

THIS GOVERNMENT BROUGHT TO YOU BY ...

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By Patrick Ibarra



Government revenues may be inching back up, but the cost of providing public services is increasing at a faster pace in many jurisdictions, and conditions are not present in most places to raise taxes or user fees significantly. In the face of this gap, how can government continue as a credible community-builder, forging a better quality of life for its citizens?

Public leaders in search of new revenue increasingly are looking to the private sector, offering up naming rights for public facilities, selling advertising or seeking sponsors for public events. These moves certainly have their share of critics, those who want to maintain what they see as some kind of governmental purity. But that purity doesn't really exist, and it probably never did.

The time is ripe for governments to explore this new role. Gone are the "Mad Men" days of three television stations and the daily newspaper serving as the exclusive channels for a commercial business to advertise its products or services. The Internet has complicated the search for customers exponentially, so businesses are craving outlets that maximize the number of eyeballs per dollar invested. That's where government comes in.

There are plenty of pioneers. Agencies and jurisdictions that already are generating advertising revenue include not only cities and counties but also schools, port authorities, transit operators, airports, state transportation departments and lotteries.

The city of Miami, for example, has begun the process of selling commercial space on its parking pay stations. Commerce City, Colo., sold the naming rights for a municipal park to Dick's Sporting Goods. The University of Louisville's hoopsters now play in the KFC Yum! Center. Virginia found a sponsor for its "safe phone zones" at rest stops along its roads. And it's become fairly common for a local jazz festival or holiday tree lighting to involve a number of sponsors that offset the costs of holding such events.

As beneficial as those arrangements may be, though, there are plenty of other ways for governments to generate revenue from the assets they operate. Here are a few ideas:

- Sell naming rights to recreation centers or even a reading room in the library. The good will a business engenders from participating in such a venture serves only to strengthen its brand among current and potential customers. And how about selling advertising space inside those recreation centers? Ads already are often sold inside the centers' printed recreation programming guides, so why not sell ads inside the facilities that host many of those events?
- Wraparound advertising on city buses has become common in many places. How about the rest of your fleet? Government trucks and cars are out and about every day on streets and highways. If that seems over the top, remember that those vehicles already carry advertising: the vehicle manufacturer's hood ornament.
- Run an airport? Here's an idea. I often travel in and out of Phoenix Sky Harbor Airport. How about a loyalty program for those who frequently use the airport parking lot? There are opportunities for loyalty programs in connection with a wide range of government-provided services. Many businesses are happy to provide discounts in return for customers' purchasing-practice and demographic information.
- Obtain a sponsor for weekly "Summer Splash Days" at the city swimming pool. Companies could provide free food and drink and might advertise these events through their own channels. And these events could help boost paying attendance on otherwise slow days.

- Insert coupons from participating businesses in mailings for utility bills and property tax assessments.
- Gift cards are immensely successful in the private sector. How about a government gift card to pay for yoga class or buy a bus pass?
- Sell advertising space on government websites and social-media channels. This may not be common now, but it's coming. Many government websites enjoy high levels of traffic, and there's really no compelling reason for them not to offer advertising for an audience that businesses value.

Certainly many people in government are going to feel uncomfortable with some of these ideas. But new revenue sources are out there waiting to be tapped, and it's time to re-examine old attitudes that serve only to polish the prison bars that prevent the kind of change that government needs.



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