Agenda – Executive Policy Committee – September 14, 2022

REPORTS

Item No. 21 Naming Rights Sponsorship with CN for Protective Structure of CN 2747

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That Council approve a Sponsorship Agreement between the City and the Canadian National Railway Company ("CN") for a 10-year term wherein CN would pay the City $200,000.00 dollars plus GST over four years in equal yearly installments ($50,000.00 dollars plus GST per year for four years) in exchange for exclusive naming rights to the protective structure being built in Rotary Heritage Park to cover CN 2747 in Rotary Heritage Park, and the right to place its intellectual property on that protective structure.

2. Subject to approval of Recommendation 1, that Council approve a Grant Agreement between the City and Transcona Museum for a term of 10 years wherein the City would pay to Transcona Museum an amount equivalent to the annual sponsorship revenue collected pursuant to the Sponsorship Agreement in Recommendation 1.

3. That the City enter into, execute, and deliver a Sponsorship Agreement with CN that sets out the terms and conditions of the Sponsorship Agreement 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").

4. That the City enter into, execute, and deliver a Grant Agreement with Transcona Museum that sets out the terms and conditions of the Grant Agreement 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").

5. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Grant Agreement between the City and CN 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.

6. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Grant Agreement between the City and Transcona Museum 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.

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

ADMINISTRATIVE REPORT

Title: Naming Rights Sponsorship with CN for Protective Structure of CN 2747

Critical Path: Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
K. McLure	F. Wiltshire	C. Kloepfer	M. Geer, Acting CAO

EXECUTIVE SUMMARY

The Public Service recommends that the City enter into a Sponsorship Agreement with the Canadian National Railway Company ("CN") for a 10-year term that would grant CN exclusive naming rights to the protective structure being built to cover CN 2747 in Rotary Heritage Park (735 Kildare Avenue West), along with the right to place its intellectual property on that structure.

In exchange for entering into this Sponsorship Agreement, CN would pay the City a total of $200,000.00 dollars plus GST over four years in equal installments ($50,000.00 dollars plus GST per year for four years).

The proceeds from the Sponsorship Agreement would be paid to the Transcona Museum in an amount equivalent to the annual sponsorship revenue collected, in the form of a grant.

Transcona Museum would apply the funds received from the grant to the construction of a protective structure to cover the CN 2747 locomotive located in Rotary Heritage Park.

RECOMMENDATIONS

1. That Council approve a Sponsorship Agreement between the City and the Canadian National Railway Company ("CN") for a 10-year term wherein CN would pay the City $200,000.00 dollars plus GST over four years in equal yearly installments ($50,000.00 dollars plus GST per year for four years) in exchange for exclusive naming rights to the protective structure being built in Rotary Heritage Park to cover CN 2747 in Rotary Heritage Park, and the right to place its intellectual property on that protective structure.

2. Subject to approval of Recommendation 1, that Council approve a Grant Agreement between the City and Transcona Museum for a term of 10 years wherein the City would pay to Transcona Museum an amount equivalent to the annual sponsorship revenue collected pursuant to the Sponsorship Agreement in Recommendation 1.

3. That the City enter into, execute, and deliver a Sponsorship Agreement with CN that sets out the terms and conditions of the Sponsorship Agreement 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”).

4. That the City enter into, execute, and deliver a Grant Agreement with Transcona Museum that sets out the terms and conditions of the Grant Agreement 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”).

5. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Grant Agreement between the City and CN 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.

6. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Grant Agreement between the City and Transcona Museum 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.

7. 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 Sponsorship Agreement requires approval from Council as the value of the Sponsorship Agreement exceeds $50,000.00 in total value and is not being issued under any existing grant program.

IMPLICATIONS OF THE RECOMMENDATIONS

If approved, CN would pay the City $200,000.00 dollars plus GST in equal yearly installments ($50,000.00 dollars plus GST per year) over four years in the form of a Sponsorship Agreement. The proceeds from this Sponsorship Agreement would go to the Transcona Museum in the form of a grant.

HISTORY/DISCUSSION

The Transcona Museum has a License Agreement with the City for a Licensed Area within Rotary Heritage Park where the Museum’s locomotive CN 2747 is on display for the community.

The Terms and Conditions of the License Agreement require the Museum to comply with the substantive provisions of the City’s Sponsorship Policy when pursuing sponsorship opportunities for the Licensed Lands.

The Transcona Museum is raising money to build a protective structure over CN 2747 to help protect the locomotive from the elements, increase security, and provide more opportunities for the public to see, interact, and appreciate the engine.

CN has offered $200,000.00 for naming rights to the protective structure for CN 2747 and the right to place its intellectual property on that protective structure.

In exchange for naming rights and the right to place its intellectual property on the protective structure for CN 2747, CN would pay a total of $200,000.00 dollars plus GST ($50,000.00 dollars plus GST per year for four years) beginning in 2023. The proceeds from this Sponsorship Agreement (not including the GST) would go to the Transcona Museum as a grant.

The Transcona Museum shall apply these sponsorship funds to the costs of the construction and maintenance of the protective structure.

The Sponsorship Agreement is specific to the protective structure and does not apply to any other structural amenities, signs, benches, etc. in Rotary Heritage Park.

As a condition of the Sponsorship Agreement, the City would agree that, during the term of this Sponsorship Agreement, the City would not permit any competitor of CN to sponsor any aspects of the protective structure. In this context, “competitors” would mean all other rail transportation companies.

CN will be responsible for the design, production, and installation of graphic decals for the protective structure.

CN will submit graphic decals to the City for approval prior to production and installation. Transcona Museum will be responsible for maintenance of the graphic decals to be applied to the protective structure.

Naming rights sponsorships are subject to GST.

The term of the agreement is intended to run from January 1, 2023, to December 31, 2032.

FINANCIAL IMPACT

Financial Impact Statement **Date:** August 23, 2022

Project Name: **First Year of Program** **2023**

Naming Rights Sponsorship with CN for Protective Structure of CN 2747

	2023	2024	2025	2026	2027
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					
Direct Costs	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ -
Less: Incremental Revenue/Recovery	50,000	50,000	50,000	50,000	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. Corporate Finance Department (Campus Finance) will receive an annual sponsorship funding of $50,000 plus GST from Canadian National Railway Company (CN) over four years beginning in 2023 until 2026, total of $200,000, for the exclusive naming rights to the protective structure being built in Rotary Heritage Park to cover CN 2747 in Rotary Heritage Park, and the right to place its intellectual property on that protective structure at Transcona Museum.
2. The term of the agreement is for ten years beginning January 1, 2023 to December 31, 2032.
3. The sponsorship funds to be submitted to Transcona Museum as a grant.
4. There is no commission paid on this sponsorship.

JasonDuke - August 23, 2022

Jason Duke, CPA, CGA
A/ Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

- City Clerk's
- Legal Services (as to legal issues)
- Planning, Property and Development
- Public Works

OURWINNIPEG POLICY ALIGNMENT

Economic Prosperity

3.7 Heritage Investment: Facilitate the economic viability of heritage conservation by working with agencies, partnerships and other governments to provide leadership, incentivize the conservation of heritage resources, and districts as defined in Complete Communities.

Good Health and Well-Being

4.9 Inclusive Public Places: Provide and promote the amenities, and the design and maintenance standards, necessary to ensure accessible, safe and sanitary conditions in gathering spaces frequented by the public.

City Building

6.43 Heritage Conservation: Conserve cultural, natural, and heritage resources and districts, as defined in Complete Communities, and Indigenous land-based practices to celebrate sense of place through community history, architecture, civic identity and cultural perspectives.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Not applicable

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Not applicable

SUBMITTED BY

Department: Customer Service & Communications
Division: Marketing & Branding
Prepared by: Kristen McLure
Date: August 24, 2022
File No: N/A