


Staff Summary

Subject ALL-AGENCY NAMING RIGHTS POLICY
Department REAL ESTATE
Department Head Name JEFFREY B. ROSEN
Department Head Signature 
Project Manager Name PETER LYONS

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Vendor Name
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Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	7/22/13	X		
2	Board	7/24/13	X		

Internal Approvals			
Order	Approval	Order	Approval
		1	Legal 
3	Chief of Staff 		
2	Chief Financial Officer 		

MTA Staff hereby recommend and request that the Board adopt the attached policy with request to the renaming of MTA station facilities at the behest of third-party sponsors.

MTA Real Estate Department Policy and Procedure

RE-NAMING OF MTA FACILITIES AT THE REQUEST OF THIRD-PARTY SPONSORS

I. PURPOSE

This Policy sets forth the process for handling and determining requests by certain third parties to re-name station and other facilities throughout the Metropolitan Transportation Authority (“MTA”) network.

II. SCOPE

This Policy applies to requests by certain third parties to change the official designation of a station or other facility in any part of the MTA system. This Policy does not apply to (a) requests for the installation of limited directional signage within the subway or commuter rail system, which requests are subject to the practices and procedures of MTA New York City Transit, MTA Long Island Rail Road and MTA Metro-North Railroad, (b) modification of subway station names to reflect modified station layouts, street closures or openings, or changes in community identification or geographic designations, consistent with guidelines adopted by MTA New York City Transit; and (c) advertising campaigns conducted through designated MTA advertising contractors that do not purport to re-name a facility, regardless of their extent or duration.

III. DEFINITIONS

Director: MTA’s Director of Real Estate

Facility: Any rail, subway or bus station or any other facility operated by MTA New York City Transit, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Bridges & Tunnels, or MTA Bus.

Re-name: Any request from a Sponsor to change the official designation of a Facility. These changes include, but are not limited to, changes to the signage at the Facility (exclusive of advertising displays controlled by designated MTA advertising contractors), changes to the designation of the Facility in on-board announcements, or changes to maps or other informational material published or displayed by MTA (including on the MTA website) from time to time that depict the MTA network.

Sponsor: Any third party who requests the Re-naming of a Facility for a predominantly commercial or marketing-related purpose.

IV. POLICY STATEMENT

MTA is North America's largest transportation network, serving a population of 15.1 million people in the 5,000-square-mile area extending out from New York City through Long Island, southeastern New York State, and Connecticut. MTA subways, buses, and railroads provide 2.62 billion trips each year to New Yorkers – the equivalent of about one in every three users of mass transit in the United States and two-thirds of the nation's rail riders. Although MTA itself came into existence in 1965, the MTA network is much older. The subway system dates back to 1904, and the Long Island Rail Road, which was chartered in 1834, is the oldest railroad in the United States continuously operating under its original name.

Over the past two decades, MTA has committed some \$72 billion to restore and improve its network. MTA has engaged in unprecedented cost-cutting to make its operations more efficient; however, MTA is continually challenged to identify funding for its five-year capital program and is actively seeking opportunities to leverage its assets in order to secure additional capital funding. To that end, MTA has on occasion negotiated with third parties to Re-name its Facilities in return for adequate consideration, but to date has not adopted any guidelines for conducting such negotiations and consummating these transactions.

In anticipation of future requests, MTA has adopted this Policy, which is effective immediately and supersedes (without retroactive effect) any other existing procedures or practices regarding the Re-naming of Facilities as may heretofore have existed at any of the MTA Agencies or at MTA Headquarters. The purpose of this Policy and Procedure is to establish a transparent process for the consideration and determination of requests to Re-name Facilities that will (1) provide a mechanism for MTA to receive fair value for any such transaction; (2) respect the historic nature of such Facilities; and (3) ensure that MTA's customers are able to safely and efficiently navigate the MTA system.

V. PROCEDURE

- A. **Eligibility** – Station names should be accurate and help orient customers as they navigate the MTA network. Recognizing the importance of ensuring that customers are able to navigate the system easily, requests for the Re-naming of a Facility will only be accepted from Sponsors with a unique or iconic geographic, historic or other connection to such Facility that would be readily apparent to typical MTA customers. An example would be a stop that is associated with a particular destination such that the vast majority of customers exiting at such station are headed to that destination. MTA will not consider Re-naming requests from third parties looking merely to brand a Facility in the absence of such a compelling nexus between the Facility and the Sponsor.

B. **Valuations** -- In order to ensure that MTA receives fair market value for Re-naming rights, and in order to ensure that any such transaction is fully transparent to the public and to all oversight authorities, MTA will procure the services of a qualified and independent firm that regularly provides valuations of naming rights opportunities, to assist in its review of the request, and will not Re-name any Facility at the behest of any Sponsor other than for consideration commensurate with the fair market value of such Re-naming to such Sponsor as set forth in such valuation. As appropriate, value to MTA may include the value of capital investments made by the Sponsor and/or the value of capital investments that would have been made by MTA but that the Sponsor has agreed to assume in connection with the Re-naming request.

C. **Corporate Responsibilities**

- a. All requests for Re-naming of Facilities are to be filed with the Director. The Director is hereby authorized to impose a fee for each Re-naming application, not to exceed the cost of the applicable valuation.
- b. All costs related to the Re-naming, including, but not limited to, the costs of replacing and/or supplementing affected signage or tiles, shall be borne by the Sponsor.
- c. The Director shall issue a determination in writing either recommending that the application be granted, or denying the application. In the event the application is denied, the Director shall set forth the reasons for the denial. The Director reserves the right to recommend that the new Facility name should include a combination of the Sponsor's desired Facility designation and the existing Facility designation, or any other geographic or other designation deemed appropriate by the Director in his or her discretion. The Director shall consult with the Agency President for the applicable Facility and with the MTA Senior Director of Corporate and Internal Communications prior to issuing his or her recommendation. In addition to the net revenue or other potential benefits that may accrue to MTA from such Re-naming, the Director in reaching his or her recommendation shall also consider any other factor he or she deems relevant to such application, including, but not limited to, whether the Re-naming would cause any disruption, diversion of MTA resources and/or other negative impacts to the public.
- d. In the event that the Director recommends that a Re-naming application be granted, he or she shall present this recommendation to the Board for its review and approval.
- e. It is anticipated that rarely, if ever, will more than one third party have a sufficiently substantial connection to a particular Facility to qualify as a potential Sponsor as defined in this Policy and Procedure. In such event,

however, in order to promote competition, the Director reserves the discretion to reach out to other similarly situated potential Sponsors in the vicinity of the Facility to ascertain whether they have any interest in submitting a Re-naming application in accordance with this Policy and Procedure.

- f. Any adverse determination of the Director may be appealed to MTA's Chief Financial Officer. In the event that the Chief Financial Officer concurs with the Director's adverse determination, the Chief Financial Officer's determination will be final in all respects. In the event that the Chief Financial Officer disagrees with the Director and recommends that the application be granted, his or her recommendation shall be presented to the Board for its review and approval.

- D. **Termination** -- Any agreement providing for the Re-naming of a Facility as contemplated by this agreement must be terminable at will by MTA without cost to MTA on no more than 60 days' notice to the Sponsor.