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An Official Soft Drink for Phoenix?

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Coming soon: police, fire and other municipal services...brought to you by Pepsi?

In a financial pinch and looking for ways to build new revenue, Phoenix is considering opening up the halls of government to corporate sponsorship.

The idea is still only in the talking stages, but it would likely involve a soft drink company gaining exclusive distribution rights in city buildings and parks, plus the right to advertise as 'the official drink of Phoenix.'

In exchange, the city would get about \$1 million a year, plus a cut of the profits. "Phoenix has a sterling reputation for trying new things," said Ceil Pettie, the city's Budget and Research director. "This presents some unique opportunities for us, and we should explore them."

The plan for courting a corporate partner passed out of a Phoenix City Council subcommittee last week, with little indication that the full council would sink the proposal. Only minor tweaks appear to be in store.

Councilwoman Peggy Neely said she wanted to bar alcohol and tobacco companies from participating, while Councilman Michael Johnson said he wanted to ensure city employees would not be barraged with e-mail spam by the corporate partner.

Cities across the nation are increasingly renting out their names and reputations in an effort to make ends meet in tough budgetary times.

It's not just advertising placards on city buses and the names on tax-financed stadiums that are for sale anymore. The rush to close budget gaps has local governments

going so far as to put insurance company names on their police cars, turning public safety vehicles into rolling billboards.

A groundbreaking deal four years ago in which Coca-Cola became the "official beverage" of Huntington Beach, Calif., was only the beginning.

San Diego's Pepsi deal

San Diego has a \$1.5 million contract to sell only Pepsi products in the 475 soda machines on city property.

New York City Mayor Michael Bloomberg last month appointed a chief marketing officer whose job is to help fill a \$6 billion deficit by finding corporate sponsorship for the city's vast array of historic monuments, public buildings and parks.

And Portland, Ore., got 92 basketball courts resurfaced, courtesy of Nike, which affixed its swoosh logo to all of them.

Phoenix officials will be approaching the City Council on June 4 for approval to start taking bids from interested companies.

Pettle held up Pepsi's arrangement with San Diego as a potential model and suggested that a telecommunications company like Verizon could become the "official cellphone provider" for Phoenix, with cut-rate deals offered to employees.

She promised the corporate presence in city business would be both limited and tasteful.

"This will not turn our vehicles into something that looks like a NASCAR car, or a golf bag on a pro tour," Pettle said. "It does not have to be anything that we're uncomfortable with."

But the growing level of intimacy between local governments and the corporate marketplace has alarmed some consumer watchdogs, who say it cheapens the democratic ideal.

"It goes down a dangerous path because it's selling off the public good," said David Bollier, the Amherst, Mass.-based author of the recent book *Silent Theft: The Private Plunder of Our Common Wealth*. "Should all institutions be open to the highest bidder?"

The business of selling the names of publicly owned stadiums has been around since the early 1970s.

What is new about the recent wave of corporate involvement is the degree to which the product is allowed to directly piggyback on the city's name.

San Diego, for example, has several beach patrol trucks that prominently display the logo of Chevrolet and the leg end "Official Vehicle of the San Diego Lifeguards."

The appearance of a government product endorsement bothers Gary Ruskin, the executive director of a Portland, Ore., group called Commercial Watch, which decries the proliferation of advertising in public life.

'A tawdry huckster'

"The purpose of a city is to provide a humane environment for its citizens, not hawk phones," he said. "It makes the city a tawdry huckster. Residents across the city will react with nausea when they see how low the city has stooped. People will be less inclined to support a government they think is a joke, and the long-term financial cost will be higher than the short-term revenue gain."

Mary Braunwarth disagrees. She manages the Pepsi contract for San Diego and says that "there has not been a downside" in the four-year life of the deal.

Pepsi has not gone out of its way to promote itself using the phrase "official drink of San Diego" and seems to care more about having a captive audience among thirsty beachgoers and city employees.

"Their real motivation is distribution," Braunwarth said. "They want as many distribution exclusives as they can find, and they want to keep their competitors out."

San Diego gets a \$1.5 million annual fee, plus a guaranteed \$250,000 share of soda machine sales, she said. Having one soda supplier is also easier than having to deal with dozens of vending machine companies, each with its own terms and conditions, she said.

Ruskin worries that cities will see their doors forced wide-open by companies hungry for the kind of exposure only a government can bring.

He cited the case of a Charlotte, N.C., company that donates police cars, ambulances and other emergency vehicles to cash-strapped cities. The catch is that the vehicles are covered with advertisements.

"Once you offer some parts of the city for sale, it's a slippery slope," Ruskin' said. "Where does it end?"