



## **Staff Report for Committee of the Whole Meeting**

**Date of Meeting:** September 4, 2018

**Report Number:** SRCS.18.20

**Department:** Community Services  
**Division:** Recreation and Culture Services

**Subject:** **SRCS.18.20 – Recreation Facility Naming Rights Opportunity**

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### **Purpose:**

To provide Council information with respect to the Naming of interior spaces within the Arena Facilities and to expand the Futuresign Multimedia Displays Incorporated Agreement to solicit the naming rights sponsorship opportunities.

### **Recommendation(s):**

- a) That Council approve the Agreement with Futuresign Multimedia Displays Incorporated to include securing interior space naming rights for the Town's Arena Facilities; and
- b) That Council authorizes staff to enter into interior space naming rights contracts for Town Arena facilities.

### **Contact Person:**

Eli Lukawitz, Marketing and Sponsorship Coordinator, 905-787-8471, ext. 225

Darlene Joslin, Director of Recreation and Culture, extension 2423.

### **Report Approval:**

**Submitted by:** Shane Baker, Commissioner of Community Services

**Approved by:** Neil Garbe, Chief Administrative Officer

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), Town Solicitor (as required), Commissioner, and Chief Administrative Officer. Details of the reports approval are attached.

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### **Background:**

Council, at its meeting of June 6, 2017, approved the Naming Rights Policy for Recreation and Culture Facilities. This policy was developed in consultation with internal stakeholders across the Corporation and takes into consideration the Town's strategic priorities, legislative restrictions and the experience of other municipalities. The policy incorporates a balance of flexibility and control while maintaining the corporate values, image, assets and interests. Per the approved policy, the authority to grant naming rights rests with Council. The Policy is attached as Appendix A to staff report SRCS.18.20.

Council, at its meeting of December 5, 2016, approved the contract renewal with Futuresign Multimedia Displays Incorporated. Futuresign has the exclusive right to install and maintain advertising and promotional materials within the five arena facilities including rink boards, ice resurfaces, scoreboards and clocks. They are responsible for all capital and operating costs associated and have the right to install, maintain and operate the digital screens for the advertising purposes. For this service they pay to the Town an annual fee of \$50,000, exclusive of HST. The current agreement is for a five year period December 1, 2016 to November 30, 2021.

Staff are seeking Council's approval to amend the current Agreement with Futuresign to include the solicitation of Naming Rights for internal spaces within the five arena facilities. Those Naming Rights will be solicited in accordance with the Town's Naming Rights Policy. Once negotiated, the Company shall present the particulars of any prospective arrangement to the Town's Director of Recreation and Culture, including the intended revenue, expected costs, the proposed term and any associated signage or other installations. Provided that the prospective Naming Rights arrangement is satisfactory to the Director, the Naming Rights shall be recommended to Council.

### **MUNICIPAL COMPARISONS**

Staff researched local municipalities for specific Naming Rights Policies and agreements that have been successfully implemented. For financial contributions the municipalities of Aurora and Newmarket have implemented internal space naming rights for their arena facilities.

The Town of Aurora has implemented naming rights at the Stronach Recreation Facility. Specifically the two arena pads have been named the "Pfaff Arena" and the "Toyota Arena".

The Town of Newmarket has implemented naming rights at the Magna Centre. The three arena pads include the "Midas Rink", "Hyundai Rink" and the "Pfaff Motors Rink."

Examples of the signage and promotional materials used in both these example sites are attached as Appendix B.

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### **Financial/Staffing/Other Implications:**

It is anticipated that the solicitation of arena naming rights will result in increased opportunities for revenue generation. Futuresign will be responsible for all capital and operating costs associated with the naming rights. The Town will receive 50% of all net revenue generated. Funds received will be placed in the naming rights sponsorship account 870-309466.

### **Relationship to the Strategic Plan:**

The Naming Rights Policy aligns with Goal 1 “Stronger Connections in Richmond Hill, specifically by advancing opportunities for connections at a neighbourhood level”. The Agreement with Futuresigns aligns with Goal 4 “Wise Management of Resources in Richmond Hill” by being financially responsible and achieving operational effectiveness.

### **Conclusion:**

Richmond Hill has a variety of recreation facilities that lend themselves well to the market. This report is requesting approval

### **Attachments:**

- Appendix A - Naming Rights Policy
- Appendix B - Municipal Naming Rights Examples – Interior spaces – Arena Facilities

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### Report Approval Details

|                      |   |
|----------------------|---|
| Document Title:      | SRCS.18.20 - Recreation Facility Naming Rights Opportunity.docx   |
| Attachments:         | - Naming Rights Policy.doc<br>- Appendix B - SRCS.18.20 - Recreation Facility Naming Rights Opportunity.pdf |
| Final Approval Date: | Aug 23, 2018  |

This report and all of its attachments were approved and signed as outlined below:

**Task assigned to Shane Baker was completed by delegate Steve Kraft**

**Steve Kraft on behalf of Shane Baker - Aug 21, 2018 - 2:19 PM**

**Neil Garbe - Aug 23, 2018 - 9:38 AM**