



City of San Diego

Toyota Motor Sales U.S.A. Marketing Partnership Agreement

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Presented by:

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Corporate Partnership Program (CPP)



Background

- **The City of San Diego Corporate Partnership Program develops mutually beneficial business arrangements between the City and organizations which generate non-tax revenue or new resources for the City and provides marketing benefits to the partners**



Corporate Partnership Program

The Corporate Partnership Program has the following objectives:

- **To establish and guide relationships with existing and potential business partners who share the City's commitment to provide the highest quality civic environment in the City of San Diego**
- **To generate revenue to fund existing and additional facilities, projects, programs, and activities**
- **To minimize the perception that the City has become "corporatized" by limiting the number of corporate partners while maximizing the cumulative revenue from the partners**



Request for Action

- **Authorize the Mayor to enter into a Marketing Partnership Agreement with Toyota Motor Sales U.S.A. which represent a financial benefit to the City of \$555,000 to \$1,110,000 in the lease value of 34 Lifeguard vehicles depending on the length of the Agreement.**
- **Estimated budgeted savings to the City of San Diego range from \$491,060 to \$982,120 in assignment fees (\$245,530 annually) depending on the length of the agreement.**



Process Followed

- **The CPP issued Request for Sponsorships to local, regional and national vehicle companies. Toyota responded with interest to outfit the San Diego Lifeguards with 34 vehicles.**
- **Negotiations with Toyota included the CPP consultant and Lifeguard Chief. The CPP director joined discussions once on board which accelerated the process. Toyota and the City reached conceptual agreement in July, 2011 followed by negotiations that included the City Attorney's Office.**



Wear and Tear Terms

- Extensive negotiations with Toyota and the City involved the term “excessive wear and tear.”
- City staff, including the City Attorney’s Office, secured language changes in the negotiations to protect the City from this risk to the extent possible.



Benefits to the City

- **34 reliable and quality vehicles for use by the Lifeguards for a two year term with a two year renewal option that would include a new fleet of 34 vehicles.**
- **Support for Water Safety programs by incorporating Water Safety messages in the Toyota vehicle displays, signage and materials.**
- **Provides savings by eliminating the need to purchase Lifeguard vehicles during the term of this Agreement.**



Benefits to Toyota

- **Official Vehicle Partner for Lifeguards**
- **Sponsor of Water Safety Days**
- **Sponsor of Water Safety Days at Toyota Dealerships**
- **Promotional Events at City Facilities**
- **Lifeguard Special Events**
- **Commercials**
- **Public Service Announcements**
- **Media Exposure**
- **CityTV**
- **Website Presence**
- **Direct Marketing to City Employees**



Fiscal Considerations

- **Vehicles have overall lease value of \$555,000 to \$1,110,000 depending on the length of the Agreement.**
- **Estimated budgeted savings in assignment fees are \$491,060 to \$982,120 depending of the length of the Agreement.**



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QUESTIONS?



Contact Information

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