Agenda – Council – December 14, 2016

Report – Executive Policy Committee – December 7, 2016

Item No. 3 Sponsorship Agreement – Dynamic Tire Corp. for the Naming Right of One Indoor Rink in the Dakota Community Centre's Jonathan Toews Sportsplex (South Winnipeg-St. Norbert Ward)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 7, 2016, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That the City enter into, execute and deliver a sponsorship agreement with Dynamic Tire Corp. whereby Dynamic Tire Corp. pays the City a total of $75,000.00 plus GST over three years, for the naming right of one indoor rink in the Dakota Community Centre Inc.'s Jonathan Toews Sportsplex, located at 1188 Dakota Street, and such other agreements as determined necessary by the Director of Legal Services and City Solicitor to implement the intent of the foregoing (the "Ancillary Agreements").

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the sponsorship agreement with Dynamic Tire Corp. and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

3. That the City enter into, execute and deliver an agreement with Dakota Community Centre Inc. to provide Dakota Community Centre Inc. with the sponsorship funds from Dynamic Tire Corp. outlined in Recommendation No. 1, in accordance with the terms and conditions set forth in this report and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City

4. That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of the agreement in Recommendation No. 3 with Dakota Community Centre Inc., in accordance with this report 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.

Report – Executive Policy Committee – December 7, 2016

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 7, 2016, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

ADMINISTRATIVE REPORT

Title: Sponsorship Agreement with Dynamic Tire Corp. for the Naming Right of One Indoor Rink in the Dakota Community Centre's Jonathan Toews Sportsplex

Critical Path: Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
Maureen Purdy Janet Thomas	Michael Jack Chief Corporate Services Officer	M. Ruta	D. McNeil

EXECUTIVE SUMMARY

Council approval is requested for a 3-year sponsorship term with Dynamic Tire Corp, whereby Dynamic Tire Corp. agrees to pay the City $75,000 plus GST, for the naming right of one indoor rink in the Dakota Community Centre's Jonathan Toews Sportsplex located at 1188 Dakota Street in Winnipeg.

RECOMMENDATIONS

1. That the City enter into, execute and deliver a sponsorship agreement with Dynamic Tire Corp. whereby Dynamic Tire Corp. pays the City a total of $75,000.00 plus GST over three years, for the naming right of one indoor rink in the Dakota Community Centre Inc.'s Jonathan Toews Sportsplex, located at 1188 Dakota Street, and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the sponsorship agreement with Dynamic Tire Corp. and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

3. That the City enter into, execute and deliver an agreement with Dakota Community Centre Inc. to provide Dakota Community Centre Inc. with the sponsorship funds from Dynamic Tire Corp. outlined in Recommendation #1, in accordance with the terms and conditions set forth in this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City

4. That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of the agreement in Recommendation #3 with Dakota Community Centre Inc., in accordance with this report 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. Council approval is also required for the City to enter into an agreement with Dynamic Tire Corp.

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:

Dynamic Tire Corp. will pay the City $25,000.00 plus GST on each January 1, 2017, January 1, 2018 and January 1, 2019 for a total of $75,000.00 plus GST, for the naming right of one indoor rink at the Dakota Community Centre's Jonathan Toews Sportsplex.

In the agreement between The City of Winnipeg and the Dakota Community Centre Inc. (DCC) for the City to provide DCC with the sponsorship funds, DCC will be required to apply the proceeds from Dynamic Tire Corp. towards the outstanding principle and interest owed by DCC for the twin indoor rinks in the Jonathan Toews Sportsplex.

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 fall of 2016, Sponsor Winnipeg entered into discussions with Dynamic Tire Corp. about sponsoring the naming right for one indoor rink in DCC's Jonathan Toews Sportsplex.

Dynamic Tire Corp. has agreed to pay the City $75,000.00 plus GST for the naming right of one indoor rink DCC's Jonathan Toews Sportsplex.

The term of the sponsorship is for 3 years.

Proceeds from the sponsorship will go towards the outstanding loan principal and interest owed by DCC for the twin indoor rinks in the Jonathan Toews Sportsplex.

Signage will be installed over the entrance doors to the rink as well as decal signage on the entrance doors and signage at other reference points within the complex for the purposes of acknowledging the naming right.

The indoor rink will be named the “Sailun Tire Rink”.

Dynamic Tire Corp. will be responsible for all costs associated with the signage that includes production, installation, removal, and maintenance.

The installation and removal of all signage will be either conducted by the City, specifically Municipal Accommodations, or be pre-approved by Municipal Accommodations.

The naming rights agreement with Dynamic Tire Corp. is the 11th 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 $3.9 million to enhance civic programs and services.

Sponsor Winnipeg supports this sponsorship with Dynamic Tire Corp. and recommends that this naming opportunity proceed to Council for approval.

FINANCIAL IMPACT

Financial Impact Statement **Date:** October 27, 2016

Project Name: **First Year of Program** 2017

Sponsorship Agreement with Dynamic Tire Corp. for the Naming Right of One Indoor Rink in the Dakota Community Centre's Jonathan Toews Sportsplex (DCCJTS).

	2017	2018	2019	2020	2021
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 DCCJTS	$ 25,000	$ 25,000	$ 25,000		
Incremental Revenue	25,000	25,000	25,000		
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-				
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. On January 1, 2017 , and on each anniversay for the next 2 years, Corporate Finance Department will receive $25,000.00 plus GST in sponsorship revenue from Dynamic Tire Corp. in exchange for naming rights to One Indoor Rink at the Dakota Community Centre's Jonathan Toews Sportsplex. These funds will be transferred to Dakota Community Centre.

2. The GST portion of the sponsorship amount is not included in the above-stated costs and revenues. This tax is remitted to the federal government.

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)
Planning, Property & Development

OURWINNIPEG POLICY ALIGNMENT

N/A

SUBMITTED BY

Department: Office of the CAO
Prepared by: Maureen Purdy & Janet Thomas, for the Office of the CAO
Date: November 19, 2016