February 24, 2022

From: Walter Kleinschmit
Resident of St. Boniface and property development consultant

To: City Council of the City of Winnipeg – Meeting of February 24,2002

Re: Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – February 7, 2022,
Item No. 4 Waiver of Sponsorship Policy – Lease Agreement for 50 Provencher Boulevard – Biomedical Commercialization Canada Inc. o/a Manitoba Technology Accelerator. (Fort Rouge – East Fort Garry Ward)

Good morning your worship, councillors. Thank you for allowing me to address you today.

I'm here to explain why I'm in opposition of the proposed waiver of the Sponsorship Policy for 50 Provencher as recommended by Winnipeg Service which is deemed necessary to facilitate the finalisation of a Lease Agreement for said property. Manitoba Technology Accelerator wants the right to enter into sponsorship and naming rights contract, for its financial benefit, without seeking approval of City Council.

This request is inappropriate, and I submit legally questionable, for 2 fundamental reasons.

1. The Sponsorship Policy adopted by Winnipeg City Council on November 21, 2007, is clear as to intent and process. It reflects the business reality that sponsorship and naming rights in particular are a valuable business asset, and
2. The recommendation to waive the Sponsorship Policy to finalise the lease for 50 Provencher reflects a significant change from the RFP process which defined the selection of a tenant, and under what conditions, and which resulted in a Lease Agreement approval. Specifically, the conditions attached to the RFP, the proposal outline in the report submitted to the SPC as support, and the lease conditions attached to the approving motion makes no reference to inclusion of naming rights or other sponsorship intangible benefits. These currently belong to the city, as Owner of the asset being leased.
    a) Winnipeg Service support their recommendation with "…in order to conclude the lease agreement with MTA." This sounds like the approved Leasee is unable or unwilling to conclude the Agreement which was approved, with their prior knowledge of conditions.
    b) Winnipeg Service further explains that during negotiations, "... it was determined the Sponsorship Policy does not align with the Tenant's business model." Is it not the tenant's responsibility to determine thru a process of due diligence if its business model is aligned with city policy?

This is a fundamental change in the RFP conditions and the lease Schedule A approved by the city.

During the SPC on Property and Development meeting Winnipeg Service emphasised the non-material nature of use of sponsorship of events and reception, and such oversight by the city was an undue burden on all concern. I would not argue with that. But the SPC committee members were not made aware of the nature, importance, and value of naming rights which are also part of Sponsorship Policy. They are a most valuable asset. Should they be gifted

That is why the Sponsorship Policy includes a specific requirement for granting naming rights – the use of a RFS that needs to be approved by Council before being issued.

The leased facility is an integral part of Esplanade Riel. A commercial name selected by a private tenant (with a relatively short tenure) to name the central architectural element of the bridge without referring the matter to Winnipeg City Council, is not appropriate.

Granting MTA a waiver of the Winnipeg Sponsorship Policy is a significant, material change to the approved Agreement, originally agreed by the parties following a rigorous RFP process.

As a practical compromise I would support the motion to approve the waiver of the Sponsorship Policy once amended to read that **"the waiver will not apply to naming rights to the leased premises or for sponsorship agreements that are for a period in excess of one year".**

I believe, the proposed amendment would meet the practical process-oriented objections and maintain council oversight a very important right over a city-owned asset.

Best Regards



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