

# City of Milwaukee

## Milwaukee Civic Partnership Initiative (MCPI)

### Marketing Services



#### Phase I Asset Inventory & Valuation Report

Presented by:



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May 30<sup>th</sup>, 2014

Dear Sharon,

**Milwaukee Civic Partnership Initiative (MCPI) Marketing Services**

It is with pleasure that we submit the Superlative Group's Phase I Asset Inventory & Valuation report.

This report presents the findings from our site visits and sponsorship identification process. We look forward to meeting with you again soon to present our findings to Common Council.

At this stage, we would like to thank you and the MCPI project team for your assistance during this phase of the project.

Best wishes,

A handwritten signature in blue ink that reads "Kyle".

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# 1 Executive Summary

## 1.1 Introduction

The Superlative Group was appointed by the City of Milwaukee in December 2013 to assist with development of the Milwaukee Civic Partnership Initiative (MCPI). The objective of the MCPI is to consider citywide assets for inclusion in corporate sponsorship and revenue-generating initiatives in the City of Milwaukee.

The key objectives of this study are to:

- Identify the City assets which are most likely to deliver non tax revenue in order to support further City development programs;
- Allow the community to benefit from establishing financial and other systems of support from local and national businesses;
- Strengthen the alliance between the City of Milwaukee, its citizens and businesses; and
- Develop strategies specifically focused on generating revenue for the City of Milwaukee.

This document has been released to the MCPI team and Council Members for review and consideration. The Superlative Group has received final comments on the opportunities and value ranges provided in this report in order to complete this phase of the assignment by the end of May 2014.

## 1.2 Background & Methodology

Municipal Marketing involves merging private and public funds to provide additional revenue to the municipality while building both private and public sector brands in a manner which reflects the stability and values of the community, its people and its goals for the future.

The most common municipal marketing strategies are explained in further detail within this report but are summarized below:

- Corporate Sponsorship;
- Preferred Vendor Sponsorship;
- Event sponsorship;
- Advertising; and
- Signage exposure.

The Superlative methodology has been developed over time and experience of securing revenue generating opportunities for Municipalities across the United States. A combination of impressions based valuation of media exposure and benchmarking has been used to generate valuations for the consideration of the MCPI team.

### 1.3 Opportunity Summary

The main commercial opportunities are summarized in table 1.3.1 below. Opportunities have been classified by industry category to assist with identification of target companies and help to identify areas where opportunities could be combined into a larger program.

Table 1.3.1

Category	Overview
Wireless / Cellular	<ul style="list-style-type: none"> <li>- Cell towers</li> <li>- City wide cellular contract</li> </ul>
Vending & Soft Drinks	<ul style="list-style-type: none"> <li>- Overview of soft drinks agreement</li> <li>- Objectives, volumes &amp; process</li> </ul>
Automotive	<ul style="list-style-type: none"> <li>- Wraps / Decals on city vehicles</li> <li>- Sponsorship of parking garages</li> <li>- Adopt a Boulevard / Gateway to Milwaukee</li> <li>- Parking meter sponsorship</li> </ul>
Health & Wellness	<ul style="list-style-type: none"> <li>- Health department / clinic operating</li> <li>- Defibrillator program</li> <li>- Bike lane sponsorship</li> <li>- Bike Share Program</li> <li>- City health &amp; wellness program</li> </ul>
Library & Education	<ul style="list-style-type: none"> <li>- Capital donations</li> <li>- Marketable programs</li> <li>- Technology partnership</li> </ul>
Media / Communication	<ul style="list-style-type: none"> <li>- City TV channels</li> <li>- City communications</li> </ul>
Signage / Other	<ul style="list-style-type: none"> <li>- Advertising on City Buildings</li> <li>- Advertising on Garbage / Recycling Carts</li> <li>- Self Help Centers</li> <li>- Other opportunities</li> </ul>

Sections 4 to 10 of this report provide further information on each category opportunity. Section 11 provides an overview of selected strategic programs which are currently being developed in the City of Milwaukee:

- Mayor's Strong Neighborhood Program;
- The Milwaukee Streetcar; and
- 30<sup>th</sup> Street Industrial Corridor.

Subject to approval of MCPI by Common Council, revenues from the MCPI project could be used to provide additional funding for these important development programs.

### 1.4 Conclusions & Recommendations

Due to the number of potential opportunities, there will be a need to prioritize opportunities, based on the estimated revenue potential. Our initial views on priority opportunities are provide below.

#### Priority Opportunities

- Wireless / Cellular – further consideration of the cell tower opportunity;
- Automotive – adopt a boulevard for East Layton Ave and sponsorship of parking garages;
- Advertising on City Buildings opportunity;
- Health & Wellness – bike share & lanes and city health & wellness.

## **Second Tier Opportunities**

- i. Vending & Soft Drinks;
- ii. Milwaukee Public Libraries;
- iii. Media & Communications;
- iv. Other opportunities, including events and signage opportunities.

## **Next Steps**

The Superlative Group has been working with the MCPI team to incorporate feedback received on the findings provided in this document. Common Council approval will be required before The Superlative Group will be permitted to progress to the sales process for any sponsorship opportunities.

The Superlative Group will present the findings of this MCPI Asset Inventory and Valuation Report and Sponsorship Policy to Council Members at the Finance and Personnel Committee on July 16, 2014.

## 2 Introduction

### 2.1 Introduction

Milwaukee is the largest city in the state of Wisconsin. Located on the southwestern shore of Lake Michigan, it is the 30th most populous city in the United States and 39th most populous region in the United States. According to 2010 census data, the City of Milwaukee has a population of 594,833. Milwaukee is the main cultural and economic center of the Milwaukee–Racine–Waukesha Metropolitan Area with an estimated population of 2,037,542.

The City of Milwaukee has benefitted from significant investment and regeneration. Traditionally known for its brewing industry, major new additions to the City include the Milwaukee Riverwalk, the Wisconsin Center, Miller Park, an internationally renowned addition to the Milwaukee Art Museum, Milwaukee Repertory Theater, and Pier Wisconsin, as well as major renovations to the U.S. Cellular Arena. In addition, many new skyscrapers, condos, lofts and apartments have been constructed in neighborhoods on and near the lakefront and riverbanks. This investment has attracted population back to the downtown area and increased the profile of Milwaukee as a cohesive, talent rich, diverse, safe and economically vibrant community.

There are over 232,000 households in the City of Milwaukee, of which 30.5% include children under the age of 18, 32.2% are married couples living together, 21.1% have a female householder with no husband present, and 41.8% are non-families. 33.5% of all households are made up of individuals and 9.5% have someone living alone who is 65 years of age or older. The average household size is 2.50 and the average family size is 3.25.

The median income for a household in the city is \$32,216, and the median income for a family is \$37,879. Males have a median income of \$32,244 versus \$26,013 for females. The per capita income for the city is \$16,181. According to the 2010 Census, 44.8% of the population was White (37.0% non-Hispanic white), 40.0% was Black or African American, 0.8% American Indian and Alaska Native, 3.5% Asian, 3.4% from two or more races. 17.3% of Milwaukee's population was of Hispanic, Latino, or Spanish origin (they may be of any race).

Certain areas of the City are still affected by high unemployment rates and deprivation. One of the key objectives of the MCPI program is to use private sector revenues to assist with development of programs to benefit disadvantaged communities.

### 2.2 Project Background

The objective of this report is to identify commercial opportunities to merge private and public funds to provide additional revenue for the City of Milwaukee. In recognition of the significant exposure and increase in brand awareness, companies continue to spend significantly on municipal marketing across the US and spending has continued to increase.

Despite the recent economic downturn, these investments by corporations are projected to continue to grow in high exposure areas because companies desire to break through traditional advertising clutter and sports arena sponsorship marketing continues to mature.

The most common municipal marketing strategies are explained in further detail within this report but are summarized below:

- Corporate Sponsorships;
- Preferred Vendor Sponsorship;
- Event sponsorship;
- Advertising; and
- Signage exposure.

The Superlative Valuation Methodology has been developed over time and experience of securing revenue generating opportunities for Municipalities across the United States. A combination of impressions based valuation of media exposure and benchmarking has been used to generate valuations which will form the opening negotiating position with target companies during the sales process.

### **2.3 Strategic Objectives of this Study**

The objectives of this study are:

- Provide a brief overview of the Milwaukee Civic Partnership Initiative and identify key areas which could be included as part of the marketing program;
- Identify the city assets which are most likely to deliver revenue generating opportunities;
- Provide a value ranges for the identified opportunities; and
- Provide a municipal marketing policy for consideration by the City.

### **2.4 Valuation & Sales Process**

This report forms the first deliverable from our phased valuation and sales process:

- i. Task 1 – Comprehensive Assets and Opportunity Inventory;
- ii. Task 2 – Opportunity valuation process; and
- iii. Task 3 – Activate strategic sales campaign.

Our Phase I Asset Inventory and Valuation Report focuses on Task 1 and Task 2 as identified above. Timescales for initiation of the sales campaign will be discussed and agreed following completion of the asset inventory and valuation process.



## 3 Background & Methodology

### 3.1 Introduction

#### History of Naming Rights

Naming rights in North America can be traced back to 1912 with the opening of Fenway Park in Boston. The stadium's owner had owned a realty company called "Fenway Realty" and assigned the company name to the ball park as an early example of the promotional value of stadium naming. Despite this, Naming Rights is more widely believed to have begun in 1926 when William Wrigley, the chewing gum entrepreneur and owner of the Chicago Cubs, named his team's stadium "Wrigley Field". Another early example of a Naming Rights agreement took place in 1953 when Anheuser-Busch tried to rename Sportsman's Park, home of the St. Louis Cardinals baseball team, as the "Budweiser Stadium". Although rejected by the baseball authorities, an alternative proposal, named after the company founder ("Busch Stadium") was approved and remained until the stadium closed in 2005. In 1970-71, the New England patriots sold the Naming Rights to its new Foxborough stadium to the Schaefer Brewery and in 1973, the Buffalo Bills secured a deal with Rich Foods Inc. for its new stadium.

In 1990, no U.S. baseball stadium bore a corporate name. However, by 2001 approximately half the baseball and NFL stadia plus three quarter of NBA and NHL arenas had sold their arena's Naming Rights to corporate organizations (Leeds, Leeds & Pistolet, 2007). The demand for these types of agreements is demonstrated by the fact that Naming Rights deals grew annually at a rate of 14.57% when adjusted for inflation (DeSchrive & Jensen, 2000).

The record amount paid for sports arena Naming Rights is jointly held by two New York arenas - Citi Field (opened in 2009) and Barclays Center (opened in 2011). Each garnered deals of \$20 million per year for a minimum of 20 years, totalling \$400 million. Today, U.S. colleges and universities also sell the rights to athletic facilities and other campus venues.

Sports and entertainment venues have historically attracted the highest values for Naming Rights agreements as they allow corporate partners to reach millions of people over and above venue attendees. In order to overcome shrinking budgets, Convention Centers, Theatres, Transit Agencies and Municipalities are also increasingly turning to the private sector to help fund public services via Naming Rights sales. In recent years, the traditional scope of Naming Rights and corporate sponsorships has expanded to include a large number of new industries and organizations.

### 3.2 Valuation Measurement Strategies

Despite the growth of title sponsorship and Naming Rights agreements in both sporting and non-sporting contexts, one would assume that an objective means of valuing title sponsorship Naming Rights opportunities has been developed. Ashley & O'Hara (2001) argued that the establishment of an objective method to value Title Sponsorship Naming Rights is fraught with difficulties. This is because many of the benefits associated with Title Sponsorship Naming Rights such as public image, do not have a physical presence and are therefore intangible. Title Sponsorship and Naming Rights agreements frequently differ in terms of duration, breadth of benefits available, reach and value. This is largely due to the bespoke nature of each contract and the need to predict present and future benefits, quantified in present-day dollar terms.

The most common methods used to calculate Naming Rights valuations are:

- The Cost Method;
- The Income Method; and
- The Market Method.

These are explained in further detail below.

The **Cost Method** is a time-sensitive calculation of the amount of money that must be spent to replicate the exact bundle of benefits available through a Title Sponsorship Naming Rights agreement by some other means. This approach suggests that Naming Rights can be divided into specific and separate benefits and that a quantification of their cost of purchase, external to the Naming Rights Agreement will help both buyer and seller arrive at a mutually acceptable valuation. However, there are four issues with this method:

- i. Many of the replicated benefits will occur in the future, but individual forecasts about the present day value of future costs or revenue cash flows are subjective and can vary widely.
- ii. No allowance or dispensation is made for the uncertainty of the future.
- iii. The Cost Method always treats the impact of impressions in the same way, regardless of their source. It does not address the variable impact of impressions from different media. To overcome this problem, conversion ratios are used but a significant number of variables often remain.
- iv. Accounting for duplication of impressions can create variability in the valuation. The number of impressions generated is almost always higher than the total number of people reached because a percentage of individuals will receive multiple impressions such as word of mouth impressions.

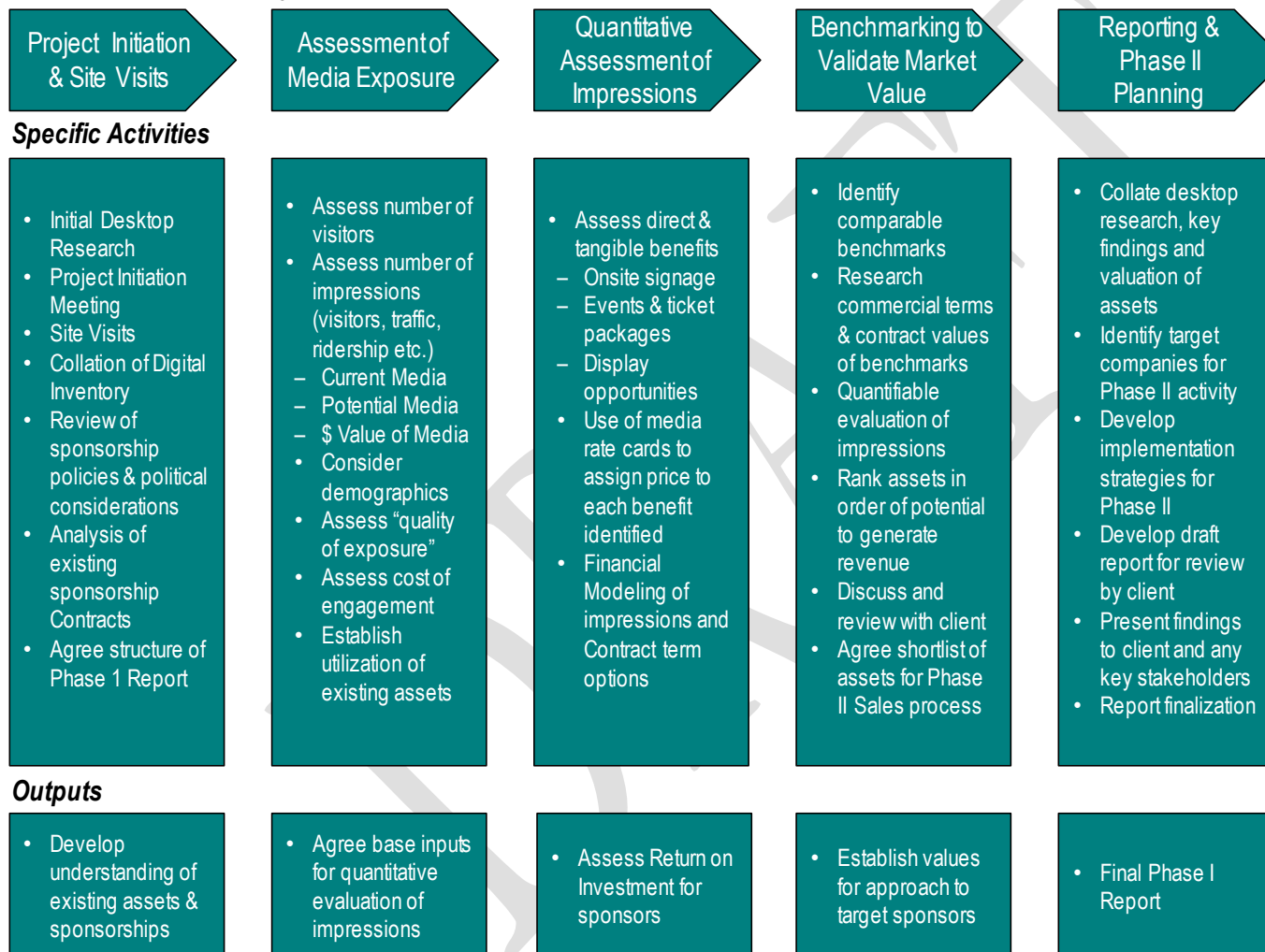
The **Income Method** compares the projected nominal income (present and future) expected to be earned from Naming Rights with the economic life or length of time that the intangible assets can expect to command a given price. An internal rate of return is then calculated to analyze the impact of alternative future scenarios upon the level and value of benefits accrued by the buyer. Hence, the income method deals more accurately with the uncertainty of the future, but remains just as susceptible as the Cost Method to the subjectivity of forecasting and duplication of impressions.

The **Market Method** assumes that a Naming Rights proposition can be valued by reference to similar transactions of Naming Rights bundles within equivalent sets of local area demographic characteristics, comparable points in time and equivalent features. This is described as the most common approach to Naming Rights valuations as the nature of Naming Rights agreements immediately calls into question the search for similar transactions. It is also considered to be a less subjective means of valuing Naming Rights agreements as it makes fewer assumptions than the Cost or the Income Method. Academic study also advocates making adjustments to valuations in order to account for comparative analysis against current market rates.

### 3.3 The Superlative Valuation Methodology

Due to the lack of a universally accepted valuation methodology for Naming Rights and Sponsorship valuation, the Superlative Group, over time and experience of securing revenue generating opportunities, has developed the following valuation methodology. The diagram below shows the key stages, specific activities and outputs during development of our Phase I Valuation report.

Figure 2.4.1

**Valuation Report – Key Activities**

## **Project Initiation & Desktop Research**

Upon appointment as sales agents on any new engagement, The Superlative Group carries out initial desktop research to review relevant documentation such as financial statement and strategic plans to gather contextual information such as major capital projects in the locality, specifics of the existing facilities and key statistics such as visitor numbers, drive-by traffic, media publications, hits on websites / communication channels. Our research team maintains a database which is used to compile key pricing and contractual data for all relevant Naming Rights initiatives.

Site visits are undertaken where relevant to view the assets being valued. A digital inventory is compiled for each location which is used during the valuation process and subsequently, during development of promotional materials during the sales process. The Superlative Group gathers site maps to document key details such as number of existing signage and venue specifications. This information is used to identify commercial opportunities as part of the Phase I valuation process.

## **Assessment of Media Exposure**

Assessment of media exposure requires an understanding of the number of impressions which a corporate sponsorship would deliver. This involves gathering traffic statistics for specific venues and consideration of impressions from roadside signage, aerial views and naming on radio traffic updates or other media channels.

## **Sponsorship Rates**

The investment for each sponsorship element is based on a cost per thousand (CPM). CPM for any Naming Rights or advertising program varies due to factors such as location, type of media exposure and position of sponsorship space. Whilst an average CPM for a national television advertisement may be \$28 per thousand, a 30 second advertisement during the 2013 Super Bowl cost around \$4 million. An important factor when considering media rates is that CPM values can vary considerably across the nation. As a result, Superlative researched local media rates for each project.

The media value includes assessment of the value of the target audience and the quality of exposure received. Understanding the value of each impression with respect to a specific demographic or target audience is an important part of assessing media value. A target audience of 18-34 year old males may be considered as a "premium audience" by a wide range of sponsors which target sporting venues and this would increase media value. The target demographic for other venues may be considerably different and hence, this must be taken into consideration as part of the valuation.

The quality of exposure is determined by how prevalent the sponsor's branding is during the exposure period and the impact that this placement will have on the target demographic.

## **Quantitative Evaluation of Impressions**

Financial modelling is used to assess the dollar value of impressions from commercial opportunities, and display opportunities (e.g. websites). This enables Superlative to build a profile of sponsorship value and assign a price to each benefit identified.

A template financial model has been developed over time, which is refined to the specifics of each project. The findings of the quantitative evaluation of impressions are presented in Sections 4 to 10 of this report. The quantitative evaluation of impressions involves consideration of contract term options and escalation assumptions. The Superlative Group template Naming Rights Agreement includes an annual escalation clause in line with the Consumer Price Index (CPI). After calculating the media value as described above, Superlative is able to build a profile of the sponsorship value for each site.

## **Benchmarking**

The Superlative Group identifies comparable benchmarks where appropriate and carries out research regarding commercial terms and contract values as part of the benchmarking exercise, in order to make a robust assessment of whether an impression-based valuation is appropriate. Assets are then ranked in

order of potential to generate revenue to establish priorities for the Phase II sales process. Consideration is also given to qualitative factors such as prestige of an asset or site, sponsorship activation and geographic reach.

**Reporting & Phase II Planning**

This report forms the main output of our Phase I valuation process. The following sections provide an overview of the main City of Milwaukee sites and the initial valuation of the Naming Rights and corporate sponsorship opportunities identified by The Superlative Group.

DRAFT

## 4 Wireless & Cellular

### 4.1 Introduction

This section of the MCPI Marketing Strategy identifies revenue generating activities available to the City of Milwaukee in the Wireless and Cellular Category.

### 4.2 Cell Towers

The City of Milwaukee has ongoing lease arrangements with a number of major wireless providers. This section will provide an overview of current agreements, provide detail of cell tower locations and provide an overview of the pros and cons of a third party lease buyout.

#### Summary of Vendors, Locations & Contracts

Table 4.2.1 provides an overview of cellular vendors, locations, lease information and annual payments. The locations shaded in blue indicate that revenue is provided directly to the Milwaukee Water Department.

Table 4.2.1

Vendor	Location	Orig. Lease Date	Estimated Rev	Lease Terms
Verizon Wireless	3000 North Lincoln Mem Dr.	Jan 29, 2001	\$26,373	5 Years, option 4 additional terms
AT&T (Telecorp)	3000 North Lincoln Mem Dr.	Dec 15, 2000	\$0	5 Years, option 4 additional terms.
U S Cellular	3000 North Lincoln Mem Dr.	July 30, 2006	\$30,631	5 Years, option 4 additional terms
Cingular Wireless	3000 North Lincoln Mem Dr.	Sept 01 1992	\$24,000	6 Years, 3 additional terms
Cingular Wireless	3000 North Lincoln Mem Dr.	Sep 01, 1992	\$12,600	
AT&T (Telecorp)	4001 South 6th Street	Dec 15, 2000	\$25,654	5 Years, option 4 additional terms.
Cricket Communications	4001 South 6th Street	Aug 01, 2008	\$27,518	15 Years, option 4 additional terms.
T Mobile (Voicestream)	4th Highland Parking Lot	Jun 09, 2005	\$24,000	5 Years, option 4 additional terms. 3%
T Mobile (Voicestream)	5600 W. Oklahoma Av.	Dec 20, 2005	\$23,662	5 Years, option 4 additional terms.
Verizon Wireless	5600 W. Oklahoma Av.	Jan 14, 2001	\$26,373	5 Years, option 4 additional terms
Ameritech	5600 W. Oklahoma Av.	Dec 01, 2000	\$0	Rebuild in lieu of rent 20 years
AT&T (Telecorp)	5600 W. Oklahoma Av.	Apr 01, 2007	\$19,500	5 Years, option 4 additional terms. No Escalator
U S Cellular	5600 W. Oklahoma Av.	Oct 01, 2001	\$31,275	5 Years, option 4 additional terms
Cricket Communications	5600 W. Oklahoma Av.	Aug 01, 2008	\$27,518	15 Years, option 4 additional terms.
T Mobile (Voicestream)	8814 W. Lisbon Av.	Dec 18, 2000	\$24,000	Rebuild in lieu of rent 10-12 years, then 25 years
Verizon Wireless	8814 W. Lisbon Av.	Apr 12, 2002	\$29,785	5 Years, option 4 additional terms
AT&T (Telecorp)	8814 W. Lisbon Av.	Aug 31, 2001	\$31,274	5 Years, option 4 additional terms.
Cricket Communications	8814 W. Lisbon Av.	Aug 01, 2008	\$27,518	15 Years, option 4 additional terms.
T Mobile (Voicestream)	Hawley Road Water Tower	Nov 16, 2005	\$32,162	15 Years 5%
Verizon (Primco)	Hawley Road Water Tower	Jul 01, 2003	\$30,345	5 Years, renegotiate after 4 years 3% esc
Sprint	Hawley Road Water Tower	Mar 05, 1999	\$28,284	15 Years renegotiate after 14 years
AT&T (Telecorp)	Hawley Road Water Tower	Dec 15, 2000	\$30,786	5 Years, option 4 additional terms.
U S Cellular	Hawley Road Water Tower	Nov 02, 2005	\$32,162	5 Years, option 4 additional terms.
Cricket Communications	Hawley Road Water Tower	Sep 01, 2008	\$27,518	15 Years, option 4 additional terms.
U S Cellular	Pump Station 2275 Lincoln	May 01, 2002	\$26,372	5 Years, option 4 additional terms
T Mobile (Voicestream)	Southside Health Center	Jun 09, 2005	\$24,000	5 Years, option 4 additional terms. 3%
U S Cellular	Southside Health Center	May 06, 2002	\$29,784	5 Years, option 4 additional terms
T Mobile (Voicestream)	Zeidler Muni Bldg	Jun 09, 2005	\$24,000	5 Years, option 4 additional terms. 3%

### Annual Revenue Projections (Including Water Department Locations)

Table 4.2.2 provides a summary of the providers, locations and revenue projections from current cell tower arrangements. The information shows the following statistics:

- 9 Providers;
- 28 Locations;
- Approximately \$700k (2011), \$800k (2014 projection).

Table 4.2.2

Provider	Locations	2011 Revenue	2014 Revenue Projection
Verizon Wireless	3	\$82,531	\$95,540
Verizon (Primco)	1	\$30,345	\$33,159
AT&T (Telecorp)	5	\$107,214	\$121,040
U S Cellular	5	\$150,223	\$173,902
Cingular Wireless	2	\$36,600	\$40,383
Cricket Communications	4	\$110,074	\$127,424
T Mobile (Voicestream)	6	\$151,824	\$169,525
Ameritech	1	\$0	\$0
Sprint	1	\$28,284	\$32,742
Total	28	\$697,094	\$793,714

### Annual Revenue Projections (Excluding Water Department Locations)

Table 4.2.3 provides a summary of the providers, locations and revenue projections from non-water department cell tower arrangements. The information shows the following statistics:

- 6 Providers;
- 16 Locations;
- Approximately \$400k (2011), \$450k (2014 projection).

Table 4.2.3

Provider	Locations	2011 Revenue	2014 Revenue Projection
Verizon Wireless	2	\$56,158	\$65,010
Verizon (Primco)	0	\$0	\$0
AT&T (Telecorp)	3	\$76,428	\$85,401
U S Cellular	2	\$61,059	\$70,683
Cingular Wireless	0	\$0	\$0
Cricket Communications	3	\$82,555	\$95,568
T Mobile (Voicestream)	5	\$119,662	\$132,293
Ameritech	1	\$0	\$0
Sprint	0	\$0	\$0
	16	\$395,861	\$448,955

## 4.3 Lease Buyout Industry

### Traditional 3rd Party Buyout Companies

Traditional 3rd party buyout companies have a business model where they offer a lump sum in exchange for a set term of lease revenue. The main 3rd party buyout companies typically purchase a term from 15 years to a perpetual buyout of the lease revenue, with an average of 30 to 40 years. In exchange for the convenience of the lump sum and reduction in risk that the site may be terminated, the landowner gives up varying amounts of the potential future lease income.

## Pros and Cons of Lease Buyouts

A summary of the considerations that landowners typically have (or should have) about lease buyouts is provided below.

### Pros

- i. The primary benefit of agreeing to a lease buyout is that the landowner eliminates the risk of the lease terminating over the number of years that are prepaid. For instance, if the wireless carrier or tower company is willing to pay 20 years-worth of rent, and the lease was terminated during the 20 year period, the landowner would benefit from taking the lump sum.
- ii. A secondary benefit to a lease buyout is possible if the landowner takes the revenue from the sale and reinvests in another investment that pay a higher return than keeping the revenue stream. For example, the large infusion of cash could be used to fund programs such as the Mayor's Strong Neighborhood Program, 30<sup>th</sup> Street Industrial Corridor or the Milwaukee Street Car System.
- iii. If the property owner intends to sell the property in the short term, it may make sense to sell the wireless leases separately. Traditional commercial and residential purchasers of property look at the liberal termination rights vested to the tower company in most wireless leases (typically 30 to 90 days), and will not pay a fair value for the lease. The lease buyout companies have the ability to leverage the risk that any one lease will be terminated against the other thousands they own. Accordingly, they typically pay more than the landowner would receive from a normal purchaser of the property.

### Cons

- i. The primary disadvantage of lease buyout offers is that the City may forgo a portion of the revenue (the profit to the lease purchaser) over the term of the lease buyout in exchange for the large up front infusion of cash. The Superlative Group would assist the City to calculate net present values of each scenario to assess the financial and non-financial merits of the lease buyout option.

## Risk of Termination

The greatest risk of termination to the average cell site comes from two factors:

- i. **Termination due to Consolidation** – Current and future mergers may make some sites obsolete. There is and has been the possibility of consolidation between carriers. In recent years, the industry has had a number of large mergers. AT&T/Cingular, Sprint/Nextel, Verizon/Alltel to name a few. In each of these cases, some cell sites have been terminated or will be terminated as a result of duplication. In the case of AT&T and Cingular, approximately 6,500 cell sites out of 50,000 combined sites were terminated (14%). AT&T has recently announced its acquisition of Leap Wireless (Cricket). Furthermore, in 2011 AT&T and T-Mobile attempted to merge. The Department of Justice and the FCC both believed that the merger was anti-competitive and rejected it. Industry experts suspect that any future attempts by AT&T or Verizon to merge with one of the other Big Four wireless carriers (Sprint or T-Mobile) would likewise be rejected as anti-competitive. In the case of Sprint and Nextel, Sprint recently announced that they intend to terminate 21,000 out of 65,000 cell sites over the next 5 years. Clearwire is also now affiliated with Sprint, with Sprint being in control of the company. Finally, T-Mobile and MetroPCS have merged and closed their transaction mid-2013. Terminations due to this merger will likely begin in 2015. In all, future consolidation could create further redundancy thereby increasing the risk that a specific cell site might no longer be needed. In summary, taking the City's lease portfolio to market sooner than later will generate the highest return as the industry continues to rapidly evolve. And the ultimate impact of carrier consolidation is that overlap can occur, thereby decreasing the revenue currently received from the leases at the site sometime in the future.



- ii. **Termination due to Optimization** – Technological advancement may reduce the need for new towers. While there is no technology that we are currently aware of that will make cell towers obsolete as a whole, there are technologies that could increase the effectiveness of individual cell sites, making some expendable. Increases in base station equipment efficiency (the equipment that handles the calls at the cell site) could increase capacity, thereby reducing the number of cell sites necessary for the operation of the network. In summary, by selling the City's lease portfolio the City will be insulated from the rapid advancement of technology in the cellular phone industry and will have received the maximum value for the portfolio while transferring this risk.

### **Buyout Conclusions**

Initial review of the cell tower lease information provided by the City of Milwaukee indicates that, subject to further due diligence of existing lease agreements, a 20 year buyout could generate an immediate cash infusion of between \$6.0 million and \$8.5 million excluding water department leases.

### **Next Steps**

Subject to Common Council approval, The Superlative Group would develop a procedure to solicit proposals from interested 3<sup>rd</sup> party purchasers of the Milwaukee cell tower leases. The Superlative Group would assist the City with review of the financial and operational aspects of each proposal and make recommendations to Common Council regarding whether the proposed buyout program would deliver value for money to the City.

**Important note:** solicitation of the market would not commit the City of any course of action. The City would have ultimate approval on whether to proceed with a 3<sup>rd</sup> party buyout or continue with the current arrangements.

### **4.4 Cellular Program for City Employees**

There is potential to develop a sponsorship agreement with one of the prospective partners identified in section 4.4 below. The term of the agreement could be approximately two years, including a sponsorship fee of approximately \$40,000 covering the following benefits:

- Exclusive cell phone provider for city employees;
- Access to city employees;
- Designation as "Official Wireless Sponsor of the City of Milwaukee";
- Presence on City Intranet Site;
- Facilitated communications for marketing wireless products and services to City employees;
- On-site presence at least once per quarter;
- Present wireless solutions at employee events;
- Participate in marketing wireless products in any employee fairs or events;
- Giveaway items, pre-approved signage / posters, welcome pack leaflets; and
- Custom created internet portal for discounts.

The Superlative Group will work with the City to develop the proposed benefits to be included in this sponsorship package.

#### 4.5 Prospective Partners

The most likely partners to be included in this category opportunity are Verizon Wireless, AT&T, U.S. Cellular, T Mobile, Ameritech, Sprint, Time Warner.



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## 5 Vending & Soft Drinks

### 5.1 Introduction

Subject to Council approval, The Superlative Group would like to seek proposals from beverage companies to support the sale of non-alcoholic beverages throughout City venues and hosted events.

### 5.2 Citywide Vending Agreement

#### Objectives

The Superlative Group would undertake an evaluation process on behalf of the City of Milwaukee to solicit proposals from beverage companies, with the intent to enter into a 10-year contract for exclusive pouring rights at all City owned venues and at all City events. The Superlative Group would request proposals from all major beverage companies to support the sale of non-alcoholic beverages.

The purpose of the process is to support existing beverage sales and distribution channels and strategies, as well as modify and / or improve existing distribution or operations. Beverage companies would be required to propose innovative suggestions and strategies to help improve consumer experience and increase sales.

#### Current Agreement

The materials provided to beverage companies would provide an overview of the existing agreements;

- City venues & events covered;
- Snack / beverage / vending locations / healthy options; and
- Compensation commissions on carbonated beverages & water, non-carbonated beverages, snacks and provision / maintenance of equipment.

The Superlative Group would work with the City to consider proposals that include increased vending but ultimately reserve the right to determine the minimum number of vending machines that will be permitted.

#### Evaluation Process

In support of its financial and operational objectives, each respondent would be required to provide a detailed proposal to outline its Exclusive Beverage Partnership Plan. The document would be structured to reflect the following sections;

- i. **Partnership Plan** – including sales and revenue objective for the partnership, innovative distribution channels and marketing plans;
- ii. **Product Plan** – including product scope, equipment and service proposals;
- iii. **Pricing Proposal** – detail of annual sponsorship fees, signing bonuses, commissions and additional financial compensations;
- iv. **Service Plan** – detail of the proposed service arrangements;
- v. **References** – detail of three references of existing clients which would be considered as part of the evaluation process.

The award of an exclusive pouring rights agreement would be based upon a comprehensive review, analysis and negotiation of all proposals that best meet the needs of the City of Milwaukee. The City of Milwaukee would select the beverage company whose overall proposal demonstrates clear capability to best fulfill the purposes of this process.

The deadline for proposal submissions would be discussed and finalized following consideration of the opportunity by Common Council.

Table 5.2.1 provides an overview of vending locations and volumes. If the MCPI program is approved by Common Council, further work would be completed to calculate annual revenue estimates where information is currently unknown.

**Table 5.2.1**

Department	# Machines	Type	Location	Formal Agreement	Estimated Annual Rev	Proceeds Used For
Assessor	1	Beverage	CH - 507	No	\$550	Sunshine Club
BOZA	2	Beverage	809 Building Basement	No	Unknown	Unknown
BOZA	3	Beverage	Cafeteria - City Hall	No	Unknown	Unknown
CCCC	1	Beverage	CH - 205	No	\$1,000	Holiday Party
City Attorney	1	Soda	740 W State - Rm 205	No	\$758	Soda, coffee, paper
DCD	6	Beverage	Scattered	Yes	Unknown	Sunshine Club
DER	2	Food / Beverage	CH - 706	No	\$1,800	Sunshine Club
DNS	1		MB - 10th Floor	No	\$700	Holiday Parties / supplies
DNS	1		Lake Tower	No	\$500	Holiday Parties / supplies
DOA - CBGA	1	Beverage	CH - 606	No	Unknown	To vendor
DOA - ITMD	3	Food / Beverage	MB - 400	No	\$900	Dept activities
DPW	22	Food / Beverage	MB & 15 outlying buildings	No	\$12,400	General City Fund
Election	1		CH - 501	Yes	\$179	To Election Commission
Fire	39	Food / Beverage	3 Bureaus/36 firehouses	No	\$0	Maintenance fund
Health	1	Snack	MB - 3rd Floor	No	Unknown	To vendor
Library	3	Food / Beverage	Central Library	No	\$4,800	Benevolence Fund
Police	26	Food / Beverage	Various	Yes	\$40,000	MPAA, Events, Equipment, Picnic
City Treasurer	1	Food / Beverage	City Hall, Room B-5	No	\$305	
Water	1	Food / Beverage	Broadway	No	Unknown	Unknown
Water	2	Food / Beverage	Linnwood Room	No	Unknown	To vendor
Water	2	Beverage	Howard	No	Unknown	Owner of machine
<b>TOTAL</b>	<b>120</b>				<b>\$63,892</b>	

## Outcomes

It is anticipated that a City-wide vending agreement would provide additional non-tax revenue as well as improved distribution and service to the City of Milwaukee. If approved, further information on outcomes would be available following evaluation of responses. The Superlative Group anticipates that a single source soft drinks agreement could generate between \$50,000 and \$75,000 of additional annual revenue.

### 5.3 Prospective Partners

The main applicants in the process are expected to be Coke, Pepsi, Dr Pepper / Snapple.



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## 6 Automotive

### 6.1 Introduction

This section provides an overview of potential opportunities in the automotive category.

### 6.2 Wraps / Decals on City Vehicles

Advertising on City fleet cars could provide a significant opportunity to generate additional sponsorship revenue. The City of Milwaukee passed a resolution in February 2014 which establishes a one year pilot program for advertising on City vehicles.

The Department of Administration is directed to implement the pilot program and to:

- i. Identify City vehicles, including street sweepers and snow plows, available for marketing and desirable potential partners.
- ii. Prioritize these vehicles in terms of ease of marketing and short- or long-term commercial value.
- iii. Develop a marketing plan for the City vehicles.
- iv. Seek out commercial partners for transactions.
- v. Negotiate the terms of and execute marketing agreements relating to these vehicles with commercial entities.
- vi. Adopt reasonable rules to implement the intent of this resolution.

In recognition of several cities throughout the United States which have implemented programs to market advertising space on city assets, including city-owned vehicles, the City of Milwaukee permits the Department of Administration to proceed with a pilot program so long as the Department of Administration shall submit written reports on a quarterly basis to the Common Council regarding the pilot City vehicle advertising program during the one-year period the pilot program is operating.

The Superlative Group understands that the City of Milwaukee owns nearly 3,500 fleet vehicles. The pilot program should include a manageable number of vehicles (e.g. 35) within a specific department. Initial price benchmarking indicates that a program of wraps on 35 City vehicles could generate between \$120,000 and \$140,000 per annum.

This valuation is based on market information that wraps on City vehicles can generate up to 22,500 impressions per day. Assuming weekday impressions only and a cost per thousand impressions of \$0.70, a program of approximately 35 vehicles would generate approximately \$140,000 per annum. A pilot program of approximately 3 years would maximize the revenue potential from the opportunity

Figure 6.2.1



As an example, the City of San Diego developed an official partnership between their Lifeguard Department and Toyota. The San Diego partnership included promotional events at City facilities, inclusion in media exposure and the opportunity to work with the City Lifeguards for Special Events. The City of San Diego received 34 branded vehicles over a 3 year term as compensation for the partnership.

### 6.3 Parking Garage Sponsorship

The City of Milwaukee holds a 50 year Parking Garage Management Agreement with Johnson Controls Inc. The Agreement covers parking garages at the following locations:

- 324 W Highland Av;
- 841 N. James Lovell St;
- 1000 N. Water St;
- 742 N. 2<sup>nd</sup> St; and
- 535 N. Milwaukee St.

#### 2013 Parking Revenues

The following table provides an overview of 2013 parking revenues.

Table 6.3.1

Parking Location	2013 Revenue	# Transient Users	# Transactions	Total Annual Transactions
324 W Highland Av	\$754,089	45,113	45,720	90,833
841 N. James Lovell St	\$3,542,270	321,143	255,542	576,685
1000 N. Water St	\$1,401,692	42,022	189,655	231,677
742 N. 2nd St	\$751,826	36,452	79,574	116,026
535 N. Milwaukee St <sup>1</sup>	\$574,500	-	-	-
Total	\$7,024,377	444,730	570,491	1,015,221

The Superlative Group has investigated the potential to sponsor Parking Garages. The potential sponsorship benefits are identified below:

- External signage impressions;
- Sponsor ID on parking tickets;
- Website / online promotion;
- Preferred rates for users with the same brand as sponsor.

Based on these benefits, the proposed value range for sponsorship of each parking garage is provided below.

Table 6.3.2

Parking Location	Annual Value Range	
	Floor	Ceiling
324 W Highland Av	\$15,000	\$20,000
841 N. James Lovell St	\$30,000	\$45,000
1000 N. Water St	\$30,000	\$45,000
742 N. 2nd St	\$25,000	\$35,000
Total	\$100,000	\$145,000

The most effective sales program would be to package all parking garages and sell to one sponsor. This may include a bulk discount of approximately 10%, resulting in a value range of approximately \$90,000 to \$130,000.

<sup>1</sup> This garage is leased out through 2044 for exclusive use of Johnson Controls staff. The City of Milwaukee has no data on usage.



## 6.4 Adopt a Boulevard

An “Adopt a Boulevard” Program would be a promotional campaign in Milwaukee to keep sections of highway free from litter. The program would allow local businesses or corporations to sponsor a stretch of roadway, which they would adopt for a defined period of time. The program would involve signage opportunities along major streets which feature the business’ name and corporate logo. This provides opportunity for a significant exposure at a relatively low cost when compared to most outdoor media.

The program could generate financial savings which can be used to cross subsidize ongoing highway maintenance budgets. For sponsors, the program provides considerable exposure twenty-four-hours a day, on selected City highways. It is also an attractive Corporate Responsibility opportunity. For the City, the program allows highways to be cleaned at reduced cost by cleaning crews and also allows for safer highways for drivers due to reduced debris on or along the roads, minimizing the risk of accidents.

### The Gateway to Milwaukee

The Airport Gateway Business Association (AGBA) was created in 2005 to provide leadership in planning, promoting, and developing the vitality of the area around the Airport. In 2006, the City of Milwaukee approved the Airport Gateway Business Improvement District #40 (AGBID) that is managed by AGBA and funding began in 2007. Together, AGBA and AGBID operate and market The Gateway To Milwaukee to create a welcoming environment for consumers and travelers, further community relations, retain and attract businesses, support local and regional business development efforts, grow property values and liaise among other

Gateway To Milwaukee stakeholders including the State, the City and the County of Milwaukee, the Milwaukee 7, VISIT Milwaukee and General Mitchell International Airport. The AGBID is funded by commercial property owners in the District and its Board of Directors is approved by the Mayor of the City of Milwaukee. Assessed funds are used for physical enhancements of the area, community and networking events, safety patrols, and marketing activities such as this web site, streetlight banners, advertising and communications with AGBA members and the community. Sponsorships and business advertising opportunities are available to help raise funds for additional services and programs.

The Project has successfully generated revenue from signage programs with a number of corporate entities including Milwaukee Brewers, Mark Travel / Funjet and We Energies.

Figure 6.4.1



Figure 6.4.2





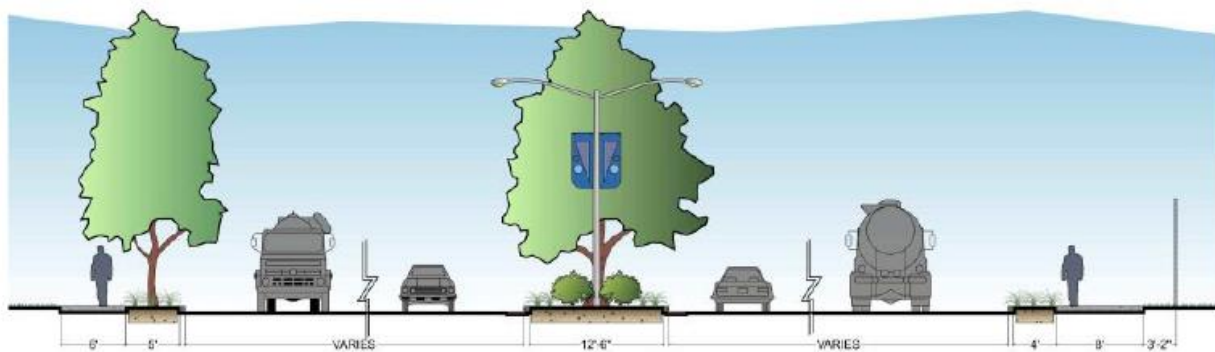
### East Layton Avenue Development

The latest street beautification program is centered around East Layton Avenue. The project will provide an aesthetic gateway from the Airport to Downtown and the Lakefront. Key elements of the investment include:

- Signage Improvements;
- Pedestrian Zones;
- Stormwater Management;
- Opportunities for local / regional art; and
- Clear zones with trees and shrubs.

Following the success of the Gateway to Milwaukee partnership, this program should be marketed to corporate partners for sponsorship generation. Based on the current construction timeline, the development plans should be completed during 2016. This could provide time to develop the program, finalize pricing and market to interested partners. Figure 6.4.3 shows a rendering of the proposed streetscape.

Figure 6.4.3



### Promotional Activity

The existing program could be promoted through the following channels:

- Online via dedicated "The Gateway to Milwaukee" website;
- Through partnership litter events with environmental organizations;
- Signage on roadways; and
- Pamphlets and posters.

### Revenue Projections

Average daily traffic on boulevards in the downtown area is between 10,000 to 40,000 vehicles per day. These figures indicate that annual revenue potential for Adopt a Boulevard promotion signs could range from \$9,000 to \$26,500 per sign. The suggested program would identify the best suited Boulevards for the program and sell. Depending on the number of permitted signs and revenue split between the City and the County, the program could generate between \$125,000 and \$150,000 of additional revenue per annum<sup>2</sup>.

<sup>2</sup> Assumes inclusion of approximately 8 signs at an average cost per sign of \$18,000 per annum.

## 6.5 Parking meters

A growing number of cities have developed donation programs for the homeless by providing parking meter donation stations. The program has been established in at least 16 cities across the United States. Donations deposited in meters go to services such as housing, meals, counseling and job training to the City's homeless.

Denver installed the meters in 2007 and raises about \$100,000 a year through more than 80 of them through Denver's Road Home, a program working to end homelessness in Denver. About \$30,000 of this is from coin donations and \$70,000 is from the sponsorship of businesses and residents who pay \$1,000 a year to sponsor a meter. The program uses recycled parking meters placed along established meter collection routes, so no installation or collection fees are taken from the proceeds.

Cleveland installed 12 donation meters in the summer of 2009 and has since doubled that number. The total installation and refurbishing cost was about \$3,400. During the first year the meters were in place, the meters made about \$100 per week for a total of about \$5,200.

The parking meter opportunity would include development of a Corporate Social Responsibility program, where sponsors would pay a fee of \$50,000 to \$60,000 for title sponsorship of a help the homeless program. The sponsor would be permitted to include its logo on the parking meter, parking tickets and allowed publicity from a launch event. Between 10 to 15 parking meters in high visibility downtown areas would be selected as part of the program.

Figure 6.5.1



## 6.6 Prospective Partners

Main targets are likely to include Chrysler, Toyota, Ford, Jeep, Goodyear, Bridgestone, Continental and Firestone.



## 7 Health & Wellness

### 7.1 Introduction

This section provides an overview of opportunities in the health category.

### 7.2 Health Department / Clinic Operating

#### Key Statistics

The City of Milwaukee Health Department (MHD) employs a total of 252 staff. Main Health Center Locations include:

- Southside Health Center, 1639 S. 23<sup>rd</sup> St;
- Keenan Health Center, 3200 N. 36<sup>th</sup> St; and
- Northwest Health Center, 7630 W. Mill Rd.

The Health Center received over 75,000 visits in 2013.

The Health Department website ([www.milwaukee.gov/health](http://www.milwaukee.gov/health)) receives approximately 25,000 unique page views per month and has a 3 minute average dwell time. Top pages visited include homepage, birth and death certificates, health locations and schedules, STD / HIV / AIDS.

A supplier partnership plan may be attractive sponsorships or in kind donations for CVS, Walgreens, medical supply stores. The initiative could specifically target services focused on children such as immunization clinics, lead testing, and perhaps even home visits.

#### Mobile Vehicle

There is potential to include sponsor ID on the mobile vehicle.

Figure 7.2.1



**Childhood Lead Poisoning Prevention Program**

The MHD has been a nationwide leader in the reduction of lead poisoning in children under 6 years of age. Since 1996, the prevalence of children with significantly elevated blood lead levels has been reduced from 41 percent to 3.3 percent. However, further work is still required.

A key aspect of the program is primary prevention through removal of lead hazards from housing units before a child can become poisoned. As of 2013, nearly 17,000 housing units have been made lead safe in the city. The City estimates that there are approximately 130,000 housing units in the Milwaukee that still have lead-based paint hazards that pose a risk to young children visiting or living on the premises.

The MHD works to reach landlords and home owners to inspect homes, test for lead, and subsidize the cost of lead removal. A key source of lead poisoning is old, painted windows, and much of the funding goes to window replacement. It costs approximately \$5,000 per housing unit. The program replaces about 5,000 windows annually at a cost of \$400 per window.

There is potential to develop a sponsorship program with major paint manufacturers (e.g. Sherwin Williams), which could be included as part of their Corporate Social Responsibility objectives. The sponsorship partner would provide additional funding to subsidize the cost of lead removal, in return for agreed corporate association with the program.

**Community Healthcare Access Program (CHAP)**

The City of Milwaukee Health Department Community Healthcare Access Program (CHAP) is the primary resource in the community for Medicaid enrollment, FoodShare enrollment and energy assistance. The staff is also trained as Certified Application Counselors for the Health Insurance Marketplace (Affordable Care Act). The staff operates from three health center locations, and is placed at more than 15 community-based organizations throughout each week.

In 2013, CHAP assisted more than 1,000 individuals initiate applications on the healthcare.gov website, along with answering more than 500 phone calls with questions related to ACA (from October to December). This was in addition to the more than 5,000 people CHAP assisted in enrolling in Medicaid throughout the year. Another 2,000 are assisted in maintaining their Medicaid eligibility, and another 6,000 are assisted in "troubleshooting" issues with coverage.

This program could present the opportunity to develop a partnership with Health Insurance Providers to assist with operational costs of delivery. Sponsor benefits could include provision of leaflets and promotional messages from phone call operators.

**Cribs for Kids Program**

The City of Milwaukee Health Department operates the city's largest Cribs for Kids program, providing a safe sleep environment and education to hundreds of families each year. The MHD also provides cribs to other city entities, including the Milwaukee Fire Department and Milwaukee Police Department.

The Cribs for Kids program is part of the ongoing effort to reduce the overall infant mortality in the city. Each year, between 15 to 20 infants die due to an unsafe sleep environment. Each family which qualifies for a free crib attends a safe sleep clinic prior to receiving a portable crib (Pack 'N Play), a fitted sheet, and a Halo Sleep Sack. (Estimate cost: \$75-\$100 per family). In total, the program provides nearly 850 cribs annually at a cost of about \$55 per crib. The Milwaukee Cribs for Kids program is part of the national Cribs for Kids program.

**Infant Mortality Marketing**

The MHD's top issue is reducing the infant mortality rate in the city of Milwaukee. In some Milwaukee neighborhoods, the infant mortality rate rivals or exceeds that of third-world countries. While in past years the infant mortality rate has been reduced by 14.3%, this is still a priority area for further improvement, and African American infants remain three times more likely to die before their first birthdays than white infants in the city.

As part of a multi-faceted, community-wide effort to reduce the infant mortality rates, the MHD has engaged in several marketing campaigns that have earned national (and even international) attention. The key campaign has been the Strong Baby campaign, which used local infants as the “models.” The ads were placed on bus shelters, buses, billboards, newspapers, and digital web banners. MHD is in the process of developing the next phase.

### **7.3 Defibrillator Program**

The City is undertaking a two-year defibrillation replacement program, costing \$480,000 per year. In addition to a sponsorship form of recognition, it may be possible to affix a modest recognition of the sponsor on the apparatus or ambulance carrying the defibrillator.

A defibrillator partner could be used to part-fund the replacement program. Sponsorship revenue associated with this opportunity could range from \$36,000 to \$48,000 per annum.

### **7.4 Bike Lane Sponsorship**

Milwaukee recently painted many miles of new bike lanes on streets across the City. One of the most significant transportation improvements to the City in years, Cyclists now have a network of 65 miles of bike lanes and 75 miles of bike routes on which to ride.

Milwaukee Department of Public Works intends to add new bike lanes as streets are repaved and as grant money allows. The on-street bikeway plan identifies 145 miles of high priority streets for bike lanes and over 250 miles of streets on which bike lanes fit in the City.

The roadway cross section must have 10-12 feet for each regular travel lane, 5-6 feet for the bike lane and 7-8 feet for parking lanes (where parking is allowed). Bike lanes do not eliminate travel lanes for motor vehicles, nor do they eliminate parking. Roads that are important routes for cyclists but not wide enough to accommodate bike lanes are signed as bike routes.

The City of Milwaukee prints 10,000 - 20,000 copies of the Milwaukee by Bike map each year. Maps are distributed to all area bike shops, libraries, City Hall, County Parks. The maps are free and can be picked up at any of those locations.

A citywide sponsorship program could include painted sponsor ID in the bike lanes, sponsor ID on printed bike maps and a dedicated website. The program could include pedestrian/bicycle safety measures such as audible pedestrian signals and crosswalk improvements. The pedestrian lanes themselves could be used at intersections for promotional materials as well as advertising.

The bike lanes sponsorship program could generate between \$75,000 and \$95,000 of sponsorship revenue per annum.

### **7.5 Bike Share Program**

The City of Milwaukee is currently developing a Bike Share program. The project team recently secured a \$1.6 million grant to implement the first phase of a bike share system and will soon be working on the funding process to secure an additional grant for a larger second phase. The team has also been working with Midwest Bikeshare (MBS), a not for profit organization that is securing sponsorship and private money, developing the marketing & branding plan, and developing a business plan to operate the system.

MBS is currently considering a first phase system launch, which would use some of the private funding that has been raised to implement approximately 5 to 6 stations and 50 bikes, planned to go-live during summer 2014. Based on the current timeline, the larger grant funded launch (approximately 30 stations/300 bikes) will not take place until next year. In the event that the MCPI is approved by Common Council, The Superlative Group intends to meet with MBS to discuss how fundraising activities for the Milwaukee Bike Share program can be coordinated.



## 7.6 Citywide Health & Wellness

Due to the current changes in Healthcare, Hospitals and Health Insurance providers have increased activity in the sponsorship marketplace. Opportunities with the Health category partners could include:

- Annual Fitness Challenge, including fun runs. Health & wellness objectives;
- Information sessions on diet, nutrition and fitness;
- Cross promotion on selected employee communications;
- Heart rate check-ups, health advice to City employees;
- Special offers to mobile phones / social media;
- Ad slots and / or signage;
- Ability to market to City employees.

In recognition of the benefits to be gained from wellness programs, many companies and municipalities are participating in comprehensive wellness programs. A number of initiatives undertaken by the City of Milwaukee has significantly improved the current baseline for employee health care benefit (EHCB) expenditures, as well as projections for annual growth. Premium cost sharing changes, migrating insured member benefits to self-funding, utilization decreases, and the initial payback from investments in the city's Wellness program have reduced 2013 projected expenditures by 20% from 2011 levels. The Superlative Group intends to develop sponsorship initiatives with Citywide wellness partners.

## 7.7 Prospective Partners



Workforce Health



## 8 Library & Education

### 8.1 Introduction

This section provides an overview of opportunities in the Library and Education category.

### 8.2 Milwaukee Public Library

Milwaukee Public Library (MPL), which consists of the central library and twelve branches, is the largest public library system in the state of Wisconsin. Central library is the headquarters of the MPL system and is one of Milwaukee's most notable public structures. MPL provides a wide range of vital services for the citizens of Milwaukee, from youth reading and educational classes to computer literacy and employment services for adults. Table 8.2.1 shows total visitor at Central Library, MPL branches and other locations during 2013.

Table 8.2.1

	2013 Visitors
Central	509,894
Atkinson	94,139
Bay View	150,603
Capitol	126,649
Center Street	139,031
East	116,825
Forest Home	149,666
Martin Luther King	118,273
Mill Road	119,385
Tippecanoe	124,123
Villard Square	147,543
Washington Park	209,676
Zablocki	198,251
YCOS - Outreach	3,994
Drive-Up Traffic Count	33,030
<b>TOTAL</b>	<b>2,241,082</b>

### Key Statistics

A selection of other notable statistics is provided below:

- 1,068,477 unique visitors to the MPL website;
- 52,709 MPL database hits;
- 22,813 total circulation of overdrive audiobooks;
- 56,223 total circulation of overdrive E-books;
- 27,831 freegal users (downloadable music service);
- 4,433 Twitter followers; and
- 4,592 Facebook 'Likes'.



**Mission, Objectives & Strategies**

The mission of Milwaukee Public Library is to provide a gateway to an expanding world of information in order to meet present and future informational needs of all citizens.

Objectives are to:

- Create a city of readers and improve the literacy rate;
- Increased digital inclusion by providing access to technology and electronic resources; and
- Provide resources for young persons seeking employment opportunities

Strategies include:

- Maintain a robust connection to the internet and computer access;
- Offer job seeking preparation and computer training classes;
- Provide information and literacy resources in formats in demand by residents;
- Increase access to library cards for city students;
- Support early literacy initiatives and enhance literacy services to adults and children through out of school learning;
- Continue Sunday hours as a means of supporting orientation towards literacy and learning; and
- Expand support for programs and services through use of volunteers.

**Foundation**

The MPL Foundation provides essential support through private contributions for books, materials, programs, and library facilities to continue MPL's continued reputation as a first-class library which is responsive to community needs. The foundation was established in 1988 and continues its original vision of generating private-sector support to supplement tax-based funding. The result has been improved collections, expanded programs, enhanced services, and renovated buildings. Over the years, thousands of generous individuals, corporations, and foundations have demonstrated their deep commitment to MPL by donating to the foundation.

If the MCPI is approved, the Superlative Group intends to work closely with MPL Foundation representatives to ensure that any MCPI sponsorship programs are complementary to ongoing fundraising initiatives at MPL.

**8.3 Opportunities**

This section provides a brief overview of the possible opportunities at MPL.

**Sponsorship Opportunities**

The following sponsorship opportunities could be developed:

- i. Capital Donations to assist with funding for new branches and renovation of existing facilities;
- ii. Sponsorship of Marketable Programs, including children's reading programs/children's books and 'teacher in the library programs; and
- iii. Technology partnership, including growing demand for e-books, Sponsorships of the broadband/digital inclusion initiative.

These are discussed in further detail below.

## 8.4 Capital Donations

### East Library Development

The East Library capital project allows the city to develop a valuable property and replace an aging library. Total capital funding of \$3.55 million has been provided for the project, which will replace the current East Library with a new 16,000 square foot library as part of a mixed use project that includes multi-story apartments and a first floor retail space. Groundbreaking occurred on July 30 2013. Construction is expected to be completed in October 2014. During construction, library services are being provided through a temporary location at 2430 North Murray Avenue.

### Neighborhood Library Improvements

The 2014 capital budget includes \$1.8 million for several neighborhood library improvements, including:

- \$175,000 to replace the Center Street roof, \$100,000 to construct a public emergency exit at Center Street;
- \$150,000 to replace the carpet at Zablocki;
- \$750,000 for renovation of the Tippecanoe facility;
- \$600,000 in funding to begin two mixed use projects, replacing the current Forest Home and Mill Road facilities.

### Central Library Improvements

The capital budget includes \$1.56 million for improvements to Central Library. This includes \$200,000 for ongoing repair of the building's historic mosaic tile and scagliola, \$130,000 for masonry work on the building's exterior, and \$580,000 for replacement of an air handling unit.

The Superlative Group could work with MPL to develop a philanthropic / donation program to assist with funding for developments and capital improvements. The proposed approach is to identify areas of the new / renovated facilities which could be identified as 'named' or sponsored areas, for example the 'Smith Family Atrium' or the 'King Foundation Reading Area'. Possible named areas include technology / computer centers, reading rooms, music studios or arts and crafts areas. The library may offer an agreed list of benefits to target donors in return for major gifts / donations;

- Acknowledgement plaque for display at business or residential location;
- Inclusion in media and press advisories related to the opening of the facility;
- Logo recognition on a MPL website site sponsors page;
- 10 Tickets to private pre-opening event;
- Opportunity to distribute promotional materials at the opening event;
- Signage opportunity at the Grand Opening celebration.

Our initial assessment is that a named area could generate between \$15,000 and \$40,000 of additional income per annum, depending on location, prominence and the agreed list of benefits. If this opportunity is acceptable to MPL, The Superlative Group will work with MPL Foundation Representatives to develop an inventory of opportunities and potential target donors.

## 8.5 Marketable Programs

MPL provides a wide range of educational and leisure programs for both adult and youth groups.

### Adult Programming

The 2013 AMR Richard E. and Lucile Krug Rare Books Room Education Series included the following programs:

- Gerald Geerlings and the Jewelled City; Attendance – 21
- Art Nouveau: a New Style for a New Century; Attendance – 41
- The Voice of Germania: George Brooder's Milwaukee; Attendance – 32
- Rarities Remixed: Some New Old Favorites; Attendance – 42
- Napoleon DESCARPTION de l'EGYPTE; Attendance – 46

Author Visits during 2013 and 2014 (to date) included:

- Elaine Pagels: Vision, Prophecy and Politics in the Book of Revelations; Attendance – 191
- John Gurda, The Making of Milwaukee; Attendance – 100
- ReShonda Tate Billingsley author of A Family Affair; Attendance – 35
- Richard Thieme, UFO's and Government; Attendance – 55
- Sue Monk Kidd; Attendance - 331
- Charles Krauthammer; Attendance - 700

Business and Technology Department's – Medical College of Wisconsin's Science Cafes:

- Breast Cancer; Attendance – 60
- Alzheimer's Research; Attendance – 55
- Biomedicine; Attendance – 30
- Obesity; Attendance - 60

Special Humanities Programming:

- The North Shore Line: America's Fastest Interurban – Attendance - 136
- Schuster's and Gimbels: Milwaukee's Beloved Department Stores – Attendance- 107

Other Popular Adult Programs:

- Hispanic Heritage month programming – Attendance – 140
- Participation in the annual Doors Open Milwaukee in September – Attendance - 721
- Affordable Care Act Enrollment Labs with Milwaukee Health Department – Weekly October through December – Total Attendance-107

Employment and Computer Skills:

- In 2013, there were 582 drop-in job centers that helped 3,539 people with employment searches, working on resumes, completing job applications, or searching the internet for available opportunities.
- Additionally, there were 800 computer courses serving 4,403 class attendees. These classes primarily teach basic computer skills courses, including Introduction to Word, Introduction to Excel, and Email.

Title sponsorship of Author Visits program could generate between \$15,000 and \$20,000 per annum and could be marketed to consumer retail and financial services categories. Title sponsorship of Employment and Computer Skills programs could be marketed to major corporates in the technology sector as part of their Corporate Social Responsibility (CSR) initiatives. The program could generate between \$35,000 and \$40,000 per annum.

### **Youth Programming**

The Super Reader Summer Reading program promotes reading over the summer to maintain or increase reading skills while children are out of school and to develop lifelong habit of reading. In 2013, the program served 22,323 young people.

In 2014, the library will continue extended Super Outreach to 8,700 children up to 12 years at outreach sites, which exclude childcare classrooms and community-based organizations. Outreach educators visit each site three to six times over the summer and actively engage the children in the Super Reader program and literacy activities. The program costs approximately \$140,000, primarily funded through the Milwaukee Public Library Foundation.

Title sponsorship of the Summer Reading program could generate between \$25,000 and \$50,000 per annum and would be marketable to Health Groups and / or retailers such as Target.

### 8.6 Technology Partnership

Due to the increased technological requirements at libraries, through computers and online resources, technology partnerships can be developed with Public Libraries to provide in kind equipment and / or free Wi-Fi partnerships in return for selected signage and / or online exposure.

MPL receives supplies from a wide range of major technology partners including Dell, HP, Cisco and Microsoft. In-kind trade opportunities could be developed in return for sponsorship of certain areas of Milwaukee Central Library and / or branches. Technology targets should also be considered for employment and computer skills programs as described above.

Table 8.6.1 provides an overview the number of Public Internet Desktops (excluding catalog-only computers throughout the library system).

Table 8.6.1

Library	Public Internet Desktops	Public Laptops
Central	102	28
Atkinson	22	28
Bay View	22	18
Capitol	18	14
Center St.	33	28
East	12	18
Forest Home	22	28
M.L.King	21	28
Mill Road	21	14
Tippecanoe	14	18
Villard Square	15	40
Washington Park	28	30
Zablocki	28	17
<b>Total</b>	<b>358</b>	<b>309</b>

The technology partnership could generate \$35,000 to \$45,000 of additional revenue per annum. The Superlative Group has provided initial value ranges for MPL opportunities and will continue to work with MPL representatives as the MCPI project moves forward.

## 9 Media & Communication

### 9.1 Introduction

This section provides an overview of opportunities in the Media & Communication category.

### 9.2 TV Channel

The City Channel (Channel 25 on Time Warner Cable and Channel 99 on AT&T U-verse) provides live and taped replay telecasts of Common Council and Council Committee meetings. The City Channel also telecasts meetings of other city boards and commissions, special city events and other informational programming on city activities and services.

There is one main channel which feeds three sources:

- Channel 25 on Time Warner Cable;
- Channel 99 on AT&T U-Verse; and
- TV 25 Live Feed on the City of Milwaukee's web page.

Each channel is a real-time, live feed. Livestream 2 on the web page is a live, web-only telecast of a board or commission not shown on the main channel. Previous Meeting Telecasts are web-only, on-demand viewing of previous meetings. On the Legislative Research Center ([milwaukee.legistar.com/calendar](http://milwaukee.legistar.com/calendar)) is a link to the Granicus web system which contains all legislative schedules and records.

In addition to the Granicus video server, the City Channel also posts some non-meeting programming on its YouTube channel. Twitter is also regularly used to point viewers to each programming outlet. Viewership figures for the Time Warner Cable channel and the AT&T U-Verse channel are not available. The last survey for this was carried out in the mid-1990s. Viewership numbers from the Granicus streaming service can be made available.

There are currently no sponsorship or promotions on Channel 25. Current programming guidelines prohibit any commercial or political use of the channel. These guidelines have been adopted by the Common Council in resolution form and signed by the Mayor. These could be changed in the City's legislative process. The MCPI Program would need to be careful to change these in a way to ensure that any sponsorship would not create a conflict of interest (or an appearance of conflict).

Both the Time Warner channel and the AT&T U-Verse channel were created because of the City's franchising authority over cable TV which existed until 2007. In 2007, the State of Wisconsin established state-wide franchising and took franchising authority away from municipalities. Therefore, the city has no contractual agreement with either cable TV service to maintain this channel. The channel is grandfathered in under state franchising law. While a "PBS style" of underwriting would likely be acceptable to Time Warner and AT&T, a full "commercial" use of the channel could allow the companies to reassess whether the channel should continue to be at no cost to the city or should become a "leased-access" channel, where the City would pay a fee to keep the service.

Sponsorship of programming i.e. "Finance and Personnel Committee Hearing brought to you by..." and / or advertising should be explored but only when further clarity is available regarding the potential to remove current programming guidelines which prohibit commercial or political use on the channel.

**TV 25 LIVE STREAM****TV 25-B webcast only meetings****PREVIOUS MEETING TELECASTS**
**LEGISLATIVE RESEARCH CENTER**  
 Look up and watch archived  
 meetings of the Council

The Superlative Group understands that current programming guidelines prohibit any commercial or political use of Channel 25. As viewership figures for the Time Warner Cable channel and the AT&T U-Verse channel are currently not available, initial valuation of the sponsorship opportunity made the following assumptions.

- Cost per thousand impressions (CPM) value of \$25 for televised advertising.
- Viewership of approximately 50,000 to 65,000 per month across all City Channels was assumed.

The calculations and value range are summarized in table 9.2.1 below.

Table 9.2.1

Assumed Viewership per Month	50,000	65,000
Annual Impressions	600,000	780,000
Cost per Thousand Impressions	\$25.00	\$25.00
Initial Value Range	\$15,000	\$19,500

### 9.3 City Communications

There is potential to include promotional materials in the following communications:

- E-mail blasts to over 8500 employees;
- Annual mailing of tax bills (December) and notices of tax assessment (April) to nearly 166,000 homes and businesses;
- Water Works issues water bills each quarter households;
- DPW has mailings and flyers for a variety of purposes e.g. garbage and recycling collection schedules;
- Other official mailings and newsletters; and
- Aldermanic newsletters and ERS mailings.

Subject to more detailed information on viewership figures, The Superlative Group estimates that City TV Channels could generate between \$15,000 and \$20,000 of additional revenue per annum. City communications could generate between \$5,000 and \$10,000 per annum.

# 10 Other Sponsorship Opportunities

## 10.1 Introduction

This section includes selected opportunities which are not obviously tied to specific industry categories but provide sufficient opportunity to be included in the draft MCPI program.

## 10.2 Advertising on City Buildings

The MCPI Program could develop a program to identify opportunities for outdoor advertising on City Buildings. The Superlative Group recommends that the best way to monetize this opportunity would be to develop a partnership with one of the major outdoor advertising agencies, who would assist with implementation of advertising boards, collect revenue from advertising sales and pay a lease to the city for use of their building inventory.

The following points provide an overview of factors considered when valuing signage and advertising revenue potential:

- **Sign Size** – has a direct impact on visibility. Within a given market, advertising space carries a different value depending upon the number of impressions, which are used to calculate advertising rates. An impression indicates the number of times an advert is seen by pedestrians, motorists and transit riders.
- **Location** – Media rates are higher in high demand areas. Location also dictates the demographics of the audience. The Superlative Group will consider OOH cost per thousand (CPM) values when identifying signage locations.
- **Rotation** – In the case of digital advertising inventory, rates are based on the length of each advertisement. Rotations can range from 8 seconds to 30 seconds (depending on average wait time in a given location) with OOH advertising agencies aiming to maximize the number of advertisers on each digital ad board.
- **Demand** – Premium units and high-traffic transit stations in the heart of cities may have a long list of advertisers waiting to display their message. The proximity of certain ads to airports, shopping centers and other attractions also increases demand and price. Further, other events and timing make outdoor inventory more "precious" and can impact rates, such as large sporting events or beach adjacent inventory in the summer months.
- **Population** – Audience size will influence billboard cost.

These factors would be used to identify the most impactful locations to include in the advertising program. Buildings on major thoroughfares or with Highway visibility will generate a large number of annual impressions and will generate higher advertising revenue.



The following images show examples of outdoor advertising on parking garages and buildings.

Figure 10.2.1



Figure 10.2.2



**Outdoor Advertising Opportunities**

A selection of parking structures have been considered below to provide an example of the value potential. The parking structure at 2<sup>nd</sup> Street and Plankinton Av provides 473 spaces. The side of the structure provides sufficient space for either billboard or wallscape out of home (OOH) advertising boards.

Figure 10.2.3



The parking structure at 4<sup>th</sup> St and Highland provides 980 spaces. The structure provides potential for OOH advertising on both street-facing facades of the building.

Figure 10.2.4



The parking structure at 1000 N Water provides 1497 spaces.

Figure 10.2.5



The parking structure at MacArthur Square provides 1437 Spaces. The street-facing façade does not offer as significant opportunities for advertising boards.

Figure 10.2.6





## Value Potential

The following table provides an initial estimate of the annual impressions and advertising revenue potential from advertising on each parking structure. The analysis uses local traffic figures, assuming 1.3 passengers per vehicle and a CPM rate of approximately \$5.25<sup>3</sup>.

Table 10.2.1

Parking Structure OOH	Impressions	Value
2nd and Plankinton Av Structure	4,672,000	\$24,528
4th and Highland Structure	3,650,000	\$19,163
1000 N Water	5,292,500	\$27,786
MacArthur Square	4,808,875	\$23,443
Total	18,423,375	\$94,919

On the basis of initial feasibility, there is potential to develop an advertising arrangement on City buildings between the City of Milwaukee and an out of home advertising company. Depending on the number of advertising locations, the program could generate between \$20,000 and \$30,000 per sign of additional revenue per annum. If the MCPI program is approved, The Superlative Group will undertake more detailed discussions with outdoor advertising companies to agree signage locations, size and revenue arrangements.

### 10.3 Advertising on Garbage Carts

Advertising on trash cans and recycling bins is often much less expensive than other out-of-home signage options such as billboards. Ads on trash/recycle bins can also help advertisers look good in the eyes of consumers, creating the perception that the brand cares about keeping the area clean and cares for the environment. The ads can reach a wide range of people, depending on where they are located, allowing advertisers to target across a range of demographics.

Figure 10.3.1



There are several programs available. In some cases, the city runs a recycling program that is funded by sponsors in deals that run for multiple years. In exchange for the funding, a sponsor will have a small sign on the bins that says something like "brought to you by brand X." Other cities have trash/recycle bins specifically designed for advertising signage, typically 39-by-32 inches or 60-by-30 inches in size. Signage on these bins can be swapped out on a month-by-month basis. Another common option is round barrel-style trash bins at beaches or other high-traffic public spaces that can include a sign or even be entirely wrapped. These can also be placed at high-traffic events such as festivals or outdoor concerts. The advertiser may also choose to buy bins and place them in areas where none now exist, but the advertiser must first clear the placement with the proper authorities.

<sup>3</sup> Calculated as the average Milwaukee billboard rate, including a 30% to account for periods of underutilization, and long term discounts.

Pricing ranges from \$250 to \$300 per month per cart, with additional costs for production. The City of Milwaukee currently owns over 200,000 garbage carts and 150,000 recycling carts across the city. The Superlative Group recommends that the best way to test market interest in this opportunity is to develop a pilot program of 20 to 30 carts could generate between \$60,000 and \$72,000 per annum.

#### 10.4 Self Help Centers

City of Milwaukee residents have two convenient locations where they can recycle or safely dispose of a wide variety of residential refuse. No contractors or commercial vehicles are allowed on the premises to dump. The Self-Help Centers are located at:

- 6660 N. Industrial Road
- 3879 W. Lincoln Avenue

Total Visitor numbers for each location are provided in the table below.

Location	2012 Visits	2013 Visits
Industrial Road	81,925	83,230
Lincoln Ave	131,925	123,132
<b>TOTAL</b>	<b>213,850</b>	<b>206,362</b>

There may be potential to sponsor these sites with a local energy, waste or recycling partner, to be included as part of the City's green agenda. There may be potential to combine sponsorship of Milwaukee Self Help Centers with Advertising on City Garbage / Recycling Carts as a citywide green / recycling partnership.

#### 10.5 Other opportunities

The following opportunities should be considered by the MCPI team. The Superlative Group is currently looking at further clarification regarding feasibility, which will be provided in the final report.

#### 4<sup>th</sup> July Event

The City of Milwaukee has provided its citizens, neighbors and visitors a safe and friendly celebration of America's independence since 1911. In parks throughout the city, families and friends gather for picnics, games, doll buggy parades and talent contests. At night the sky is filled with fireworks bursting all over town. Celebrations are held at wide range of venues including:

- Alcott Park
- Enderis Playfield
- Gordon Park
- Humboldt Park
- Jackson Park
- Dr. M L King, Jr. Park
- Lake Park
- Lincoln Park
- Mitchell Park
- Noyes Park
- Sherman Park
- Washington Park
- Wilson Park

Title sponsorship of the events could include the following benefits:

- Title sponsorship
- On site marketing booths
- On site recognition – stage branding & announcements
- Sponsor-provided banners at selected park location
- VIP reception location
- Logo / name recognition on collateral & advertising material;
- Logo inclusion on promotional flyers

Initial consultation between the Department of City Development and Milwaukee County Parks (MCP) indicates that sponsorship of 4<sup>th</sup> July events should be permissible, provided that sponsorships comply with signage guidelines and MCP representatives are consulted regarding acceptable target sponsors. Title sponsorship of the 4<sup>th</sup> July event could generate between \$60,000 and \$75,000 per annum.

### **Barricades**

The City uses a lot of barricades in conjunction with church and neighborhood festivals (a regular occurrence with large crowds during the summer) which might be of particular interest for companies that wish to advertise on barricades. This opportunity could be added to the benefits package offered to sponsors of major City events, such as the 4<sup>th</sup> July Parade.

### **Skywalks**

There are several skywalks downtown that could hold advertising. The Superlative Group recommends that skywalks are considered as part of the advertising on city buildings process. As part of this process, there will be a need to identify which skywalks on high traffic thoroughfares are owned by the City.

# 11 Strategic Programs

## 11.1 Introduction

The objective of the MCPI Program is to generate non-tax revenue to develop mutually beneficial partnerships for the improvement of services and facilities for the residents of Milwaukee. This section identifies a selection of strategic programs which could materially benefit from a significant injection of additional revenue which could be delivered by MCPI:

- Mayor's Strong Neighborhood Program;
- The Milwaukee Streetcar; and
- 30<sup>th</sup> Street Industrial Corridor.

These initiatives are described in further detail below.

## 11.2 Mayor's strong neighborhood program

Based on current statistics, the City of Milwaukee is handling more tax foreclosed homes than ever before. The City now has more than 1,000 improved properties in its inventory. The issue is becoming a burden for many of Milwaukee's neighborhoods as these homes are often vacant and deteriorating.

In response to these factors, Mayor Barrett proposed the Strong Neighborhoods Investment Plan (SNIP) to help preserve housing stock and stabilize neighborhoods through a comprehensive approach which involves prevention, mitigation, revitalization and renewal. A \$12 million dollar budget includes funds for concentrated blight elimination, the repair of City-owned properties and vacant lot renewal and beautification.

- When it comes to **prevention**, the City will work to avoid future tax foreclosures whenever possible by securing properties at an earlier stage, working with owners, maintaining property registration records and inspecting properties to reduce deterioration.
- As part of **mitigation** efforts, the City will significantly reduce the backlog of structures that are on the must-raise list. The plan calls for City workers to do much of this demolition and creates into a new partnership with Wisconsin Community Services for additional re-entry job placements.
- In the **revitalization** component of Mayor Barrett's Strong Neighborhoods Investment Plan, City staff will increase in both property management and property marketing efforts and additional funds will be provided for property rehab efforts. A new program with local brokers will test a fresh way to market properties. The City will also step up the rent-to-own program for tenants who already live in City-owned tax foreclosed properties.
- Mayor Barrett's goal is to allocate these homes to responsible homeowners, which is why the **renewal** section of SNIP partners with community based organizations for the re-sale and targeted rehab of City-owned properties. As part of the HOME GR/OWN effort, the City is identifying the best use of City-owned vacant lots.

The results of the program will be measured by the City. Targets include 300 blighted or unsafe homes demolished and a goal of 350 home sales. As the Strong Neighborhoods Investment Plan progresses and demolition backlogs are eliminated, more funding will be dedicated to rehab and stabilization efforts, benefiting both neighbors and neighborhoods.

The MCPI program could provide matching grants or sponsorships for vacant lot beautification / productive reuse. The "adopt" program concept could be extended to vacant lots. Neighborhood based businesses could generate positive brand impacts through support. \$500 a year could offset snow



removal and grass cutting for a vacant lot. \$1,300 could offset services associated with a city-owned improved property. The program could include development of a “City Farm” from vacant lots – sponsorship potential with Target / Walmart.

### 11.3 The Milwaukee Streetcar

#### Introduction

The Milwaukee Streetcar network will connect the heart of the Milwaukee Central Business District with the Milwaukee Intermodal Station and high density residential areas just north of downtown. The streetcar will provide modern transportation for people to connect with their jobs, their homes, and their entertainment destinations. Streetcars add vitality to an urban setting, increasing commerce and activity around every one of the fixed stations and stops. Successfully developed in a large number of U.S. cities, streetcars are quiet, clean, and efficient. The Milwaukee Streetcar system will project an image of a modern and forward-thinking city that will help attract outside investment, business and talent.

Figure 11.3.1



#### Route

The route was identified to serve the greatest numbers of riders along a network that also provides significant opportunities for economic development. It was designed to complement existing bus routes, especially the major bus corridor along Wisconsin Avenue. The proposed route connects:

- Intermodal Station and its 1.4 million annual users;
- Third Ward (the fastest-growing neighborhood in City);
- East Town (with the largest concentration of jobs in the state); and
- Lower east side (the highest-density residential neighborhood in state).

The initial route and extensions would be within a quarter-mile of Milwaukee's main entertainment attractions, hotels, offices and retail space.

#### Costs & Funding

The capital costs for the initial route are estimated at \$64.6 million, generated by \$54.9 million of federal funding and \$9.7 million from local sources. Although the City will seek federal funding opportunities to finance the route extensions (Phase 2), major revenue injections from MCPI could provide vital additional funding.

The estimated annual operating cost is \$2.65 million for the initial streetcar route. The project assumes a fixed fare policy of \$1 per ride with multiple options for daily, weekly, monthly and annual passes. The Superlative Group has experience of developing naming rights partnerships for similar transportation networks.

### Timeline

Work on Preliminary Engineering and Environmental Documentation, including the final Environmental Assessment is complete. In July 2011, the City of Milwaukee Common Council voted to authorize planning work for The Milwaukee Streetcar to advance. In January 2012, the Federal Transit Administration (FTA) responded to the Environmental Assessment and issued a Finding of No Significant Impact (FONSI).

The Milwaukee Streetcar project currently continues development. The city has appointed an Owner's Representative and Design team and significant progress is being made in the design phase. As part of this phase, the project team is currently completing design related to the following: track and roadway, public utilities, platforms, overhead contact system and traction power, communications, and the operations and maintenance facility. The main next steps include ongoing coordination with the utility companies to reduce impacts and costs for modifications and relocations of their facilities.

### 11.4 30th Street Industrial Corridor

The City of Milwaukee is working with local, state and federal partners on a plan to redevelop the 30th Street Industrial Corridor, similar to revitalization program at the Menomonee Valley.

The proposed transformation initiative will develop the 30th Street Corridor into a major modern employment center and economic hub for the Near North area, the City and the region. This effort has included preliminary studies and planning efforts, as well as the purchase of the 84-acre former Tower Automotive Site. The Site will be redeveloped as a modern industrial park known as Century City, and will serve as a centerpiece for revitalization in the corridor. The objective of the 30th Street Corridor Master Plan is to provide a realistic, market feasible and implementable vision to achieve this transformation and revitalization of the corridor.

The ambitious proposals will require significant funding from a variety of sources. Funds generated by the MCPI program could be used to provide additional finance for the program, particularly as the project will require close links between major corporate businesses, the City and its residents:

- **Business Expansion / Retention Zones:** where retention of key businesses and business parks will be key to the continued commercial use of the area;
- **Modern Business Park Zone:** where proposed redevelopment of the former Tower site as the Century City Business Park will provide additional retail space;
- **Small Business Development Zone:** where plans involve reuse of larger structures for industrial, flex, and multi-tenant users;
- **Community Facility/Residential Zone:** rezone to transition away from industrial uses and eliminate land use conflicts
- **Anchor Business Retention Zone:** retention of key anchors

As shown in Figure 11.4.1, the City's newest business park at Century City features industrial opportunities with rail access just minutes from the Interstates. General Capital Group plans to build a 50,000 square foot multi-tenant facility this summer. The facility is being designed so that it can be expanded by another 50,000 square feet. Phase 1 construction is expected to be complete by the end of 2014.

Figure 11.4.1



Another potential redevelopment area is Sherman Park Commons. An overview of this area is provided below.

### **Sherman Park Commons**

This Senior Living Community is a development located in the center of the Milwaukee Sherman Park Neighborhood. Gorman & Company, Inc. collaborated with the Sherman Park Neighborhood Association and the Milwaukee Department of City Development to provide 68 units of senior housing. This development saves an historic neighborhood school (Jackie Robinson Middle School) and provides a much needed catalyst for the Sherman Park neighborhood to maintain its forward momentum.

## 12 Conclusions

### 12.1 Introduction

Corporate Sponsorships can provide additional revenue and in-kind support for venues in a number of different areas and in return the partner company receives greater brand recognition and enhanced advertising value.

This report outlines a range of sponsorship opportunities which should be considered by the City of Milwaukee. The sponsorships included in this study may be interdependent in terms of available inventory, quality of impressions, and category exclusivity. This means that the higher the number of opportunities available for sale, the lower the value potential from each individual opportunity. In addition, as sponsorships are often secured from corporations' regional marketing budgets, there is often a finite revenue potential available in any specific location. These factors should be considered when projecting the overall MCPI revenue potential.

### 12.2 Partnership Opportunities – Entitlements and Activation

Subject to approval by Common Council, The Superlative Group will develop the appropriate collateral material and proposals for each category that the City of Milwaukee approves to take to market. These proposals will provide an outline for the prospective sponsors to review as part of determining if the category partnership is something of interest. The entitlements in each package will include the quantitative and qualitative benefits outlined herein, together with specific sponsorship activation opportunities.

At a generic level entitlements include:

- Sponsor name, logo and sponsor designation on selected City of Milwaukee materials such as printed materials and marketing collateral.
- Sponsor signage in mutually agreed areas with the opportunity to change the message at specified times during the year. Any costs associated with signage placement will be incurred by sponsor.
- City of Milwaukee and Sponsor may develop a joint press release and associated public relations campaign announcing the sponsorship.

### 12.3 Priority Opportunities

Based on the current analysis included in this document, the priority opportunities are summarized below:

- i. Wireless / Cellular – further consideration of the cell tower opportunity;
- ii. Automotive – adopt a boulevard for East Layton Ave and sponsorship of parking garages;
- iii. Advertising on City Buildings opportunity;
- iv. Health & Wellness – clinic opportunities, bike lanes and city health & wellness.

The Superlative Group intends to discuss priorities with the MCPI team and Council members during our presentation to the Finance and Personnel Committee on July 16, 2014.

**12.4 Next Steps**

The Superlative Group has worked with MCPI representatives to deliver the findings provided in this document. Council approval will be required before The Superlative Group will be permitted to progress to the sales process for any sponsorship opportunities.

The Superlative Group will present the findings of this MCPI Asset Inventory and Valuation Report and Sponsorship Policy to Council Members at the Finance and Personnel Committee on July 16, 2014.

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## A References

### **Documents provided by City of Milwaukee**

2014 Proposed Budget

MHD Superlative Background

Analysis of Leases.xlsx

Copy of Contracts by Authority

Parking Agreement – Johnson Controls.pdf

Self Help Numbers.doc

Moveable Bridge 20 Inventory.xlsx

Elliott's Deli Vending Agreement

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## B Sponsorship Policy

Please refer to separate document:

City of Milwaukee – Sponsorship Policy.doc

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