ideas about integrating your sponsor and supporting their evolving business initiatives in new ways.
- Schedule a kick-off meeting with each sponsor and provide an activation plan following the contract signing that outlines the tasks, timelines, and responsibilities necessary to implement the sponsorship.
- Be prepared to provide an end-of-year report to show the progress and results of the sponsorship.

Action Items

The following points summarize Caravel's recommendations cited throughout this report and are included here for ease of reference:

Strategic

- ☐ Adopt a unified definition of sponsorship and philanthropy and operate accordingly
- ☐ Develop a comprehensive 3-year revenue plan
- ☐ Review recommendations in this report and determine which strategies, tactics and guidance you are adopting, set action steps and timelines.
- ☐ Revise Sponsorship and Naming Rights Policy

Operating

- ☐ Hire a dedicated sponsorship director who reports to the CEO or COO.
- ☐ Identify internal person other than the sponsorship seller to manage sponsor execution.

Sales

- ☐ Develop and maintain a current prospect list with company and contact information and key facts about the company. Focus on businesses within a 50-mile radius of Modesto.
- ☐ Create an asset inventory system to clearly identify the most valuable assets, but also to house promotional ideas.
- ☐ Roll the Seasonal Activity Guide advertising into sponsorship programs
- ☐ Eliminate the "Application Process" for sponsors

Execution

- ☐ Revise sponsorship contracts and require signed agreements for all sponsorships.
- ☐ Create an activation plan for all sponsorship contracts and circulate to key people and/or departments and sponsors.

- ❑ Adopt a CRM tool to manage sponsor contact information. Integrate into the existing Salesforce system, subscribe to a free HubSpot account, or use an Excel spreadsheet.
- ❑ Develop a tracking tool for prospective sponsors, revenue projections and where in the sales process. (An excel status sheet has been provided in the addendum of this report).
- ❑ Create a story-telling presentation that includes all events and programs.
- ❑ Create a proposal letter template for each sponsorship level suggested in this report and/or a template for specific events and programs.
- ❑ Establish a policy that in-kind products and services are only accepted if they are budget relieving or significantly contribute to improving the visitor or participant experience.
- ❑ Create a simple, new organizational system in a cloud-based filing sharing system to reorganize documents. Create a folder for each sponsor that houses the proposals, communications, contracts, etc.
- ❑ Create a website sponsor page with general information about sponsorship opportunities and who to contact if interested.



Thank you



Paula Beadle, CEO

Seattle | Minneapolis

206-351-2805 | paula@caravelmarketing.com | www.caravelmarketing.com

This sponsorship report was prepared for the City of Modesto Parks, Recreation and Neighborhoods and is confidential. It may not be used or replicated for other purposes beyond the original intent, without written consent from Caravel Marketing, Inc.

Attachment C: Cost Recovery Workshop Materials

This attachment includes the slide deck presentation used for staff orientation and the draft Categories of Service developed to serve as a base for a future comprehensive Cost Recovery Study.

Some notes about the draft categories of service document and future refinement through a comprehensive study:

- The purpose of the exercise is to identify every service you offer that your budget supports – not just recreation programs or only those services or products for which you currently charge a fee.
- Approach the exercise as if you are a brand-new Department and you have no fees in place currently. You are doing this so that you can later determine if you are going to charge a fee and to what degree.
- Do not use “we already charge for this; therefore, generating that revenue is a benefit to the community” as justification for your thinking about any of this. This exercise is designed to get to the underlying philosophy of why you are offering what you are offering, and who benefits from that, so that you can ultimately determine if and what you should charge. (Starting with the fact that you charge now defeats the purpose of the exercise and only serves to justify what you are currently doing without getting at “why”).
- You do not want an excessive number of categories – put services with similar characteristics regarding who is benefiting from the service into categories. Everything needs a home. If you identify a service and cannot fit it into an already existing category, you will have to create a new category. For example, one agency offered what we ended up calling a category of “attractions” at its parks – consisting of rides on a historical carousel and train (which were regional destination activities). These did not fit anywhere else.
- Rich debate/discussion is expected at this stage – and definitely not “group think.” The point is to challenge each other’s thinking until you can reach a point of consensus (not everyone has to agree completely but has to agree to live with the result).



CITY OF MODESTO
PARKS, RECREATION & NEIGHBORHOODS DEPARTMENT
SUMMER ACTIVITY GUIDE
APRIL THROUGH JULY 2022
www.modestogov.com/prnd
1010 N 10TH ST SUITE 4000 • MODESTO, CA 95354
PHONE 209.577.5344 • FAX 209.342.4705
@modestoparkandrec



Developing a Cost Recovery Model

7/3/22

1



Agenda

- I. Why do this?
- II. The Evolution of Public Parks and Recreation
- III. Introduction to Cost Recovery Methodology
- IV. The 10 Steps
 - I. The Exercise

2

Why do this?

- Allows you to “tell your story”
- Promotes sustainability
- It provides a consistent framework for how you develop and price your programs
- Staff, the public and policy makers can understand it – it’s logical, transparent, and sound

An illustration showing a large, open book with various text and images. A person is sitting on the top right of the book, using a laptop. Another person is standing on a ladder on the left, looking through a magnifying glass at the text. A third person is standing on the right, pointing at the text. The background is a light blue shape with the letters A, C, G, B, W floating above it.

3

An illustration of a diverse group of people of various ages and ethnicities celebrating. Some are raising their hands, some are jumping, and one person is in a wheelchair. There are colorful confetti, stars, and musical notes floating above them.

Public parks and recreation agencies are now using corporate or business best practice models to help sustain systems.

How much tax investment should be directed to a service if an individual receives a greater benefit than the community as a whole?

4





How do you currently manage cost recovery or set fees?

5

The Evolution of Public Parks and Recreation

- In 1859, Central Park, the first landscaped park opens
- 1885 Playground Movement begins
- In 1903 Chicago opened the South Side Park Playgrounds and in two years had taxed itself \$10,000,000 for park playground support. Called by Theodore Roosevelt “the most notable civic achievement of any American city”.
- By 1910, 336 cities had supervised recreation programs



6

What’s Happening Nov

- Demand for diverse services
- Aging facilities
- Non “essential services”
- Economic downturn
- Calls for?
 - ✓ Consistency
 - ✓ Professionalism
 - ✓ Accountability
 - ✓ Justifiable decisions
 - ✓ Transparency



7

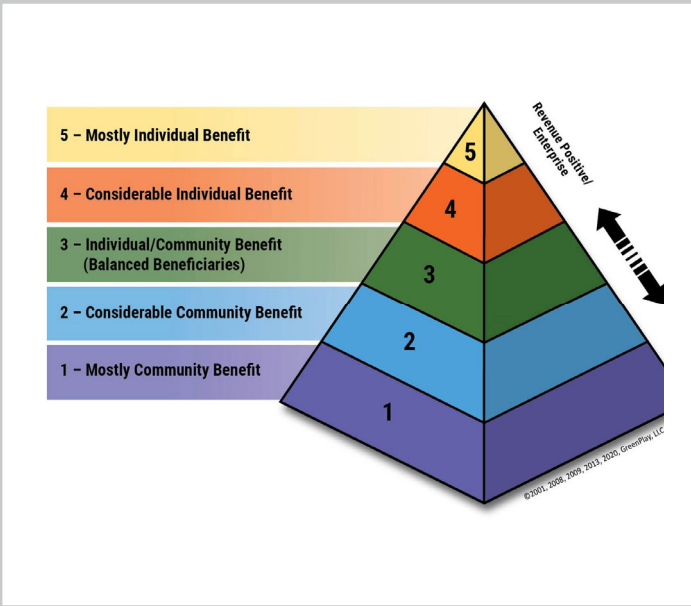
What’s happening in your community?



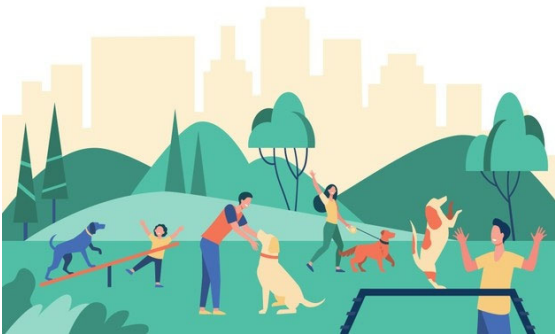
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Introduction to the Pyramid Methodology

- Based on who benefits
- Basic level of service is free (supported by tax revenues)
- Fees are a responsible and necessary supplement
- The greater the individual benefit the higher cost recovery rate
- Considers economic climate, alternative providers, and market rate
- Fee reductions available for economic need



9



What services do you provide that benefit the community as a whole?

- positive economic impact
- increase public safety
- address social needs
- enhance basic quality of life of all residents

10



11



12

Step 1: Building on your agency’s vision,
mission, and community priorities

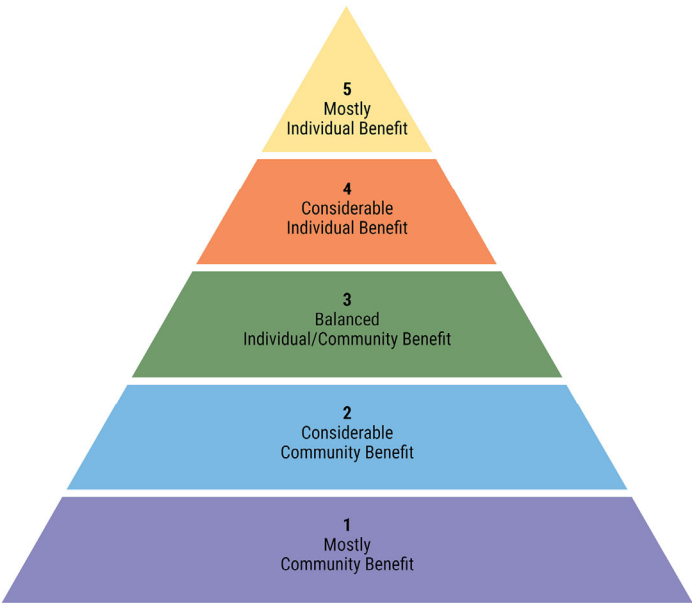
Mission: What is your purpose? Who
do you serve? What is the essential
role of your department?

Vision: What do you look like in the
future? What do you want to be –
that you aren’t yet?

13

Step Two:
Understanding the
Benefits Filter

- Community benefit = tax dollars
- Individual benefit = fees
- The greater the individual benefit =
higher cost recovery rate

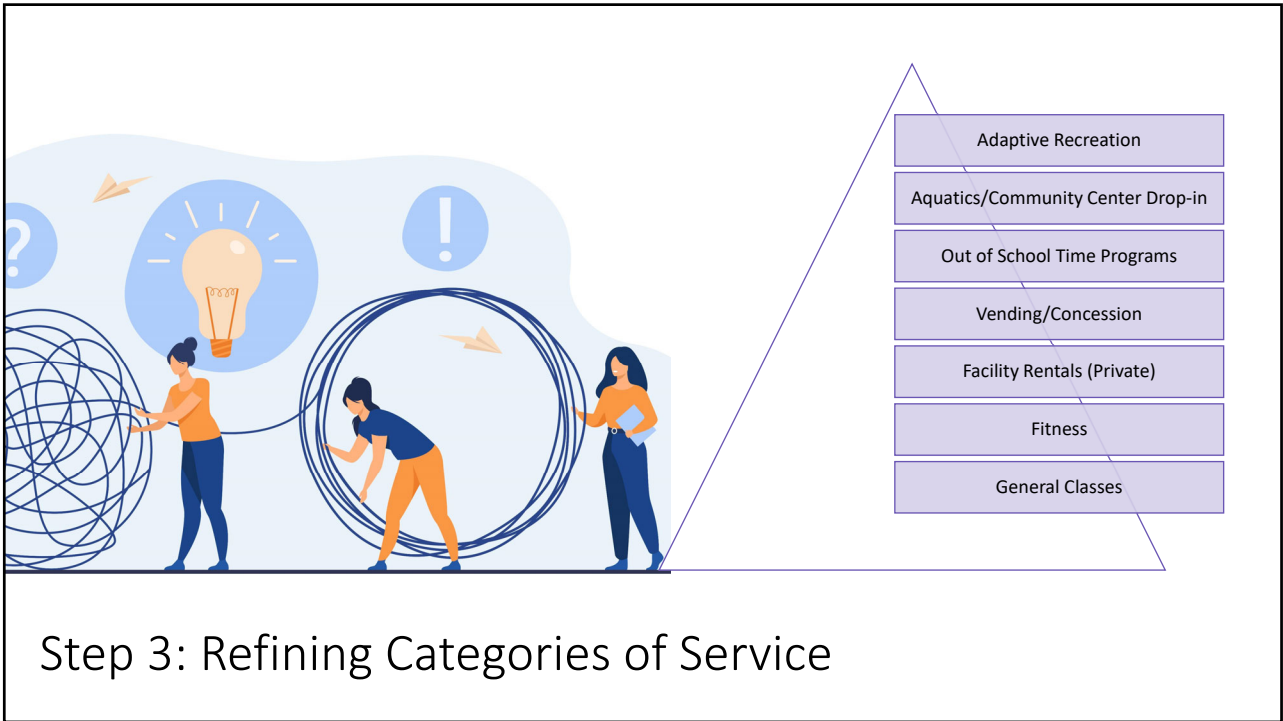


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Step 2: Understanding Benefit Filters

	Primary Filter Benefit	Access/Type of Service	Organizational Responsibility	Historical Expectations	Impacts	Social Value
Level 5	mostly individual benefit	Specialized or competitive - exclusive use	highly questionable	highly questionable	impact to provide is evident, qualified, & quantified	limited
Level 4	considerable individual benefit	advanced recreational or competitive - not recreational	could do	could do	impact to provide is evident, qualified, & quantified	lesser degree
Level 3	balanced individual and community benefit	instructional - intermediate	should do	should do	impact to provide is evident; moderate impact to not provide	some
Level 2	considerable community benefit (may have some individual benefit)	instructional - basic and drop-in activities	traditionally expected to do	traditionally expected to do	acceptable impact to provide; significant impact to not provide	High degree
Level 1	mostly benefits community as a whole	open access, maybe drop-in opportunities or community events	must do	must do	provide regardless of the impact; significant impact to not provide	substantial

15

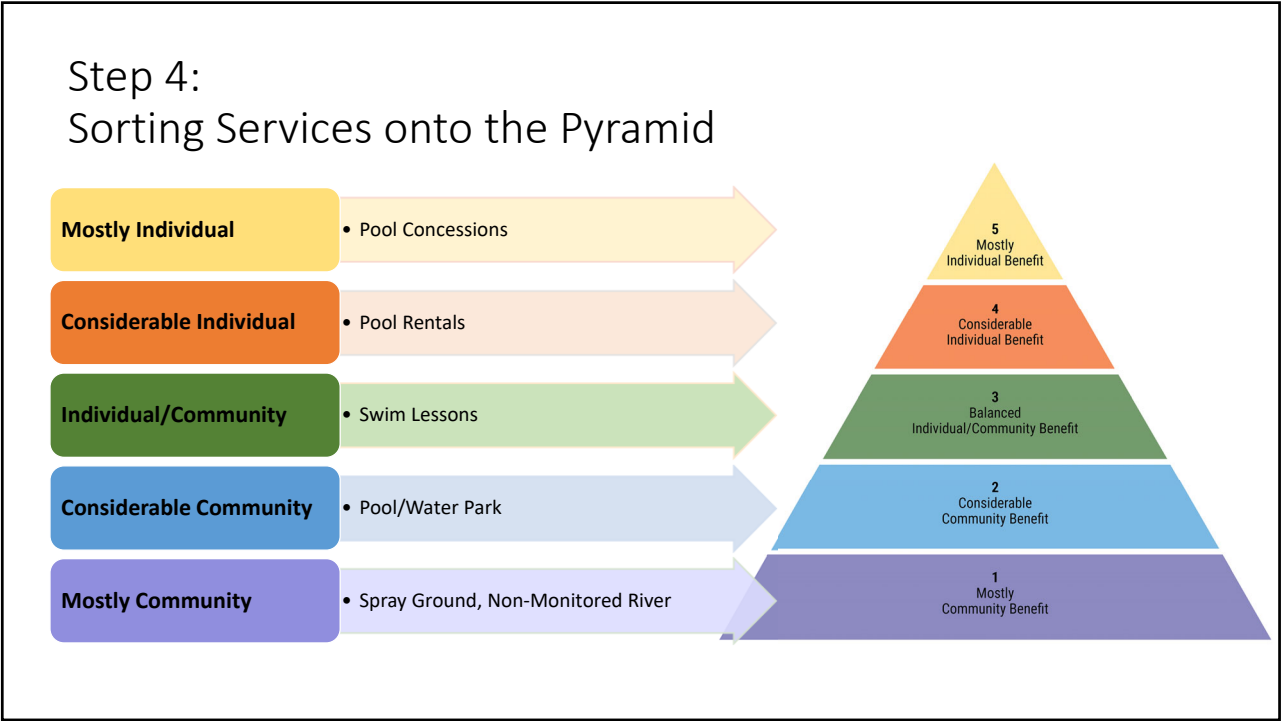


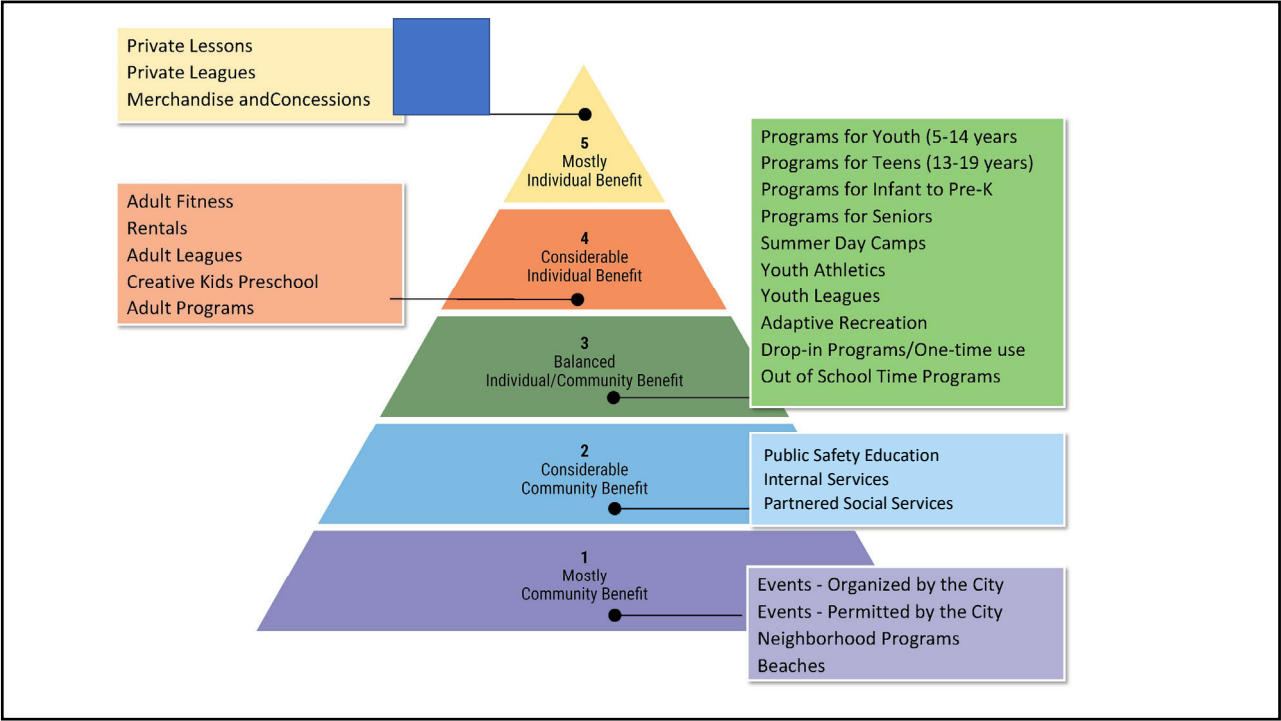
Step 3: Refining Categories of Service

16

Service Category	Definition	Examples
Private Lessons	One on one instruction to improve or learn specific skills with progressive learning and performance expected	computer lessons, guitar lessons, tennis lessons, private swim lessons
Private Leagues	Competitive sports programs and leagues operated or managed by outside organizations. Participation based on selection process i.e. try outs.	Not offered by recreation staff, but field rental and gym space provided to these types of organizations through our rental process such as club or select soccer, baseball, football, etc.
Adult Fitness	Adult group fitness	Boot camp, yoga, tai chi, cardio cross training, rowing, water aerobics at HMAC
Adult Programs	Enrichment programing geared towards adults	Sailing Club, Greenhouse Gardening
Rentals	Private rental use of city owned property or spaces, such classrooms, basketball gyms athletic field, and picnic shelters	Weddings, birthday parties, meetings, and tradeshow
Adult Leagues	Recreational athletic leagues and activities operated managed by the city through contract or city staff throughout the year	Baseball, basketball, softball, volleyball, kickball, etc.
Programs for Youth 5-14 years	Enrichment programs and activities to expose youth to a variety of art, drama, dance, civic engagement and gaming clubs lead or taught by city staff or contracted companies	Steppin' Together dance, art explorers

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19



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Example Programs for Sorting Exercise

Athletic Field Use	Preschool Classes	Facility Rental	Drop in Basketball	Adult Fitness
Special Events (Run by the Department)	Youth Camps	Kayak Rentals	50+ General Classes	Private Swim Lessons
Special Events Permitted	Drop in Public Swim	Vending/Concessions	Senior Trips	Lifeguard Training
	Learn to Swim	Adult Dance Program	General Park Use	

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Step 5: Define Direct and Indirect Costs



Direct Cost

specific, identifiable expenses associated with providing a service

expense would not exist without the service



Indirect Cost

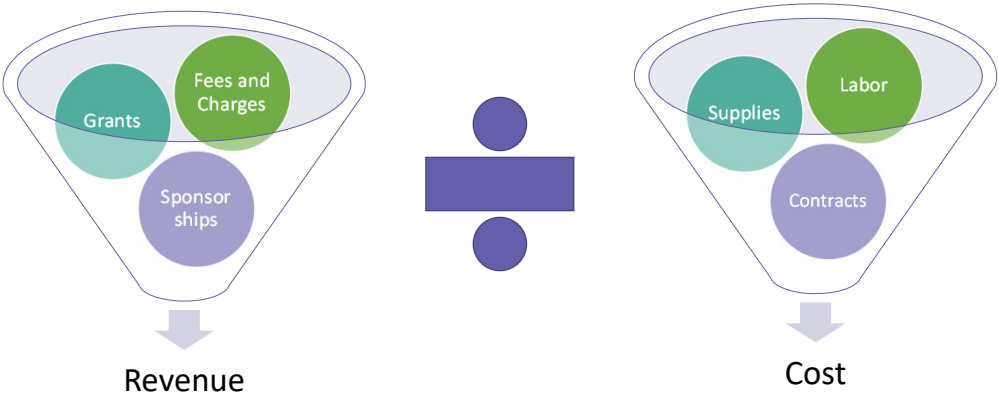
remaining overhead

administrative costs of the agency

expense would exist without the service

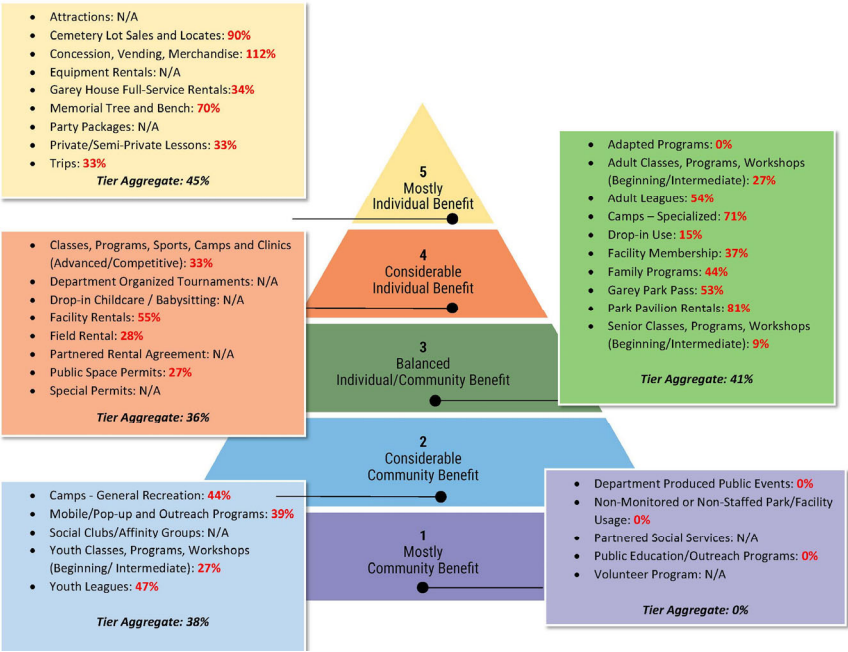
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Step 6: Determine Current Subsidy & Cost Recovery Levels



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Step 7:
Establishing
Future Tier
Targets



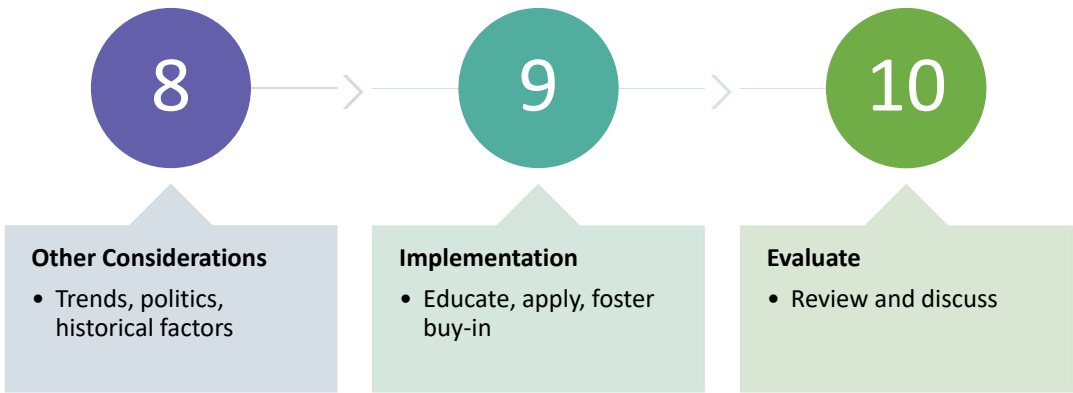
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Establishing Future Tier Targets

Tier Level	Current Aggregate Cost Recovery	Target Cost Recovery Range
Tier 5	94%	101%+
Tier 4	58%	60 - 100%
Tier 3	58%	41 - 59%
Tier 2	26%	11 - 40%
Tier 1	0%	0 - 10%

25

Step 8, 9, and 10: Understand and Preparing for Influential Factors and Considerations



26

Modesto Attachment C2: Modesto Draft Categories

Service Category	Definition	Examples		Things to consider as you fine tune this listing of categories
Admission Based Facility Rentals	A facility rental by a private individual, business, or for-profit organization for an activity with a fee for attendance or participation. Facility is closed to the general public.	1) Modesto Center Plaza gets a percentage of ticket sales for private ticketed sale events. MCP events include trade shows, vendor fairs, sports events (wrestling, fights), community fundraisers, bridal shows, home and garden shows, etc.). 2) Events held elsewhere (Graceada Park, Mancini Bowl, and McHenry Museum) may house events where event promoters charge admission but PRN does not get a % of ticket price or proceeds (Food & Beverage Events, Concerts). 3) Car Shows at Golf Courses (PRN gets flat rate payment for use of course). PRN does not get a % of sales.	We used to charge 5% of gross on fundraising events in the past - for profit and for non-profits.	<p>Intent to separating rentals is to acknowledge your intent for the different types of rentals and ultimately determine who is actually benefiting to what degree - the individual group doing the renting, or the community at large. Although community at large may benefit from the space being available for rentals, this is not the point. The point is <u>when the rental is occurring</u> - who is benefiting? Drawing these distinctions helps you think through why you are offering the service in the first place.</p>
Facility Rentals	Temporary and exclusive use of a city-owned space or facility by a member of the general public or a non-profit entity registered as a 501(c)3 (and other types of non-profit categories).	Mancini Bowl - concerts, events, and start/end points for walks, races, runs, and parades. Sports Fields (year-round) - organized youth and adult sports organizations for games, practices, and tournaments (Soccer, Base/Softball, and Basketball). Picnic Pavilions for private parties, family gatherings, races, marathons, and walks. Park Green Space community and private events (usually combined with a park facility). Mansion - private weddings and events. Museum - private weddings and small events. Modesto Centre Plaza - private use for trainings, trade shows, awards/ceremonies, weddings, graduations, fundraisers, and conferences.	Monday-Thursday non-profit rates are offered. Note - Community Centers are open for neighborhood organization use at no charge. Note - City use of facilities (no charge or charged). Modesto Center Plaza is used for luncheons, community meetings, briefings, emergency services training/pinnings/award ceremonies. Parks are used for Mayor and Councilmember meetings in the park.	
Field Rentals (seasonal)	Temporary and exclusive use of a city-owned playing field by the public or a non-profit entity registered as a 501(c)3.	Reoccurring Park Field Reservations by individuals groups, and/or organizations such as Modesto high schools, Modesto Youth Soccer Association, NorCal Soccer, Cruizers Soccer for practices, games, and tournaments. Other group use from businesses, churches, and youth organizations for one-time use. Note: City use of field (seasonal) for Junior Giants Leagues and City Adult Softball Leagues through Recreation.	No seasonal rates in place.	
Tenant Facility Lease	Long-term exclusive use of spaces and facilities for ongoing or multiple time-periods by a private individual, group, non-profit, or for-profit business through a formal agreement with the city.	(please add examples of purpose of use and/or specific renters) Doubletree Hotel - Modesto Centre Plaza, Modesto On Ice - Modesto Centre Plaza Parking Lot, Modesto Nuts - John Thurman Field, West Modesto Community Collaborative - King Kennedy Memorial Center, First-Tee - Roselawn Parcel, Boys & Girls Club - Roselawn Parcel, UC Merced - Modesto Centre Plaza Lower Level for Venture Lab, Modesto Cruizers - Thurman Soccer Field, Office of Emergency Services - any facility for emergency services (example: Covid testing, vaccine clinic). Halls & Community Centers - Election Sites.		
Picnic Pavilions	Temporary and exclusive use of a park picnic shelter and the shelter's amenities (picnic tables, charcoal grill, electricity) for a set block of time.	Park Picnic Shelter Rentals - We consider this a rental facility - see above.		
Concessions Leases	Agreements which allow private businesses the right to sell products (generally snack foods and beverage items) within city parks or city-owned facilities, generally seasonally or for a specified period of time.	Park Concession Stands, Snack Shacks - Doubletree (Catering & Concessionaire Services for Modesto Center Plaza), Greens on Tenth (Concession services for Mary Grogan Soccer Complex)		what you offer by operating yourselves is covered in the next category of Merchandise and Vending

Service Category	Definition	Examples		Things to consider as you fine tune this listing of categories
Merchandise & Vending	The retail sale of items to the public.	Pool Snack/Candy Concessions/Equipment/Items - Pool concessions at Johannsen (City), Softball sales (City), McHenry Museum store and McHenry Mansion store - run by foundations - City does not get % of proceeds.		
Staff-Facilitated Private Parties	A staff led activity for a private individual, business or non-profit organization. May include games, lifeguards, party food. (Requires facility rental in addition).	Splash Parties (12 and under)		
Advertising	Allowance of physical or digital space for private advertising	Activity Guide Advertising, Modesto Centre Plaza Video Advertising, Dog Park Banners, Mary Grogan Park Banners, Golf Carts promotion inserts in carts.		
Adult Recreation Classes and Programs	Adult educational classes and programs that teach the fundamentals, skills or techniques of a particular hobby, art form or sport.	Adult Softball Leagues, Tennis, Water Exercise, Softball, Oil Painting, Dance, including Contract Classes		
Youth Recreation Classes and Programs	Youth educational classes, clinics, and programs that teach the fundamentals, skills or techniques of a particular hobby, art form or sport.	After School Programs, Sports (Tennis, Soccer, Volleyball, Archery, Golf 1st Tee), Health & Fitness (Futsal, Hula), Guitar, Martial Arts, Art, Life Skills classes, Parent/Tot Classes, Dance, STEM/LEGO, PAL Boxing, Basketball - Youth CO ED, including contract classes		
Swim Lessons	Group swim lessons facilitated by one or more instructors with students grouped by skill levels.	Learn to Swim Lessons (groups)		
Youth Camps	Camps providing supervised recreational, educational, and athletic enrichment activities for children, typically occurring during school breaks and lasting several hours a day for up to a week.	Jr. Lifeguard, Splash, Aqua, CSI, Tennis, Baseball, and All Sports Day Camps and After School, STEM/LEGO, Winter Sculpture		
Adaptive Recreation Classes and Programs	Educational classes, clinics, and programs, adapted for special needs, that teach the fundamentals, skills or techniques of a particular hobby, art form or sport.	Sports, Dance Fitness, Bowling, Senior/Disabled Swim		
Seniors Health & Fitness (50+)	Senior educational classes, clinics, and programs that teach the fundamentals, skills, or techniques of a particular hobby, art form, or sport, and or provide socialization	Barre, Pilates, strength training, Zumba, Tai Chi, Walking, Yoga, Arts & Crafts, Dance, Movie Matinee, Music, Pickle Ball, Swim, Technology Assistance, Tax Preparation, Technology Tutorials		
Specialty Classes	Educational classes and programs that teach the fundamentals, skills or techniques of a particular specialty area	Lifeguard Training, Computer Science, Spring Board Diving, Driver's Education, AARP Safe Driver Renewal		
Public Safety Initiatives	Program, or loan of city equipment for limited personal use, in the interest of public safety or to address a specific safety/social issue	Life Jacket Loan Program, Maddux - Homework Time, Technology, Reach After School Camps, MAD Camp, Youth Basketball, Special Events		
Private or Semi-Private Lessons	An instructional session with one instructor and one student (private), or one instructor and a very small number of other students (semi-private).	Private Swim Lessons, Golf Lessons, or Tennis Lessons		

Service Category	Definition	Examples		Things to consider as you fine tune this listing of categories
Adult Sports Leagues	Adult competitive and recreational sports activities that are offered, coordinated and supervised by city staff and/or contracted individuals (e.g., referees, scorekeepers).	Softball, others?		
Youth Sports Leagues & Tournaments	Youth recreational sports activities that are offered, coordinated and supervised by city staff and/or contracted individuals (e.g., referees, scorekeepers).	Baseball, Basketball, Volleyball—these are more classes & clinics. Junior Giants		
Trips	A short, day excursion made by a group of individuals to an educational, interesting, or entertaining destination, often for leisure or social opportunities. Trips are designed for Active Adults (Sr. Citizens? 60+?).	Stockton Kings, Yosemite, San Francisco - hopeful for future (currently budgeted). Duarte poinsettias, Lockeford Sausage, Castle Air Base		
Golf Course Use	Activities, tee times, tournaments, associated with Modesto Golf Courses (City owns courses, contracts management and maintenance services - contracted service is a cost of doing business.)	Golf Tee Times, Driving Range, Passes, Cart Rentals, Concessions/Clubhouse Restaurant		
Senior Nutrition Program	Hot nutritious meal available to those 60 or older for in-person dining.	Senior Meals Provided in Partnership with Stanislaus County Area Agency on Aging.		
Monitored Drop-In Use	Drop-in use of a facility or activity with no instruction, but with monitoring or supervision by city staff.	Recreational Swim; Family Swim; Public Lap Swim; Sr/Disabled Swim, Youth Programs - Open Basketball Court, Senior Citizens Center Walk-In Activities (Games, Cards, Knitting), Maddux Youth Center Walk-In Activities (Computers, Homework Space, Gymnasium, Exercise Room)		
Park & Pathway Use	Unstructured use of a park space, playground, splash pad, or pathways.	Playground use, frisbee in the park, biking on pathways, disc golf, basketball, volleyball, horseshoes, petanque,, beanbag toss		
Permitted Special Events	Use of park and/or recreation facilities by private organizations or businesses to conduct a special event requiring special permits or licenses.	Annual Festivals, Music Events, MoBand Seasonal Concert Series, Walks, Runs, Marathons, Parade start/end sites.		Similar to Rentals above, you want to separate out different types of events - different purposes and different benefits to individuals/individual groups and community.
Community and Special Event Sponsorships	Through an application process to the City, sponsorship of special events that provide community or economic benefit to the City	Shadow Chase Memorial Classic (run), Night at the Bowl, MoBand Concerts in the Park, Kiwanis July 4th Parade, MPOA Memorial Run, Youth Sports Organizations (facility rental), , Cinco de Mayo Parade, Graffiti Parade, Veterans Parade, etc., Juneteenth		
Community Special Events (Department)	Community-wide events, hosted by the department staged largely for social, cultural, entertainment or educational purposes.	Rec Fest, Swimming Summer Kickoff, Dive-in Movies, Movies in the Park, Adaptive Recreation Friday Night Out, Celebration of Lights, Spirit of Giving 5K Run, Breakfast with Santa		
City-Sponsored Community Events	Annual Events run by the City, (but not specifically by the department) for which the department provides some kind of support)	Bike to work day, Earth Day in the Park, Modesto Mo' Beautiful Day, Family Cycling Festival		

Service Category	Definition	Examples		Things to consider as you fine tune this listing of categories
Arts and Culture Programs	Community outreach, exhibits, events, and educational activities as reviewed by the Culture Commission to provide public awareness and participation in the arts as well as develop, advance, and nurture all facets of the arts; and by the Landmark Preservation Commission to preserve and honor historically significant areas and structures within the City for future generations.	Park name change. Art installations. Mural projects.		TBD - needs clarification/discussion.
Financial Assistance Program	Limited use opportunities for financial assistance to participate in recreational offerings of the City	Leisure Bucks (for kids, disabled adults, and seniors). Youth on Course (Golf).		
Volunteer Opportunities	Coordinated unpaid activities in which individuals or groups donate time and effort to accomplish tasks, support organizational goals, or benefit others. Generally, under the direct or indirect supervision of city staff	Park and Trail Clean Ups, City Hall Front Desk, Special Event Helpers, Internships		
Park Ops - Park Rental/Event Prep & Support	Preparation of reserved park areas for private and community events.	Preparation of rental sites: Check fields for safety, line and drag fields as required, program lighting on/off, reschedule irrigation times as required, place added trash cans, participate in site visits with large event renters, attend monthly customer service meetings, attend 90-day event review meetings, unlock/lock electrical access panels, service rental call-duty calls, service restrooms, blow off trails, lock/unlock gates.		
Park Ops - Go-Modesto calls for action and other urgent requests for service.	Additional park services required due to Collaborate with other City services to address urgent public safety hazards, vandalism, and illegal dumping in parks.	Broken play equipment, tree threats, uneven surfaces, abate vandalism, open/close restrooms, order replacement equipment, address irrigation failures/equipment theft.		
Park Ops - Deferred Maintenance	As funding is available, address deferred maintenance needs in parks.	Replace play equipment, repair walkways, repave parking lots, repair/resurface basketball and tennis courts, returf sports fields, replace/refurbish picnic areas, replace restrooms, remove turf, replace irrigation systems, install replacement wells, new sand for volleyball pits, additional fibar replacements		
Park Ops - City Collaboration	Park Operation Support for other divisions and agencies.	Fire Breaking. Homeless camp cleans up w/MPD. Vegetation management. Install downtown holiday decoration. Water Wagon services for downtown business flower pots. Helen White Trail maintenance. Garden Club. Contract management - city-wide landscaping services.		these might be sale of firewood, tree inspections, mulching service, median maintenance, other?
Parks Planning & Development	Parks Planning & Development division.	Capital/non-Capital project management. TRRP administration. Neighborhood meetings (all division). Community-based projects. Citizen inquires. Design work. Plan checks and inspections. Grant writing. Cell tower agreement management.		park planning
Parks Planning & Development	Park Partners Projects - community-driven park projects funding in part by City and park partners (fundraising).	New playgrounds, Mancini Bowl improvements (lighting, seating), equipment donations (chairs for Senior Center), flag pole installations, pickleball courts, verandas, benches, trees/landscape materials,		

Service Category	Definition	Examples		Things to consider as you fine tune this listing of categories
Outreach & Collaborative Services	Department outreach and collaboration w/local neighborhood groups and associations.	West Modesto Community Collaborative, CRPS District 5, Hispanic Youth Leadership Council, Modesto Neighborhoods Inc. Modesto City Schools Student, Parent & Community Outreach , Stanislaus County Commission on Aging, West Modesto People of Action, NAACP, Blight Abatement Commission, City Safety Committee, Development Review Team, HR Liaisons, Modesto Police Department Area Commands, Stanislaus County Oversight Board, 9-2-99, Dry Creek Trail Coalition		
Social Media/Marketing	Department messaging and branding.	City website, mailers, social media platforms,		we don't want an excessive amount of categories, but if you are doing something that doesn't fit in yet - everything needs a home
Customer Service	Department inquiries, rental reservations, and program registrations	Class registrations, field rentals, picnic rentals, building rentals, special event applications and planning, revenue management (for above). Specialty software management. Collaboration of financial, specialty software, and IT systems for above.		
Licensing/Inspection Fees		Utilities, Solid Waste, County Food Operations, Music, ABC, Daily Liquor, Insurance, Inspections, Elevators, Fire Compression, Ancil System, Entertainment Permit Fees		
Administration		Facility Contract Management. Park Op Services Contract Management. Recreation Contractor Management. Agency Contract Management: Downtown Improvement District, Modesto Convention & Visitors Bureau, West Modesto Community Collaborative, King-Kennedy Board of Directors, McHenry Museum Historical Society, McHenry Mansion Foundation, Reportings. Data Collection/Management. Recruitment. Budget. Purchasing. Accounts Payables. New Hire Orientation. Guest Services Contract/Event Management. Supplies. Legislative Compliance. Training. Fund Development. Council & Council Committee Reports, Actions, Follow-Up. Standing Board/Commission/Committees: TRRP JPA, TRRP Citizens Advisory Committee, Golf Courses Advisory Committee, Culture Commission, Youth Commission. Software System Management (Guest Services & Park Operations) Special Projects Standard		
		Set up Mansion/Museum. Use of equipment. Training.		
Service Costs	Staff/Equipment	Rental set up. Maintain on-hand inventory and upkeep of equipment (tables, chairs, technology-based, bollards, signage, electricity, utilities, waste management, loading areas.		

Attachment D: Suggested or Sample Policy Language

This attachment includes suggested or sample language for policy development for D1. sponsorship, D2. naming rights, D3 partnership, and D4. cost recovery policies. The suggested language is based on an understanding of the needs of the PRND and a review of language from other similar agencies. It has not been vetted by the City nor has it been subject to any input from the Modesto community or potential stakeholders. It is intended as a starting point for the development of policy for the City and appropriate resident and stakeholder engagement.

D1. Suggested Language for Sponsorship Policy Development

The following suggested language is intended to address all sponsorships needs of the PRND with a specific reference to naming rights. Suggested language for a more detailed naming rights policy is also provided separately. This suggested language is based on an understanding of the needs of the PRND and a review of language from other similar agencies. It has not been vetted by the City of Modesto (City) nor has it been subject to any input from the Modesto community or any potential sponsors. It is intended as a starting point for the development of a policy for the City and appropriate resident and stakeholder engagement.

This suggested language references a role for an advisory board(s) recommendation. The language needs to be customized to align with any advisory and recommending processes in place in the City currently. References to an advisory board are in highlighted text for your convenience.

Suggested Language:

POLICY NAME: CORPORATE SPONSORSHIP POLICY

Purpose

The purpose of this policy is to establish guidelines in the development and management of sponsorship and naming rights programs. The policy will provide guidance for entering into sponsorship and naming rights agreements with businesses in exchange for providing financial or material in-kind support for a specified park asset or park program.

Policy Statement

The City Council has determined that a Corporate Sponsorship Policy is necessary and appropriate to provide revenue and in-kind support for the benefit of the PRND in its efforts to develop, maintain, improve, support, market, and sustain its park assets and programs for the benefit of the community at large and visitors.

The PRND will actively seek sponsors for events, buildings, parks, services, and other facilities from corporations, foundations, and nonprofit organizations for the purpose of generating revenue, reducing expenses, increasing awareness of park and recreation programs, and complementing the visitor experience. The PRND will seek to create and enhance relationships with corporations and other organizations through commercial sponsorships and naming rights arrangements. This goal can be accomplished by providing local, regional, and national businesses a method to become associated and involved with the many facilities, activities, and programs provided by the PRND.

The PRND provides quality, life-enriching activities to the community. This translates into exceptional visibility for sponsors and supporters. It is the goal of this policy to further these opportunities for the ultimate benefit of the public.

Sponsors will receive recognition for their financial or in-kind contribution in the form of advertising and signage, in addition to other agreed upon benefits to a level comparable with sponsors' investment, without detracting from the visitor experience or impairing the visual qualities of the facility or event.

It is the policy of the City of Modesto (City) that corporate sponsorship and naming rights solicitation and agreements will exist in accordance with the guidelines set forth in this policy.

Definitions

Sponsorship: Sponsorship is a relationship with a business entity where that entity provides money, goods, or services to the PRND over a specified term, and in return, the business entity receives acknowledgment of the sponsorship via specific benefits such as inclusion in marketing materials, signage, digital media, promotions, on-site activation, and display area. The business entity may also receive other benefits, including certain designations, category exclusivity and the use of the City and the PRND Department logo.

Park Asset: Park amenities such as recreation buildings, fields, parks, pavilions, trails and other facilities, rooms, landscaping, art, or other physical features owned, operated, or managed by the City through the PRND. Assets also include marketing assets such as advertising and promotional materials, digital and social media, and signage.

Advisory Board

An advisory board to the Director of PRND, the Mayor, City Council, and other city departments with respect to parks and recreation matters.

Naming Rights: A commercial benefit of specified duration to signify the name or trademark of a designated legal entity as part of the name of the park asset specified in the agreement.

Eligibility Criteria

Naming rights or sponsorship benefits are limited to the promotion or recognition of commercial enterprise and commercial activities that do not compete, impair, or conflict with, the mission, policies, goals, or operations of the PRND, or designated assets or programs.

Corporate sponsors must support the mission and policies of the City and PRND. In general, the following industries are not eligible for corporate sponsorship with the City: religious, gambling, tobacco, firearms, adult entertainment, political organizations, and organizations that do not align with the mission and goals of the PRND as determined by the Director.

The Director may use, but is not limited to, the following criteria when evaluating a corporate sponsorship proposal; in all cases, the director (or designee) will have the prerogative to accept or reject the proposal:

- The compatibility of the corporation's products, customers, and promotional goals with the City and PRND's mission

- The corporation's past record of involvement in community and City projects
- The desirability of PRND to associate with the potential sponsors business, image, reputation
- The timeliness or readiness of the corporation to enter an agreement
- The actual value in cash, or in-kind goods or services, of the proposal in relation to the benefit to the corporation
- Community support for, or opposition to, this proposal or previous agreements
- The operating and maintenance cost associated with the proposal
- The corporation's record of responsible environmental stewardship

Responsibility

The PRND Director (or designee) is authorized to enter into corporate sponsorship agreements and naming rights. The Director will seek advice from the XXXXX – Advisory Board on proposed agreements that may not meet the criteria.

If the Director (or designee) approves the proposal in principle, staff will draft a sponsorship agreement for signature. This agreement will include the contract relationship; the term; description of fees, commissions, and/or in-kind services provided to the City; the marketing rights and benefits provided to the sponsor; and termination provisions. All sponsorship programs are required to have a contract signed by the Director and sponsor organization.

Naming rights opportunities will be identified and submitted to the City Council / City Manager's Office / Advisory Board for approval to seek a corporate naming rights sponsor.

D2. Suggested Language for Naming Rights Policy Development

The following suggested language is intended to address naming rights needs of the Parks, Recreation & Libraries Department (PRND). This suggested language is based on an understanding of the needs of the PRND, review of an existing draft naming rights policy, review of Naming of City Parks policy #6.005 modified 9/14/1982, and a review of language from other similar agencies. It has not been vetted by the City of Modesto (City) nor has it been subject to any input from the Modesto community or any potential proposers. It is intended as a starting point for the development of a policy for the City and appropriate resident and stakeholder engagement.

This suggested language references a role for an advisory board(s) recommendation. The language needs to be customized to align with any advisory and recommending processes in place in the City currently. There was no attempt with this particular reference, or other highlighted language, to customize to Modesto.

Suggested Language:

POLICY NAME: CORPORATE and INDIVIDUAL NAMING RIGHTS POLICY

Purpose

The purpose of this policy is to establish criteria and procedure for naming of facilities to underwrite costs and optimize non-tax revenue sources, assisting in the financing of the construction, renovation or operation of certain facilities, programs, and events. City facilities are acquired and maintained at public expense to carry out City business. The naming of such facilities can have lasting implications and raise political, legal and equity concerns both within the City organization and with the public at large. This policy attempts to anticipate these concerns and to provide a consistent transparent and Citywide evaluation framework and process for addressing them while providing brand recognition for the sponsor.

Policy Statement

The City Council has determined that an Individual and Corporate Naming Rights Policy is necessary and appropriate to provide revenue and in-kind support for the benefit of the PRND in its efforts to develop, maintain, improve, support, market, and sustain its park assets and programs for the community at large and visitors

The City of Modesto (City) desires to allow, in appropriate circumstances, the naming or renaming of facilities, owned, and operated by the City, in response to sponsorships. This allowance extends to facilities that are owned by the City but leased to, and used by, another entity.

The City shall not relinquish, through any Naming Rights Agreement, any aspect of the City's right to manage and control the City's assets, facilities, or events by entering into an agreement.

The City retains all rights and discretion to refuse a Naming Right request or any offer; provided however, that City shall not refuse or grant any Naming Rights on the basis of race, religious

creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, or sexual orientation.

The City reserves the right to reject or revoke naming rights proposals submitted by individuals, groups, community organizations, companies, corporations, and foundations whose views or public statements do not promote and support the mission, vision and values, or best interests of the City.

Scope

The Community & Economic Development Department will maintain a master list of naming rights opportunities, in consultation with City Departments.

The City welcomes proposals for naming rights through individual and corporate giving while safeguarding against the undue commercialization of the public realm.

Naming rights arrangements for facilities are deemed to not constitute a public forum for communication and debate. Individual(s) or Corporation(s) that are actively engaged in highly controversial issues or use controversial tactics to advocate their position are ineligible for consideration. A controversial issue is defined as a serious matter for which different segments of the community have strong opposing positions and that has an impact on society or its institutions. A controversial tactic is an unlawful activity, or an extreme action that intentionally damages or threatened people or property. This includes but is not limited to religious or political organizations or a company whose business is substantially derived from the sale of alcohol, tobacco, or firearms.

This policy is limited to naming in response to sponsorships. Naming Rights proposals will only be considered for City-owned facilities fully and directly operated by the City. The scope of this policy does not extend to other practices of naming City facilities guided by the City's park Naming Policy #6.005, including:

- 1) Naming for honorific or commemorative purposes
- 2) Naming rights for events
- 3) Naming facilities for purposes of public identification (e.g.: "North Park" and "East Recreation Center")
- 4) Naming facilities after landmarks, including naming after local resources, geographic feature, or identifiable community characteristics
- 5) Naming facilities after past or present owners of the property, property donors, or after the name historically used for identification of the property
- 6) Naming of City core service facilities (e.g., City hall, fire stations, police stations)
- 7) Naming of non-City facilities
- 8) Naming of non-City facilities which occupy City lands and where the building is currently owned by the Tenant

9) Naming of streets

Sponsorships which shall NOT be considered are those which:

- 1) Promote environmental or work practices that would violate U.S., state, or local law (i.e., dumping of hazardous waste, exploitation of child labor, etc.).
- 2) Duplicate or mimic the identity or programs of the City
- 3) Exploit participants or staff members of the City.

A City facility cannot be named or renamed:

- 1) After an elected or appointed City official, or family member thereof, that is currently serving, at the time of application or consideration of such application.
- 2) After a currently employed City staff member, or family member thereof, that is currently employed, at the time of application or consideration of such application.
- 3) After a business which has a quasi-judicial matter pending, or expected to be pending, before the City at the time of application or consideration of such application.

Definitions

The following terms are used in this policy:

Facility: as used herein, means any City-owned land and buildings, and any features affixed to the land including components of the property such as rooms, parks, fields, trails, shelters, and other components of the facility. The term “facility,” however, does not extend to City streets, alleys, or amenities such as trees, benches, and fountains.

Market Value Assessment: As Used Herein, Means a Current Assessment of the Potential Property Value Within the Marketplace of the Naming Rights for a Specific Facility and Amenities and Its Operating Cost of Associated Programs or Events.

Sponsorship: as used herein, refers to the practice of providing financial or in-kind services with the clear expectation that an obligation is created and that the recipient in return will provide something of value; in this case the naming of a City facility after the sponsor. The arrangement is consummated by a letter of agreement or contractual arrangement that details the particulars of the exchange. As used herein, a sponsorship is distinguished from a donation in that a donation or gift typically comes with very little, or no expectation of reciprocal benefit.

Guidelines

The following guidelines apply exclusively to the naming of City facilities in response to sponsorships:

- 1) Proposing entities should be businesses, nonprofit groups, or individuals that promote mutually beneficial relationships for the City. Each proposal for facility naming rights will be considered in terms of its ability to create a synergistic working relationship

with the City that addresses community political sensitivities. All named properties should promote the mission and goals of the City.

- 2) Each proposal for facility naming rights will be considered in terms of its marketing initiative and how it will enhance the facility, event, and/or program's profile, along with its financial feasibility and stability.
- 3) Each proposal submission and implementation will be coordinated by the responsible Department or City Manager designee on an individual basis.
- 4) A written agreement shall be executed to capture the specifics of the Naming Rights Agreement, including the duration of naming rights. All Naming Right agreements will be for a fixed term.
- 5) Signage and acknowledgment associated with naming rights must comply with all applicable laws and bylaws and must be approved in advance by the City.
- 6) Naming Rights proposals will be reviewed on a case-by-case basis. Naming rights arrangements that pre-date this policy are not subject to its terms for a fixed amount of time, to be determined on a case-by-case basis. Depending on the proposed values of naming rights for a facility, Naming Rights agreements shall be subject to approval by the City Manager, or his or her designee and may additionally require approval by the City Council.
- 7) All contracts for naming rights shall retain the right for the City to rename facilities, if deemed necessary by the City Manager. Provision also shall be made for return of a pro-rated amount of the fee paid.
- 8) The City must receive the equivalent of XX percent (XX%), or more, of the total value of the facility for naming rights to be considered.
- 9) The fee paid to the City for naming shall be negotiated and established according to a market value assessment. The naming fee shall be commensurate with the cost of the specific construction, operating, maintenance, and replacement cost of the facility to be named and its associated programs and/or events.
 - a. Naming Right Agreements with a value of less than fifty thousand dollars (\$50,000) shall be subject to approval by the City Manager, or his or her designee.
 - b. Naming Right Agreements with a value of fifty thousand dollars (\$50,000) or greater shall be approved by the City Council.

Procedures

- Step 1 For all naming requests, the Applicant will provide the City with advance written notice of its intention to pursue Naming Rights. Upon confirmation and communication with the designated staff person by the City Manager, applicants can then develop a proposal.

- Step 2 The proponent of the naming/renaming must use the Naming Rights Application as the basis to gather public comment from impacted stakeholders. Depending on the nature of the facility, and whether the proposed name would replace a previous commemorative name, this process could include extensive outreach to nearby property owners or constituency groups associated with the facility. The application should be complete with all relevant materials including, but not limited to, the following:
- 1) Proposed name
 - 2) Proposed naming rights fee
 - 3) Proposed term of the agreement
 - 4) Proposed rights and benefits
 - 5) Demonstrated support from key stakeholders (e.g., member, users, donors, funders)
 - 6) Market value assessment
 - 7) Financial feasibility and stability
 - 8) Draft signage and acknowledgment plan
- Step 3 The Naming Rights Application, along with a summary of public comment, must then be submitted to the City Manager's Office for consideration.
- Step 4 The City Manager or his or her designee, in conjunction with City Departments (including but not limited to Community & Economic Development, PRND, Public Works,) will:
- 1) Review the inventory of available facilities
 - 2) Determine the impact on the community
 - 3) Evaluate the desirability and marketability of the property or event
 - 4) Thoroughly review the proposal and determine that all applicable criteria as required by the policy has been satisfactorily demonstrated and achieved.
- Step 5 After reviewing all information provided, the City Manager will make a determination on whether to recommend approval or disapproval of the naming proposal. The City Manager will then submit his or her recommendation, along with all supporting documentation, first to any applicable City board or commission, then to the City Council. Until council has had the opportunity to review the matter, a decision on the naming or renaming shall not be considered final.

Construction and Interpretation

Employees who have questions concerning the interpretation or application of this policy are directed to contact the City Manager or his/her designee.

Exceptions/Change

These guidelines may be reviewed and changed at any time.

D3. Sample Policy Language for Partnership Policy Development

The following is a sample of language intended for the Parks, Recreation & Libraries Department (PRND) to guide the process in its desire to partner with private, nonprofit, or other governmental entities for the development, design, construction, and operation of eligible recreational facilities and/or programs that may occur on City property. This sample language is provided based on an understanding of a typical parks and recreation entity, a review of the existing **Administrative Directive Policy 3.6 Community & Special Event Sponsorships**, latest revision date: 01/14/2022. It has not been vetted by the City of Modesto (City) nor has it been subject to any input from the Modesto community or any existing or potential partners. It is intended as a starting point for the development of a policy for the City and appropriate community and stakeholder engagement.

Although this sample uses the term “partnership,” it is recognized that this term may have an existing definition within the City or PRND, or a legal definition within the state that does not make it ideal. The City may prefer to use a different name for this policy.

This sample policy and application packet has been developed by GreenPlay, LLC, now BerryDunn, over the past two decades of addressing this issue with park and recreation agencies across the country. It is intended as a starting point to develop an umbrella partnership policy and application packet for the City and PRND, with sponsorship and naming rights policies more specifically addressing those particular types of partnerships.

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**Sample Parks and Recreation Department
Administrative Policy for Partnership
And Partnership Proposal Format**

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Part Two

The “**Proposed Partnership Outline Format**”

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I. XX Parks and Recreation Department Administrative Policy for Partnership

A. Purpose

This policy is designed to guide the process for XX Parks and Recreation Department in its desire to partner with private, non-profit, or other governmental entities for the development, design, construction, and operation of possibly partnered recreational facilities and/or programs that may occur on City property.

The XX Parks and Recreation Department would like to identify for-profit, non-profit, and governmental entities that are interested in proposing to partner with the City to develop recreational facilities and/or programs. A major component in exploring any potential partnership is to identify additional collaborating partners that may help provide a synergistic working relationship in terms of resources, community contributions, knowledge, and political sensitivity. These partnerships should be mutually beneficial for all proposing partners including the City, and particularly beneficial for the citizens of the community.

This policy document is designed to:

- Provide essential background information.
- Provide parameters for gathering information regarding the needs and contributions of potential partners.
- Identify how the partnerships will benefit the XX Parks and Recreation Department and the community.

Part Two: The “Proposed Partnership Outline Format,” provides a format to help guide Proposing Partners in creating a proposal for review by XX Parks and Recreation Department staff.

B. Background and Assumptions

Partnerships are being used across the nation by governmental agencies to utilize additional resources for their community's benefit. Examples of partnerships abound, and encompass a broad spectrum of agreements and implementation. The most commonly described partnership is between a public and a private entity, but partnerships also occur between public entities and non-profit organizations and/or other governmental agencies.

In order for partnerships to be successful, research has shown that the following elements should be in place prior to partnership procurement:

- There must be support for the concept and process of partnering from the very highest organizational level – i.e.: Board or Trustees, a council, and/or department head.
- The most successful agencies have high-ranking officials that believe that they owe it to their citizens to explore partnering opportunities whenever presented, those communities both solicit partners and consider partnering requests brought to them.
- It is very important to have a Partnership Policy in place before partner procurement begins. This allows the agency to be proactive rather than reactive when presented with a partnership opportunity. It also sets a “level playing field” for all potential partners, so that they can know and understand in advance the parameters and selection criteria for a proposed partnership.
- A partnership policy and process should set development priorities and incorporate multiple points for go/no-go decisions.
- The partnership creation process should be a public process, with both Partners and the Partnering Agency well aware in advance of the upcoming steps.

C. Partnership Definition

For purposes of this document and policy, a Proposed Partnership is defined as:

"An identified idea or concept involving XX Parks and Recreation Department and for-profit, non-profit, and/or governmental entities, outlining the application of combined resources to develop facilities, programs, and/or amenities for the City and its citizens."

A partnership is a cooperative venture between two or more parties with a common goal, who combine complementary resources to establish a mutual direction or complete a mutually beneficial project. Partnerships can be facility-based or program-specific. The main goal for XX Parks and Recreation Department partnerships is enhancing public offerings to meet the mission and goals of the City. The XX Parks and Recreation Department is interested in promoting partnerships which involve cooperation among many partners, bringing resources together to accomplish goals in a synergistic manner. Proposals that incorporate such collaborative efforts will receive priority status.

Note on Privatization:

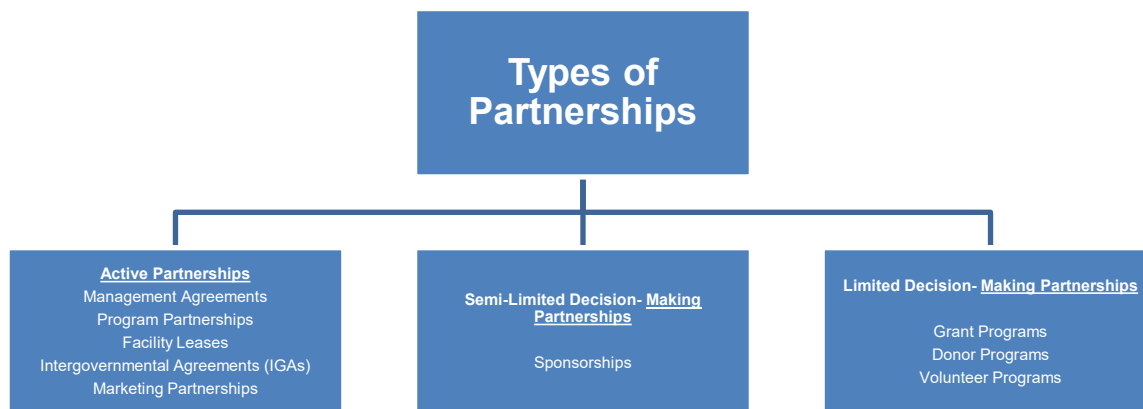
This application is specific for proposed partnering for new facilities or programs.

This information does not intend to address the issue of privatization, or transferring existing City functions to a non-City entity for improved efficiency and/or competitive cost concerns. An example of privatization would be a contract for a landscaping company to provide mowing services in a park. The City is always open to suggestions for improving services and cost savings through contractual arrangements. If you have an idea for privatization of current City functions, please call or outline your ideas in a letter for the City's consideration.

Partnerships can accomplish tasks with limited resources, respond to compelling issues, encourage cooperative interaction and conflict resolution, involve outside interests, and serve as an education and outreach tool. Partnerships broaden ownership in various projects and increase public support for community recreation goals. Partners often have flexibility to obtain and invest resources/dollars on products or activities where municipal government may be limited.

Partnerships can take the form of (1) cash gifts and donor programs, (2) improved access to alternative funding, (3) property investments, (4) charitable trust funds, (5) labor, (6) materials, (7) equipment, (8) sponsorships, (9) technical skills and/or management skills, and other forms of value. The effective use of volunteers also can

figure significantly into developing partnerships. Some partnerships involve active decision making, while in others, certain partners take a more passive role. The following schematic shows the types of possible partnerships discussed in this policy:



D. Possible Types of Active Partnerships

The XX Parks and Recreation Department is interested in promoting collaborative partnerships among multiple community organizations. Types of agreements for Proposed “Active” Partnerships may include leases, contracts, sponsorship agreements, marketing agreements, management agreements, joint-use agreements, inter-governmental agreements, or a combination of these. An innovative and mutually beneficial partnership that does not fit into any of the following categories may also be considered.

Proposed partnerships will be considered for facility, service, operations, and/or program development including associated needs, such as parking, paving, fencing, drainage systems, signage, outdoor restrooms, lighting, utility infrastructure, etc.

The following examples are provided only to illustrate possible types of partnerships. They are not necessarily examples that would be approved and/or implemented.

Examples of Public/Private Partnerships

- A private business seeing the need for more/different community fitness and wellness activities wants to build a facility on City land, negotiate a management contract, provide the needed programs, and make a profit.
- A private group interested in environmental conservation obtains a grant from a foundation to build an educational kiosk, providing all materials and labor, and is in need of a spot to place it.
- Several neighboring businesses see the need for a place for their employees to work out during the workday. They group together to fund initial facilities and an operating subsidy and give the facility to the City to operate for additional public users.
- A biking club wants to fund the building of a racecourse through a park. The races would be held one night per week, but otherwise the path would be open for public biking and in-line skating.
- A large corporate community relations office wants to provide a skatepark but doesn't want to run it. They give a check to the City in exchange for publicizing their underwriting of the park's cost.
- A private restaurant operator sees the need for a concessions stand in a park and funds the building of one, operates it, and provides a share of revenue back to the City.
- A garden club wants land to build unique butterfly gardens. They will tend the gardens and just need a location and irrigation water.

Examples of Public/Non-Profit Partnerships

- A group of participants for a particular sport or hobby sees a need for more playing space and forms a non-profit entity to raise funds for a facility for their priority use that is open to the public during other hours.
- A non-profit baseball association needs fields for community programs and wants to obtain grants for the building of the fields. The Association would get priority use of the fields, which would be open for the City to schedule use during other times.

- A museum funds and constructs a new building, dedicating some space and time for community meetings and paying a portion of revenues to the City to lease its land.

Examples of Public/Public Partnerships

- Two governmental entities contribute financially to the development and construction of a recreational facility to serve residents of both entities. One entity, through an IGA, is responsible for the operation of the facility, while the other entity contributes operating subsidy through a formula based on population or some other appropriate factor.
- Two governmental public safety agencies see the need for more physical training space for their employees. They jointly build a gym adjacent to City facilities to share for their training during the day. The gyms would be open for the City to schedule for other users at night.
- A school district sees the need for a climbing wall for their athletes. The district funds the wall and subsidizes operating costs, and the City manages and maintains the wall to provide public use during non-school hours.
- A university needs meeting rooms. They fund a multi-use building on City land that can be used for City community programs at night.

E. Sponsorships

The XX Parks and Recreation Department is interested in actively procuring sponsorships for facilities and programs as one type of beneficial partnership. Please see the ***XX Parks and Recreation Department Sponsorship Policy*** for more information.

F. Limited Decision-Making Partnerships: Donor, Volunteer, and Granting Programs

While this policy document focuses on the parameters for more active types of partnerships, the City is interested in, and will be happy to discuss, a proposal for any of these types of partnerships, and may create specific plans for such in the future.

G. Benefits of Partnerships with XX Parks and Recreation Department

The City expects that any Proposed Partnership will have benefits for all involved parties. Some general expected benefits are:

Benefits for the City and the Community:

- Merging of resources to create a higher level of service and facility availability for community members.
- Making alternative funding sources available for public community amenities.
- Tapping into the dynamic and entrepreneurial traits of private industry.
- Delivering services and facilities more efficiently by allowing for collaborative business solutions to public organizational challenges.
- Meeting the needs of specific groups of users through the availability of land for development and community use.

Benefits for the Partners:

- Land and/or facility availability at a subsidized level for specific facility and/or program needs.
- Sharing of the risk with an established stable governmental entity.
- Becoming part of a larger network of support for management and promotion of facilities and programs.
- Availability of professional City recreation and planning experts to maximize the facilities and programs that may result.
- Availability of City staff facilitation to help streamline the planning and operational efforts.

II. The Partnering Process

The steps for creation of a partnership with the XX Parks and Recreation Department are as follows:

- A. XX Parks and Recreation Department will create a public notification process that will help inform any and all interested partners of the availability of partnerships with the City. This may be done through notification in area newspapers, listing in the brochure, on-line, or through any other notification method that is feasible.
- B. The proposing partner takes the first step to propose partnering with the City. To help in reviewing both the partnerships proposed, and the project to be developed in partnership, the City asks for a **Preliminary Proposal** according to a specific format as outlined in ***Part Two - Proposed Partnership Outline Format***.
- C. If initial review of a Preliminary Proposal yields interest and appears to be mutually beneficial based on the City Mission and Goals, and the Selection Criteria, a City staff member or appointed representative will be assigned to work with potential partners.
- D. The City representative is available to answer questions related to the creation of an initial proposal, and after initial interest has been indicated, will work with the proposing partner to create a checklist of next steps. Each project will have distinctive planning, design, review, and support issues. The City representative will facilitate the process of determining how the partnership will address these issues. This representative can also facilitate approvals and input from any involved City departments, providing guidance for the partners as to necessary steps.
- E. An additional focus at this point will be determining whether this project is appropriate for additional collaborative partnering, and whether this project should prompt the City to seek a **Request for Proposal (RFP)** from competing/collaborating organizations.

Request for Proposal (RFP) Trigger: In order to reduce concerns of unfair private competition, if a proposed project involves partnering with a private "for-profit" entity and a dollar amount greater than \$5,000, and the City has not already undergone a public process for solicitation of that particular type of partnership, the City will request Partnership Proposals from other interested

private entities for identical and/or complementary facilities, programs, or services. A selection of appropriate partners will be part of the process.

- F. For most projects, a **Formal Proposal** from the partners for their desired development project will need to be presented for the City's official development review processes and approvals. The project may require approval by the Legal, Planning, Fire and Safety, Finance, and/or other City Departments, Parks and Recreation Advisory Board, Planning Board, The Board of Trustees, and/or the City Supervisor's Office, depending on project complexity and applicable City Charter provisions, ordinances, or regulations. If these reviews are necessary, provision to reimburse the City for its costs incurred in having a representative facilitate the partnered project's passage through Development Review should be included in the partnership proposal.
- G. Depending on project complexity and anticipated benefits, responsibilities for all action points are negotiable, within the framework established by law, to ensure the most efficient and mutually beneficial outcome. Some projects may require that all technical and professional expertise and staff resources come from outside the City's staff, while some projects may proceed most efficiently if the City contributes staff resources to the partnership.
- H. The partnership must cover the costs the partnership incurs, regardless of how the partnered project is staffed, and reflect those costs in its project proposal and budget. The proposal for the partnered project should also discuss how staffing and expertise will be provided, and what documents will be produced. If City staff resources are to be used by the partnership, those costs should be allocated to the partnered project and charged to it.
- I. Specific **Partnership Agreements** appropriate to the project will be drafted jointly. There is no specifically prescribed format for **Partnership Agreements**, which may take any of several forms depending on what will accomplish the desired relationships among partners. The agreements may be in the form of:
 - Lease Agreements
 - Management and/or Operating Agreements
 - Maintenance Agreements

- Intergovernmental Agreements (IGAs)
- Or a combination of these and/or other appropriate agreements

Proposed partnership agreements might include oversight of the development of the partnership, concept plans and project master plans, environmental assessments, architectural designs, development and design review, project management, and construction documents, inspections, contracting, monitoring, etc. Provision to fund the costs and for reimbursing the City for its costs incurred in creating the partnership, facilitating the project's passage through the Development Review processes, and completing the required documents should be considered.

- J. If all is approved, the Partnership begins. The City is committed to upholding its responsibilities to Partners from the initiation through the continuation of a partnership. Evaluation will be an integral component of all Partnerships. The agreements should outline who is responsible for evaluation and what types of measures will be used, and should detail what will occur should the evaluations reveal Partners are not meeting their Partnership obligations.

III. The Partnership Evaluation Process

A. Mission Statements and Goals

All partnerships with XX Parks and Recreation Department should be in accord with the City's and the Parks and Recreation Department's Mission and Goals to indicate how a proposed partnership for that Department would be preliminarily evaluated.

(SAMPLE) MISSION STATEMENT

The XX Parks and Recreation Department will provide a variety of parks, recreation facilities, and program experiences equitably throughout the community. Programs will be developed and maintained to the highest quality, ensuring a safe environment with exceptional service while developing a lifetime customer. Services will demonstrate a positive economic investment through partnerships with other service providers, both public and private, ensuring a high quality of life for citizens of XX.

(Sample) GOALS –

- Promote physical and mental health and fitness
- Nourish the development of children and youth
- Help to build strong communities and neighborhoods
- Promote environmental stewardship
- Provide beautiful, safe, and functional parks and facilities that improve the lives of all citizens
- Preserve cultural and historic features within the City's parks and recreation systems
- Provide a work environment for the Parks & Recreation Department staff that encourages initiative, professional development, high morale, productivity, teamwork, innovation, and excellence in management

B. Other Considerations

1. Costs for the Proposal Approval Process

For most proposed partnerships, there will be considerable staff time spent on the review and approval process once a project passes the initial review stage. This time includes discussions with Proposing Partners, exploration of synergistic partnering opportunities, possible RFP processes, facilitation of the approval process, assistance in writing and negotiating agreements, contracting, etc. There may also be costs for construction and planning documents, design work, and related needs and development review processes mandated by City ordinances.

Successful Partnerships will take these costs into account and may plan for City recovery of some or all of these costs within the proposal framework. Some of these costs could be considered as construction expenses, reimbursed through a negotiated agreement once operations begin, or covered through some other creative means.

2. Land Use and/or Site Improvements

Some proposed partnerships may include facility and/or land use. Necessary site improvements cannot be automatically assumed. Costs and responsibility for these

improvements should be considered in any Proposal. Some of the general and usual needs for public facilities that may not be included as City contributions, and may need to be negotiated for a project, include:

- Facilities or non-existent infrastructure construction
- Roads or street improvements
- Maintenance to specified standards
- Staffing
- Parking
- Snow removal
- Lighting
- Outdoor restrooms
- Water fountains
- Complementary uses of the site
- Utility improvements (phone, cable, storm drainage, electricity, water, gas, sewer, etc.)
- Custodial services
- Trash removal

3. Need

The nature of provision of public services determines that certain activities will have a higher need than others. Some activities serve a relatively small number of users and have a high facility cost. Others serve a large number of users and are widely available from the private sector because they are profitable. The determination of need for facilities and programs is an ongoing discussion in public provision of programs and amenities. The project will be evaluated based on how the project fulfills a public need.

4. Funding

Only when a Partnership Proposal demonstrates high unmet needs and high benefits for City citizens, will the City consider contributing resources to a project. The City recommends that Proposing Partners consider sources of potential funding. The more successful partnerships will have funding secured in advance. In most cases, Proposing Partners should consider funding and cash flow for initial capital development, staffing, and ongoing operation and maintenance.

The details of approved and pending funding sources should be clearly identified in a proposal.

For many partners, especially small private user groups, non-profit groups, and governmental agencies, cash resources may be a limiting factor in the proposal. It may

be a necessity for partners to utilize alternative funding sources for resources to complete a proposed project. Obtaining alternative funding often demands creativity, ingenuity, and persistence, but many forms of funding are available.

Alternative funding can come from many sources, e.g. sponsorships, grants, and donor programs. A local librarian and/or internet searches can help with foundation and grant resources. Developing a solid leadership team for a partnering organization will help find funding sources. In-kind contributions can, in some cases, add additional funding.

All plans for using alternative funding should be clearly identified. The City has an established Sponsorship Policy, and partnered projects will be expected to adhere to the Policy. This includes the necessity of having an Approved Sponsorship Plan in place prior to procurement of sponsorships for a Partnered Project.

C. Selection Criteria

In assessing a partnership opportunity to provide facilities and services, the City will consider (as appropriate) the following criteria. The Proposed Partnership Outline Format in Part Two provides a structure to use in creating a proposal. City staff and representatives will make an evaluation by attempting to answer each of the following Guiding Questions.

- How does the project align with the City and Department's Mission Statement and Goals?
- How does the proposed facility fit into the current City and Department's Master Plan?
- How does the facility/program meet the needs of City residents?
- How will the project generate more revenue and/or less cost per participant than the City can provide with its own staff or facilities?
- What are the alternatives that currently exist, or have been considered, to serve the users identified in this project?
- How much of the existing need is now being met within the City boundaries and within adjacent cities?

- What is the number and demographic profile of participants who will be served?
- How can the proposing partner assure the City of the long-term stability of the proposed partnership, both for operations and for maintenance standards?
- How will the partnered project meet the Americans with Disabilities Act (ADA) and Equal Employment Opportunity Commission (EEOC) requirements?
- How will the organization offer programs at reasonable and competitive costs for participants
- What are the overall benefits for both the City and the Proposing Partners?

D. Additional Assistance

The XX Parks and Recreation Department is aware that the partnership process does entail a great deal of background work on the part of the Proposing Partner. The following list of resources may be helpful in preparing a proposal:

- Courses are available through local colleges and universities to help organizations develop a business plan and/or operational pro-formas.
- The Chamber of Commerce offers a variety of courses and assistance for business owners and for those contemplating starting new ventures.
- Reference Librarians at libraries and internet searches can be very helpful in identifying possible funding sources and partners, including grants, foundations, financing, etc.
- Relevant information including the ***City of XX Comprehensive Plan***, the ***Parks and Recreation Master Plan***, site maps, and other documents are available here (Set up a link), or, if available, hard copies documents are available at _____ and may be copied or reviewed, but may not be taken off-site.
- The XX Parks and Recreation Department Web Site (***add URL***) has additional information.
- If additional help or information is needed, please call **000-000-0000**.

Part Two

Sample Proposed Partnership Outline Format

Please provide as much information as possible in the following outline form.

I. Description of Proposing Organization:

- Name of organization
- Years in business
- Contact name, mailing address, physical address, phone, email
- Purpose of organization
- Services Provided/member/user/customer profiles
- Accomplishments
- Legal status

II. Summary of Proposal (100 words or less)

What is being proposed in terms of capital development, and/or program needs?

III. Decision-Making Authority

Who is authorized to negotiate on behalf of the organization? Who or what group (i.e. Council/Commission/Board) is the final decision maker and can authorize the funding commitment? What is the timeframe for decision making?

IV. Benefits to the Partnering Organization

Why is your organization interested in partnering with the XX Parks and Recreation Department? Please individually list and discuss the benefits (monetary and non-monetary) for your organization.

V. Benefits to the XX Parks and Recreation Department

Please individually list and discuss the benefits (monetary and non-monetary) for the XX Parks and Recreation Department and residents of the City.

VI. Details (as currently known)

The following page lists a series of *Guiding Questions* to help you address details that can help outline the benefits of a possible partnership. Please try to answer as many as possible with currently known information. Include what your organization proposes to provide and what is requested of the XX Parks and Recreation Department. Include (as known) initial plans for your concept, operations, projected costs and revenues, staffing, and/or any scheduling or maintenance needs, etc.

Guiding Questions

Meeting the Needs of our Community:

- In your experience, how does the project align with park and recreation goals?
- How does the proposed program or facility meet a need for City residents?
- Who will be the users? What is the projected number and profile of participants who will be served?
- What alternatives currently exist to serve the users identified in this project?
- How much of the existing need is now being met? What is the availability of similar programs elsewhere in the community?
- Do the programs provide opportunities for entry-level, intermediate, and/or expert skill levels?
- How does this project incorporate environmentally sustainable practices?

The Financial Aspect:

- Can the project generate more revenue and/or less cost per participant than the City can provide with its own staff or facilities? If not, why should the City partner on this project?
- Will your organization offer programs at reasonable and competitive costs for all participants? What are the anticipated prices for participants?

- What resources are expected to come from the Parks & Recreation Department?
- Will there be a monetary benefit for the City, and if so, how and how much?

Logistics:

- How much space do you need? What type of space?
- What is critical related to location?
- What is your proposed timeline?
- What are your projected hours of operations?
- What are your initial staffing projections?
- Are there any mutually-beneficial cooperative marketing benefits?
- What types of insurance will be needed and who will be responsible for acquiring and paying premiums on the policies?
- What is your organization's experience in providing this type of facility/program?
- How will your organization meet ADA and EEOC requirements?

Agreements and Evaluation:

- How, by whom, and at what intervals should the project be evaluated?
- How can you assure the City of long-term stability of your organization?
- What types and length of agreements should be used for this project?
- What types of “exit strategies” should we include?
- What should be done if the project does not meet the conditions of the original agreements?

D4. Suggested Policy Language for Cost Recovery Policy Development

The following suggested language is intended to establish the philosophical underpinnings for the development and management of fees and charges within the PRND. This suggested language is based on best practice within the parks and recreation industry, a review of a limited Fee Study performed in 2019 by the PRND, and an understanding of the needs of the PRND gained through a 2022 cost recovery staff work session. It has not been vetted by the City of Modesto (City) nor has it been subject to any input from the Modesto community or any specific stakeholders. It is intended as a starting point for the development of a policy for the City and appropriate citizen and stakeholder engagement. Additional work is recommended to be carried out by PRND to complete a cost analysis of all of its program and service offerings, and to properly categorize and determine appropriate cost recovery targets for its various offerings to adhere to the cost recovery policy.

Suggested Language:

POLICY NAME: COST RECOVERY POLICY

Purpose

The purpose of this policy is to establish guidelines for the development and management of fees and charges. The policy will provide guidance for determining which programs and services should be fee-based and to what degree those fees and charges should recover the costs of producing and/or delivering the program or service.

Policy Statement

The City Council has determined that a Cost Recovery Policy is necessary and appropriate to provide revenue and in-kind support for the benefit of the PRND in its efforts to develop, maintain, improve, support, market, and sustain its park assets and programs for the community at large and visitors.

As a publicly financed park system, the PRND provides a basic level of services for the public, funded by tax dollars. However, fees and charges and other methods to recover costs are considered a responsible and necessary means to supplement tax revenue and regulate park and facility use where appropriate.

Critical to the success of service delivery is affordability, fairness, and equity. It is the intent of this policy to ensure that the approach in the use of tax dollars as well as alternative forms of revenue will result in these qualities.

In establishing fees and charges, the PRND will determine the costs of providing services based on an identified and consistently applied methodology. This calculated cost will be used to measure current and future levels of cost recovery and to help establish appropriate cost

recovery targets to support services. The appropriate level of cost recovery will be based on an assessment of who is benefiting from the service provided. Cost recovery targets are used to establish and/or adjust fees to reach these goals.

If the benefit is to the community at large, it is appropriate to use taxpayer dollars to completely, or primarily, fund the service. Examples of services that primarily provide community benefits are trails, play areas, parks, and signature community events.

As the benefit is increasingly accrued to an individual or select group of individuals partaking in the program or service, it is appropriate to charge fees for the service at a decreasing level of subsidy and an increasing rate of cost recovery, keeping in mind that for many services a fee may not exceed the estimated reasonable cost of providing the service or performing the activity. Supervised or instructed programs, facilities, and equipment that visitors can use exclusively, as well as products and services that may be consumed, provide examples where fees are appropriate.

The PRND shall also consider available resources, public need, public acceptance, and the community economic climate when establishing fees and charges. In cases where certain programs and facilities are highly specialized by activity and design, and appeal to a select user group, the PRND shall additionally consider fees charged by alternative service providers or market rates. Examples of this include facility rentals, and food and merchandise concessions.

The PRND may further subsidize services for people with economic need or other targeted populations, as allowable, through tax-supported fee reductions, scholarships, grants