



COMMUNITY SERVICES – RECREATION & CULTURE
TOWN OF NEWMARKET
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May 26, 2015

**COMMUNITY SERVICES – Recreation & Culture
COMMITTEE OF THE WHOLE REPORT 2015 - 21**

TO: Committee of the Whole
SUBJECT: Sponsorship & Naming Rights Agreements
ORIGIN: Community Services – Recreation & Culture

RECOMMENDATIONS

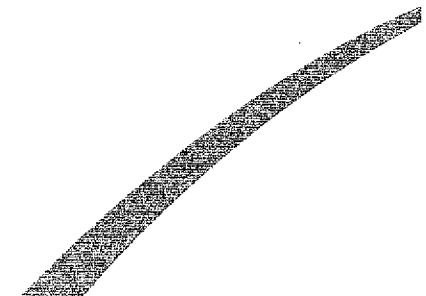
THAT the Community Services – Recreation & Culture, Report 2015 - 21 dated May 26, 2015 regarding Sponsorship & Naming Rights Agreements be received and the following recommendation be adopted:

- 1. THAT Council delegate authority to the Director of Recreation & Culture or designate to enter into negotiation, execution and termination of Third Party Advertising Naming Rights Agreements under the conditions set forth within this report.**

COMMENTS

Over the last 5 to 8 years, the Town of Newmarket has progressively entered into the realm of working with local businesses to offer advertising, sponsorship and naming rights within Town of Newmarket assets or services. In 2014, the Town generated close to \$140,000 in revenue through naming rights, advertising opportunities and sponsorship (excluding the Magna Centre agreement). As such the Town has developed a reputation as a municipal leader in this area – the Town received a PRO (Parks & Recreation Ontario) Award of Excellence for the sponsorship program and has been a presenter at the Municipal Sponsorship Forum. Over the last year, the focus in approaching the business community has been to evolve from a customer based interaction to a mutually beneficial partnership. Each partnership is based on the fundamental belief that both parties, the Town and the third party, are entering into a strategic partnership that will help build both their brands together.

In accordance with the Town's Sponsorship and Advertising Guiding Procedures, the Town solicits third parties in a manner that gives all businesses in Newmarket an equal opportunity to engage in partnership negotiations. Currently, the Town issues an annual direct call out to every registered business in Newmarket. This annual direct call out includes a direct mail marketing piece, a social media post/tweet and a posting on the Town Page. Discussions are then entered into based on the business' response.



At this time, the Town has contracted into naming rights agreements with: Magna International, Serpa BMW, Honda, Hyundai, Pfaff, Metro, Tim Hortons, Global Pet Foods and snapd Inc., for naming rights at a Community Centre, arenas, pool, gymnasium and park. In addition to these specific naming rights, the Town enjoys a positive relationship with over 75 additional businesses that advertise within our guides, our LCD screens, backlit signage, rink boards or are involved in sponsorship of events.

There are a number of strategic opportunities emerging, including naming rights for Rink #2, Multi-Purpose Room, Pool and Lounge 1 & 2 at the Ray Twinney Complex, Activity Room A/B and the Multi-Purpose Room at the Magna Centre, the auditorium and all the rooms at the Old Town Hall, and other program, events and new initiatives undertaken by the Town. Staff have been actively engaging with local businesses to foster relationships for securing naming rights appropriately, while still following established guidelines - namely that:

- Staff seek out marketing and sponsorship opportunities with third parties who reflect the values and maintain operation policies that are not in conflict with the Town's values, mandate or operating policies
- Third parties will have a positive public image and reflect a high level of integrity.
- The Town can maximize partnerships and revenue opportunities while safeguarding the Town's values, image, assets and interests.
- Staff maintain a list of partners interested in, and currently involved in, naming rights, advertising or sponsorship agreements.
- Staff annually provide opportunities for expressions of interest in partnership opportunities.

Upon review of other municipal approaches in sponsorship, naming rights and advertising, the above noted practices were consistent with municipal best practices identified. Additionally, in many municipalities delegation of authority to staff was established for staff to enter into agreements with businesses within appropriate thresholds. Staff is seeking delegated authority as follows:

1. Sponsorship, naming rights or advertising agreements shall be subject to the monetary thresholds and approval processes currently delegated to staff through Schedule "D" of the Procurement By-law 2014-27, on the understanding that the Town will be receiving monetary revenue and not incurring cost.
2. The Town reserves the right to terminate an existing agreement should the sponsor organization use the Town's name outside the parameters of the agreement without prior consent or the sponsor organization develops a public image inappropriate to the Town's values and/or objectives.

Municipalities that have delegated authority cited that by delegating authority to staff, this removed any conflict of interest for Council members and the business community and established a clear and transparent partnership framework.

CONSULTATION

Legal Services and Legislative Services were consulted internally. As well, staff reviewed policies and practices of a variety of other municipalities.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

Well-planned & connected

- Planning for long-term fiscal stability

- Adding alternative revenue generation methods
- Establishing mutually beneficial relationships with local corporations
- Bringing together the Town and its corporations to pursue the common goal of bettering Newmarket
- Connecting the Town's corporations with its residents

Well-balanced

- Striving for the provision of high quality programs and services at a minimal cost to residents

Well-equipped & managed

- Clear vision of the future and aligned corporate/business plans

Well-respected

- Being well thought of and valued for our creativity
- Discovering innovative solutions for future well-being
- Being a champion for co-operation and collaboration
- Being tradition-based and forward-looking
- Being well thought of for adding value to municipal events, programs and services at no additional cost to the residents/event participants

BUDGET IMPACT

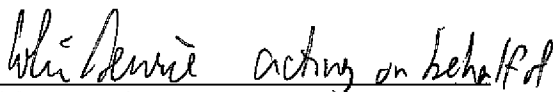
As previously stated, the Town is currently generating revenue to the amount of \$140,000 annually from the Recreation and Culture Department's solicitation and negotiation efforts of third party advertising, sponsorship and naming rights agreements. Continuance of this practice in combination with the approval of the Director of Recreation and Culture Department or designate, will assist in receiving and soliciting advertising, sponsorship and naming rights agreements for the further expansion of revenue generation for the Town.

CONTACT

For more information on this report contact Colin Service, cservice@newmarket.ca or extension 2601.



Colin Service
Director, Recreation & Culture
Community Services



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Commissioner, Community Services