Minutes – Executive Policy Committee – December 2, 2015

REPORTS

Item No. 9 Sponsorship Agreement with Raiders Hockey Inc. – Naming Right of the Club Room in the Garden City Community Centre's Seven Oaks Arena Complex (Old Kildonan Ward)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and recommended to Council:

1. That a 10-year term sponsorship be approved with Raiders Hockey Inc. for the naming right of the Club Room in the Garden City Community Centre's Seven Oaks Arena Complex.

2. That further to the above recommendation, the following be approved:

   A. Raiders Hockey Inc. (if required) be provided with the option to extend the time period for the payment of their sponsorship contribution to an 11 year period with the final payment to be received by the City in 2026;
   B. Raiders Hockey Inc. be permitted to install a sign on either the Club Room door or adjacent wall (exact location to be determined at a later date). The sign text would read "Raiders Junior Hockey Club Room" or an alternate name as mutually agreed upon by Raiders Hockey Inc. and the City;
   C. Raiders Hockey Inc. be responsible for the cost of the signage including production, installation and maintenance;
   D. During the term of the sponsorship, the City will grant Raiders Hockey Inc. "non-exclusive right to use" the Club Room along with the Garden City Community Centre Executive and community members;
   E. The City be entitled to approve the design and text for the signage prior to the installation of the sign.

3. That the City enter into an agreement with Raiders Hockey Inc. setting out the terms and conditions of the sponsorship.

4. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the sponsorship agreement with Raiders Hockey Inc., in accordance with the terms and conditions set forth herein and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

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

DECISION MAKING HISTORY:

Moved by Deputy Mayor Pagtakhan,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Carried

ADMINISTRATIVE REPORT

Title: Sponsorship Agreement with Raiders Hockey Inc. for the Naming Right of the Club Room in the Garden City Community Centre's Seven Oaks Arena Complex

Critical Path: EPC - Council

AUTHORIZATION

Author	Department Head	CFO	CAO/CAO
J. Thomas M. Purdy	Michael Jack Chief Operating Officer	M. Ruta	M. Jack COO

RECOMMENDATIONS

1. That Council approve a 10-year term sponsorship with Raiders Hockey Inc. for the naming right of the Club Room in the Garden City Community Centre's Seven Oaks Arena Complex.

2. Further to the above recommendation, that Council approve the following:

    a. That Raiders Hockey Inc. (if required) be provided with the option to extend the time period for the payment of their sponsorship contribution to an 11 year period with the final payment to be received by the City in 2026;
    b. That Raiders Hockey Inc. be permitted to install a sign on either the Club Room door or adjacent wall (exact location to be determined at a later date). The sign text would read "Raiders Junior Hockey Club Room" or an alternate name as mutually agreed upon by Raiders Hockey Inc. and the City;
    c. That Raiders Hockey Inc. be responsible for the cost of the signage including production, installation and maintenance;
    d. That during the term of the sponsorship, the City will grant Raiders Hockey Inc. "non-exclusive right to use" the Club Room along with the Garden City Community Centre Executive and community members;
    e. That the City be entitled to approve the design and text for the signage prior to the installation of the sign.

3. That the City enter into an agreement with Raiders Hockey Inc. setting out the terms and conditions of the sponsorship.

4. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the sponsorship agreement with Raiders Hockey Inc., in accordance with the terms and conditions set forth herein and such other terms and

conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

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

REASON FOR THE REPORT

The City of Winnipeg Sponsorship Policy requires that Council approve the naming rights to any civic facility or asset.

IMPLICATIONS OF THE RECOMMENDATIONS

General Implications

There are no general, regulatory, environmental or human resource implications associated with this recommendation.

Financial Implications

The financial terms of the agreement with the sponsor are as follows:

Raiders Hockey Inc. will pay the City $3,000.00 plus GST on January 6, 2016, and $3,000.00 plus GST on each annual anniversary of January 6 over the following 9-years with the final payment to be received by the City in 2025, for a total of $30,000.00 plus GST, for the naming rights to the Garden City Community Centre's Seven Oaks Arena Complex Club Room. The Raiders Hockey Inc. (if required) will be provided with the option to extend the time period for the payment of their sponsorship contribution to an 11 year period with the final payment to be received by the City in 2026. Proceeds from Raiders Hockey Inc. will go towards the outstanding principal and interest owed by the Garden City Community Centre.

HISTORY

- On November 21, 2007, Council approved the City of Winnipeg Sponsorship Policy. The Policy requires that Council approve the 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 December 2009, the City launched Sponsor Winnipeg to ensure that the program was transparent and accessible to all businesses, foundations and residents of, or doing business in, Winnipeg.
- In the spring of 2015, Sponsor Winnipeg entered into discussions with Raiders Hockey Inc. about sponsoring the naming right for the Club Room at the Garden City Community Centre's Seven Oaks Arena Complex.
- Raiders Hockey Inc. has agreed to pay the City $30,000 plus GST for the naming right to the Club Room in the city-owned Garden City Community Centre.
- The term of the sponsorship is for 10 years.
- Proceeds from the naming right will go towards the outstanding principal and interest owed by the Garden City Community Centre.

- Signage will be placed on either the club room door or adjacent wall and will read “Raiders Junior Hockey Club Room” or an alternate name as mutually agreed upon by Raiders Hockey Inc. and the City.
- The naming rights agreement with Raiders Hockey Inc. is the 8th naming rights agreement to come before Council since the launch of Sponsor Winnipeg.
- Since the launch of Sponsor Winnipeg, the City has generated just over $2.2 million to enhance civic programs and services.
- Sponsor Winnipeg supports this sponsorship with Raiders Hockey Inc. and recommends that this naming opportunity proceed to Council for approval.

FINANCIAL IMPACT

Financial Impact Statement **Date:** November 26, 2015

Project Name: **First Year of Program** **2016**

Sponsorship Agreement with Raiders Hockey Inc. for the Naming Right of the Club Room in the Garden City Community Centre's Seven Oaks Arena Complex

	2016	2017	2018	2019	2020
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs: Funds transfer to GCCC	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000
Incremental Revenue	3,000	3,000	3,000	3,000	3,000
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-				
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

In 2016-2025, the Corporate Finance Department will receive $30,000.00 plus GST in sponsorship revenue from the Raiders Hockey Club Inc. in exchange for naming rights. The first payment of $3,000.00 plus GST will be paid on January 6, 2016; and $3,000.00 plus GST on each annual anniversary over the following 9-years with the final payment to be received by the City in 2025. In the event that the Raiders Hockey Inc. requires additional time to pay their sponsorship contribution to the City, Raiders Hockey Inc. shall be provided with the option to extend the time period for the payment of their sponsorship contribution to a 11-year period with the final payment to be received by the City in 2026. These funds will be transferred to the Garden City Community Centre to repay the outstanding principal and interest owed by Garden City Community Centre.

(Original signed by R. Hodges)
Ramona Hodges
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

In preparing this report there was consultation with:
Legal Services (as to legal issues)
Community Services Department
Corporate Finance (Campus Division)

SUBMITTED BY

Department: Office of the CAO
Division
Prepared by: J. Thomas, for the Office of the CAO
Date: November 27, 2015