Agenda – Council – July 20, 2011

Report – Executive Policy Committee – June 29, 2011

Item No. 1 Sponsor Winnipeg – Winnipeg Sun Sponsorship Agreement – Newspaper Vending Machines

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On June 29, 2011, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That exclusive use of City rights of way adjacent to up to 25 transit stops be granted to the Winnipeg Sun for the sale of newspapers through one newspaper vending machine per location in exchange for $125,000 of "in-kind" compensation for a period of one year with an option to renew annually, by mutual agreement, for the next four years.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Executive Policy Committee – June 29, 2011

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On June 29, 2011, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

ADMINISTRATIVE REPORT

Title: **Sponsor Winnipeg: Winnipeg Sun Sponsorship Agreement**

Critical Path: **EPC - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
James Allum, Office of the CAO	Alex Robinson Deputy CAO	Mike Ruta Deputy CAO/ Chief Financial Officer	Phil Sheegl Chief Administrative Officer

RECOMMENDATIONS

That exclusive use of City rights of way adjacent to up to 25 transit stops be granted to the Winnipeg Sun for the sale of newspapers through one newspaper vending machine per location in exchange for $125,000 of “in-kind” compensation for a period of one year with an option to renew annually, by mutual agreement, for the next four years.

That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

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REASON FOR THE REPORT

The granting of exclusive use of City rights of way adjacent to up to 25 transit stops requires Council approval.

IMPLICATIONS OF THE RECOMMENDATIONS

General Implications

The City of Winnipeg and the Winnipeg Sun will mutually agree on the selected sites for the placement of the Sun newspaper vending devices. While other media may be distributed at these sites, only the Sun newspaper vending machines will be allowed on the defined areas adjacent to the transit stop. The area for each location will be designated as running approximately 30 metres in each direction parallel to the existing roadway and extend between the back of the curb and the property line, measured

perpendicularly to the roadway. These specifications may be modified in order to accommodate all relevant by-laws, standards, and site-specific constraints. The newspaper vending device will also need to comply with all relevant City by-laws, policies, technical standards, and practices.

Financial Implications

The granting of exclusive use to a City right of way is required to fulfill the terms of a sponsorship agreement with the Winnipeg Sun. In return for the exclusive use of City rights of way for the placement of newspaper vending machines, the Winnipeg Sun will provide the City of Winnipeg with $125,000 of "in-kind" compensation for a period of one year with an option to renew annually, by mutual agreement, for the next four years.

HISTORY

- On November 21, 2007, Council approved the City of Winnipeg Sponsorship policy. The policy requires that Council approve the sale of naming rights to any civic facility or asset. Sponsorships to support civic programs and services require only the approval of the Chief Administrative Officer.
- In 2008, the City issued a Request for Proposals for the development of sponsorship opportunities and eventually awarded a contract to Chess Communications to develop and manage the program.
- In December 2009, the City launched Sponsor Winnipeg (sponsorwinnipeg.ca) to ensure that the program was transparent and accessible to all businesses, foundations and residents of, or doing business in, Winnipeg.
- Since the launch of Sponsor Winnipeg, the City has generated over $1.3 million to enhance civic programs and services including:
    - Ms. Susana Scott, CEO and President, Brematson & Associates Inc. donated $25,000 over 5 years for the Adapted Book Collection at the Millennium Library Children's Services.
    - BFI donated $1 million over ten years for enhanced programming at the North End Recreation Centre.
    - Zellers/Hudson's Bay Company donated $300,000 over three years for extended hours and enhanced programming at the Magnus Eliason Recreation Centre, for the provision of two community vans, and for the establishment of a children's Heritage program.
    - The Ackman and Shindleman families donated $25,000 in return for naming rights to the children's reading room at Henderson library,
    - Project Echo donated over $3,000 to provide new computer equipment at the Millennium Library.

FINANCIAL IMPACT

Financial Impact Statement **Date:** June 8, 2011

Project Name: **First Year of Program** **2011**

Sponsor Winnipeg: Winnipeg Sun Agreement

	2011	2012	2013	2014	2015
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Annual Savings in Advertising	$ (125,000)	$ (125,000)	$ (125,000)	$ (125,000)	$ (125,000)
Direct Costs (commission)	$ 16,250	$ 16,250	$ 16,250	$ 16,250	$ 16,250
Less: Incremental Revenue					
Net Cost/(Benefit)	$ (108,750)	$ (108,750)	$ (108,750)	$ (108,750)	$ (108,750)
Less: Existing Budget Amounts	16,250	16,250	16,250	16,250	16,250
Net Budget Adjustment Required	$ (125,000)	$ (125,000)	$ (125,000)	$ (125,000)	$ (125,000)

Additional Comments:

1. The Winnipeg Sun will provide the City of Winnipeg $125,000 of "in-kind" advertising services for a period of one year with an option to renew annually.
2. This Financial Impact Statement assumes that the City and Winniprg Sun will mutually agree to exercise the option to renew the agreement for the period 2012-2015.
3. The above direct costs represent a 13% commission paid to Chess Communications.
4. The net budget savings will be accounted for in various departmental budgets.

Original signed by R. Abeysekera

Radhika Abeysekera

CONSULTATION

In preparing this report there was consultation with:
Public Works
Legal Services

SUBMITTED BY

Department: Office of the CAO
Division
Prepared by: James Allum, Office of the CAO
Date: May 20 2011
File No.