

**Date:** 2024-01-25

**Subject:** **2023 External Funding Report and Sponsorship and Naming Rights Policy Housekeeping Amendments**

**Contact:** Tara Hunter, Manager Sponsorship and Corporate Development, Economic Development

**Report Number:** CAO's Office-2024-229

**RECOMMENDATIONS:**

1. That the report from Tara Hunter, Manager, Sponsorship and Corporate Development, Economic Development, to the Committee of Council Meeting of March 20, 2024, re: **2023 External Funding Report and Sponsorship and Naming Rights Policy Housekeeping Amendments** be received; and
2. That the Sponsorship and Naming Rights Policy be approved, as amended.

**OVERVIEW:**

- **This report summarizes the results of the City's efforts to generate non-taxation funding through grants, sponsorship, naming rights and third-party advertising.**
- **The report also recommends housekeeping amendments to the Sponsorship and Naming Rights Policy (Policy) to reflect the current operating structure of the Corporation and to align the Policy to the Administrative Authority By-law.**
- **In 2023, total application-based grant funding awarded to the City of Brampton from higher-order government and private sector funders was \$131,742,291.**
- **In 2023, the City received \$923,370 in cash sponsorship and naming rights revenue, up 22% over the previous year.**
- **Since the implementation of the citywide Sponsorship and Naming Rights program in 2019, the cumulative value of all cash sponsorship and naming rights agreements is nearly \$5,000,000.**

- In 2023, third-party advertising through the sale of rink boards and digital screens in community centres generated \$64,663 in revenue.
- In 2023, Council approved a request to begin procurement for third-party digital billboard advertising on City property. The RFP is anticipated to be released by the end of Q1 2024.
- There is no financial impact resulting from the adoption of the recommendations in this report.

## **BACKGROUND:**

This report focuses on the outcomes of the City of Brampton's efforts to generate external funding in 2023 from government and private sector grants, sponsorship and naming rights, and third-party advertising.

The report also identifies minor administrative updates to the Sponsorship and Naming Rights Policy (Policy).

## **CURRENT SITUATION:**

### **Grant Funding**

The City relies on higher-order government funding to meet the growing demands on its operating budget and deliver critical city-building capital projects.

There are two types of grant funding: allocation-based funding is guaranteed and awarded based on a pre-determined formula, while application-based funding is competitive and awarded based on a submitted application for a specific project that meets the criteria of the funder/funding program.

As of December 31, 2023, total funding received by the City in 2023 from both sources was \$74,159,123. This is lower than anticipated because the City had not yet received a confirmation of the Provincial Gas Tax funding for the 2023-24 fiscal year.

### ***Application-based Funding***

Application-based grant funding requires situational awareness of funding opportunities and the internal readiness of projects that align with, and support priorities identified by the funding entity. This type of funding can also be characterized by short timelines to submit an application followed by long timelines, often with several years between application approval and receipt of funds.

The City’s centralized grants process has improved the ability to monitor funding opportunities, track and report the City’s application-based grant funding and positively impact funding advocacy.

Meanwhile, broad pandemic-related spending by governments has shifted back to more targeted initiatives, and the process is both more competitive and often over-subscribed.

In the current environment, the City’s 2023 application success rate is strong at 83%, which reflects the quality of submitted applications and funding advocacy efforts.

Grant Application Tracking	Term of Council 2019-2022				Term of Council 2023-2026			
	2019	2020	2021	2022	2023	2024	2025	2026
Submitted	36	22	36	38	36			
Success Rate*	61%	73%	94%	59%	83%			
Under Review	0	0	0	1	12			

*\*Success rate is measured based on year of submission. Effective December 31, 2023.*

In 2023, the City submitted 36 grant applications to federal, provincial and private funders totaling **\$151,327,815** (Attachment 1 – 2023 Submitted Funding Applications).

Among those submitted, 20 were successful, four were unsuccessful and 12 were still under review as of December 31, 2023.

Total application-based funding awarded to the City in 2023 based on active submissions was **\$131,742,291**. This amount includes 8 applications that were submitted in 2022. For a list of the successful applications that have been publicly announced, please refer to Attachment 2 – 2023 Grant Application-Based Funding Announced.

The funding announced represents 28 projects and is a critical contribution to the City’s ability to deliver capital projects and meet the growing demands on its operating budget.

Highlights

Among the successful funding applications, several were for large, high-profile projects.

- The federal government awarded the City \$114 million from its Housing Accelerator Fund to fast-track the construction of more than 3,150 residential units over the next three years, and the development of more than 24,000 homes over the next decade.
- The Federation of Canadian Municipalities (FCM), through its Green Municipal Fund, is providing a \$2.5 million grant and a \$7.5 million loan to support the flagship Susan Fennell Sportsplex Deep Energy Retrofit Project.

- The Brampton Joint Fire Communications Centre is receiving over \$4.5 million for the first two years of its Next Generation 9-1-1 (NG911) program to support the transition to the new 9-1-1 emergency services communications system.
- The City received funding from the provincial Species at Risk Fund to support the habitat restoration of snapping turtles at Loafers Lake.
- The City also received funding from the provincial Experience Ontario Marquee Event fund that supported the Brampton on Stage production of Hamlet starring Canadian-Pakistani superstar Ahad Raza Mir.

### Sponsorship and Naming Rights

City assets for sponsorship and naming rights are comprised of events, programs, initiatives, buildings, and amenities.

The City’s Sponsorship and Naming Rights Program provides opportunities for the private sector, including national brands and local small businesses, to connect with the community to achieve their marketing objectives. The program also helps the City to offset operational costs.

The Sponsorship and Naming Rights program is targeting annual revenue of \$1 million by 2025 and aims to sustain this amount in subsequent years. The program is on track to achieve this target ahead of schedule.

Since the implementation of the city-wide program in 2019, the cumulative value of all cash sponsorship and naming rights agreements is nearly \$5 million.

In 2023, the City received \$923,370 in cash sponsorship and naming rights revenue, up 22% over the previous year. The value of in-kind sponsorship was \$56,009.

As reflected in the Table below, revenue is recognized by the division receiving the sponsorship or naming rights.

<b>Department</b>	<b>2023</b>	<b>YoY Growth</b>
Community Services	\$ 534,488	19%
Corporate Support Services	\$ 282,925	18%
Office of the CAO	\$ 59,457	42%
Fire and Emergency Services	\$ 35,000	75%
Building, Planning and Growth Management	\$ 8,000	60%
Transit	\$ 3,500	100%
<b>TOTAL</b>	<b>\$ 923,370</b>	<b>22%</b>

In addition to the amounts above, staff secured \$390,000 in sponsorship for the William Osler Foundation through the Hockey Night in Brampton event on August 23, 2023.

In 2023, the City secured a total of 58 sponsors (Attachment 3 – 2023 Sponsors), with 46 City assets receiving sponsorship (see Attachment 4: 2023 City Assets with Sponsorship and Naming Rights).

Since the implementation of the Sponsorship and Naming Rights program, four City assets have obtained naming rights.

The total value of the citywide program at the end of 2023 was \$2,081,575. This is measured by sponsorship and naming rights agreements executed in 2023 plus the remaining value of multi-year agreements.

Effective sponsor servicing is vital for the program's overall success, and the Annual Sponsorship Forum plays a crucial role in building relationships with both existing and potential sponsors. In 2023, the 5<sup>th</sup> Annual Sponsorship Forum was hosted at the Rose and recognized the following award recipients:

- Award for Environment and Sustainability – CN
- Award for Youth Empowerment – Sheridan College
- Award for Business Mentorship – TD
- Award for Promoting Healthy Communities – Kwaliti Sweets
- Award for Community Leadership – 407 ETR
- Award for Community Impact – Performance Auto Group

Overall, results to date suggest the program is meeting its potential as an alternative non-tax revenue stream. It is delivering strong returns to the City, benefiting taxpayers, and it is delivering value to sponsors who are connecting with the community and providing enhanced experiences to residents.

The opportunity for growth will come from continuing to build on the strong sales and marketing strategy, continuing to secure multi-year sponsorship agreements, and selling more naming rights.

### **Third-Party Advertising**

#### ***Advertising on City Property***

Advertising on City property is another source of non-tax revenue. The sale of advertising on City property is focused on Recreation assets, specifically rink boards and digital screens in community centres; these assets are a growing revenue stream for the Recreation Division. An in-house sales approach has been adopted, versus contracting out to a third party.

Total advertising revenue recognized in 2023 by Recreation was \$64,663. Based on the inventory available for each asset (9 arena locations for rink boards and 9 locations

offering digital screen advertising), there is significant revenue potential. 2024 is off to a strong start with sales already matching total revenue in 2023.

### ***Rail Bridge Overpass Advertising***

On December 14, 2022, Council authorized the “Dynamic Digital Network Agreement” with RCC Media to install digital screens on rail bridge overpasses across the city ([CW439-2022](#)). This agreement provides the City guaranteed annual revenue and access to the screens for City messaging at no cost.

### ***Digital Billboard Advertising***

In 2023, Council approved a request to begin procurement for digital billboard advertising on City property ([CW186-2023](#)). The Request for Proposal (RFP) is anticipated to be issued by the end of Q1 2024. The successful bidder will install digital billboards at approved City-owned sites, guaranteeing annual revenue and providing a new channel for City messaging.

### ***Brampton Transit Advertising***

Advertising revenue is also generated through Brampton Transit and is a standalone program not included in this report. Transit advertising follows a third-party sales model with agreements in place for the sale of bus advertising, bus bench advertising, and bus shelter advertising. Transit receives annual guaranteed revenue based on a shared revenue model with the contracted third parties. The revenue generated helps fund Transit operating costs.

### **Sponsorship and Naming Rights Policy (Policy) – ECD-100**

Staff conducted a review of the Policy in accordance with the Corporate Policy Program, which requires a review every three years. The review concluded that only minor changes to reflect organizational restructuring and name changes, and other housekeeping edits to enhance clarity and readability are required at this time.

Staff recommend the following updates to the Policy:

- That reference to the Sponsorship Advisory Working Group be removed since, based on the current operating structure of the Corporation, it is redundant. The policy owner will continue to ensure the City-wide sponsorship program is aligned with corporate objectives.
- Remove Section 5.5.1 which previously stated:

#### **“5.5.1 City Council**

- Council approval and authority to execute is required for all Sponsorship Agreements and all Naming Rights Agreements having a term, including extension or renewal rights, of ten (10) or more years and/or providing for

payment(s) to the City during any twelve (12) consecutive months or less of the term exceeding in the aggregate \$100,000;  
Council approval and authority to execute is required for all Naming Rights Agreements that are described in provision 3.3(b) of this Policy.”

- Section 5.5.1 of the Policy is a duplication of Sections 6.1.1, and 6.1.2 thereof in regards to authority to approve and delegate authority to execute Naming Rights agreements. In accordance with the Administrative Authority By-law (216-2017), authority is given to staff to approve and execute Sponsorship Agreements for sponsorships of \$100,000 or less. Council approval is required for Sponsorship agreements where the total value exceeds \$100,000 and for all Naming Rights agreements.

The Sponsorship Asset Inventory List for Naming Rights (Attachment 5) identifies the Council-approved list of 13 exterior/facility naming rights opportunities available for sale. Staff are not recommending any changes to this list.

## **CORPORATE IMPLICATIONS:**

### Financial Implications:

There is no financial impact resulting from the adoption of the recommendations in this report.

## **STRATEGIC FOCUS AREA:**

This report supports the Strategic Focus Area of Growing Urban Centres and Neighbourhoods to stimulate Innovation, Create Jobs, and Grow Investment by creating opportunities for businesses to invest in sponsorship, naming rights, and advertising; allowing them to grow their business and build connections within their local community.

This report also supports the Strategic Focus Area of Government and Leadership, focusing on funding opportunities from higher orders of government to support city-building.

## **CONCLUSION:**

The annual external funding report highlights the success of the pursuit of funding that is not reliant on the taxpayer. Grants, sponsorship and naming rights, and third-party advertising are all sources of non-tax revenue that offset operational costs and capital investments the City needs to continue to grow and prosper. This report recommends that the administrative updates to the Sponsorship and Naming Rights Policy be approved.

Authored by:

Reviewed by:

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Approved by:

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**Attachments:**

- Attachment 1 – 2023 Submitted Funding Applications
- Attachment 2 – 2023 Grant Application - Based Funding Announced
- Attachment 3 – 2023 Sponsors
- Attachment 4 – 2023 City Assets with Sponsorship and Naming Rights
- Attachment 5 – Sponsorship Asset Inventory List for Naming Rights
- Attachment 6 – Sponsorship and Naming Rights Policy