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Subject: Annual Sponsorship Update

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Report Number: CAO's Office-2021-060

Recommendations:

1. That the report titled, Annual Sponsorship Update 2021-060 to the Committee of Council meeting of February 24, 2021, be received; and
2. That staff be directed to secure new revenue generating advertising opportunities for the City of Brampton.

Overview:

- The Sponsorship and Naming Rights Policy approved by Council Resolution C451-2019 (CW497-2019) requires an annual report to Council on the total value of Sponsorship contributions (cash and in-kind).
- The achievements of the citywide sponsorship program in 2020 will be outlined in this report. The total cumulative value of sponsorship and naming rights agreements (based on the full term of agreements) since 2019, when the citywide program began, is \$3,460,946.
- Revenue generating advertising for the City is an underdeveloped component of the sponsorship program, and if approved, will become an operational focus of the Sponsorship program in 2021.
- In July 2020, the Sponsorship program integrated with government Grants initiatives under the authority of the Public Affairs business unit. The Public Affairs business unit consists of Government Relations, Public Policy and the Sponsorship & Grants portfolios in the Corporate

Projects, Policy & Liaison (CPPL) division in the Office of the Chief Administrative Officer (CAO).

Background:

The Sponsorship & Grants portfolio is tasked with securing corporate sponsorships and naming rights on behalf of the corporation for all departments. The portfolio is also responsible for developing revenue generating advertising opportunities for the corporation and facilitating donations, where applicable.

In March 2019, Council approved the citywide sponsorship strategy, which included an updated Sponsorship and Naming Rights Policy and the Sponsorship Asset Inventory List for Naming Rights.

In 2019, twenty-eight (28) different companies entered into sponsorship agreements with the City having a total value of \$502,480 over the full term of the agreements. There was also an RFP issued for a three-year revenue-generating agreement for rink board advertising in Community Centres. The signed contract for \$154,200 over three years is effective July 1, 2019 to June 30 2022.

In July 2020, the portfolio was amended to include grant applications that would be completed by the Government Relations team. The revised Sponsorship & Grants program was assigned to the Senior Manager, Public Affairs as the leadership oversight of the portfolio.

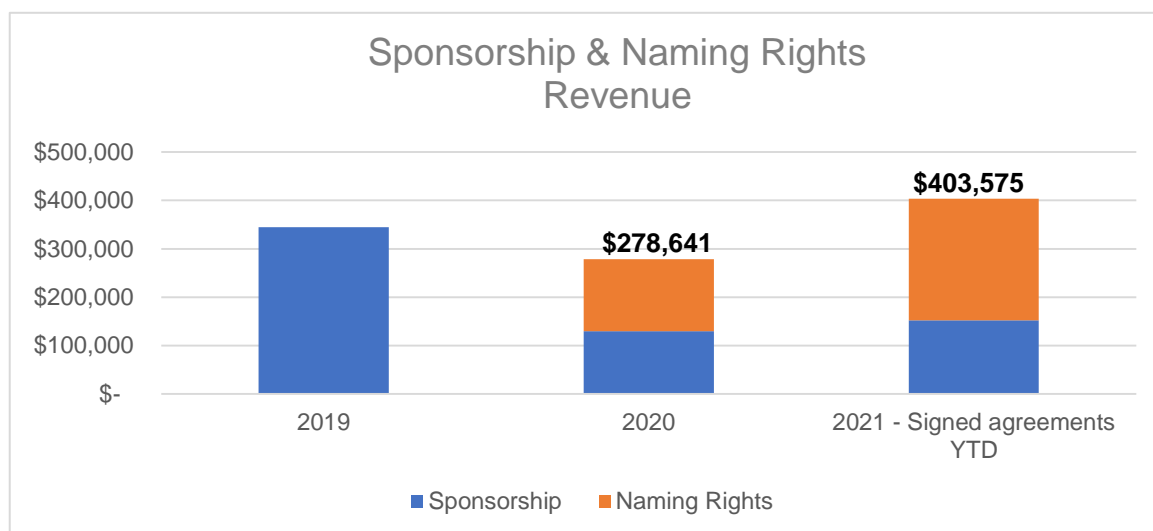
Current Situation:Sponsorship and Naming Rights

In its second year of operation, the citywide sponsorship program achieved the first-ever naming rights agreement for the City. The naming rights to Brampton Soccer Centre sold to Save Max Real Estate for \$2,512,500 over a term of fifteen (15) years. The facility will be officially renamed the Save Max Sports Centre when the exterior signage is installed, anticipated early Q2 2021.

As illustrated by Chart A, the pandemic has had a significant impact on sponsorship revenue in 2020, and the majority of revenue was generated by the Brampton Soccer Centre naming rights initial up-front payment.

2020 Sponsors are identified in Table 1, and Table 2 identifies how the program is benefitting Departments across the corporation.

Chart A – Revenue: Sponsorship & Naming Rights



**2021 revenue confirmed*

Table 1: 2020 Sponsors

2020 SPONSORS	
Alectra	My Smile
Algoma University – New!	Policaro/Northwest Lexus
Allstate	RBC
Bell	Revera – New!
CN	TD
Enbridge	Tim Hortons
HSBC	Save Max – New!
MNP	

Table 2: Sponsorship Breakdown by City Department

CITY-WIDE SPONSORSHIP & NAMING RIGHTS			2020 Revenue
Department	Division	Description	
Corporate Services	Strategic Communications, Culture & Events	Chinese New Year, Canada Day, Brampton Youth Day, Farmers' Market, Winter Lights	\$ 39,500
Community Services	Performing Arts	Rose & Garden Square	\$ 33,375
	Recreation	2019/2020 Winter programming	\$ 11,416
	Parks	Seedy Saturday	\$ 3,000
Planning, Building & Economic Development	Economic Development	Brampton Entrepreneur Centre (BEC)	\$ 26,100
	Planning	Nurturing Neighbourhoods (moved to StratComm late 2020)	\$ 5,000

Fire	Brampton Fire	Fire and Carbon monoxide awareness	\$ 11,500
Sub Total			\$129,891
Community Services	Recreation	Naming Rights to Brampton Soccer Centre (50% of year one rights fee + signage)	\$148,750
Total			\$278,641

Despite closures and cancellations in 2020 caused by COVID-19, the Sponsorship & Grants portfolio continued to deliver its citywide mandate. The operational adjustment by staff to deliver virtual events and programming of interest to Sponsors is a testament to the City's pandemic response.

In 2021 to date, we have established a strong foundation with eleven (11) confirmed sponsors and over \$400,000 confirmed revenue (see Chart A). Unfortunately, the sponsorship industry has been hard-hit by the pandemic and the citywide sponsorship program is not expected to return to pre-pandemic (2019) sponsorship revenue this year.

However, it is very encouraging that the Brampton Soccer Centre naming rights has created momentum for other naming rights in the City. The City Assets available for the sale of exterior primary naming rights is based on the Council approved *Sponsorship Asset Inventory List for Naming Rights**. All opportunities are posted on the City's sponsorship website and negotiations are pursued upon receiving an expression of interest. Marketing of sponsorship and naming rights will be increased to ensure broad awareness of the opportunities.

Properties available for primary exterior Naming Rights:

1. Gore Meadows Community Centre
2. Century Gardens Community Centre
3. Garden Square
4. Creditview Park
5. LBP (Lester B Pearson Theatre)
6. Transit Terminals (Gateway, Downtown, Mount Pleasant, BCC)

** Council commemoratively renamed three facilities in 2020 that were on the approved list: South Fletchers, Flower City Seniors Centre and Dixie 407 Park.*

Staff have received inquiries for Gore Meadows and the Gateway Terminal and are in the process of qualifying leads and preparing for initial negotiations. Staff are also conducting a third-party valuation for Gore Meadows Community Centre.

Covid 19 Task Force Support

During the initial response to the state-of-emergency the staff from the sponsorship team supported the Mayor's Covid-19 Economic Support, Social Support, Seniors, and Youth Task Forces. The Sponsorship Sales Coordinator secured PPE donations and

food bank donations from businesses, as well as cash donations to support programs such as Backyard Gardens.

Revenue Generating Advertising

The forced closure of Community Centres due to the pandemic resulted in an amended agreement to the revenue-generating rink board advertising contract signed in 2019.

The impact of the pandemic on this revenue-generating advertising channel is significant. The third-party sales model for rink board advertising will be reviewed in 2021 to provide recommendations on whether the existing agreement should be renewed or an alternative in-house sales model considered.

A new revenue-generating advertising opportunity was presented to Council in the summer of 2020 by RCC Media: digital signs on CN Rail Bridge overpasses. Staff received direction from Council to establish conditions for digital signs and to proceed with negotiations. The Sponsorship and Grants portfolio works with Staff from Sign By-law and Traffic Services to report back to Council with terms to enter into a revenue-generating agreement with RCC Media.

To provide clarity for the sponsorship portfolio it is the recommendation of this report that staff be directed to secure revenue generating advertising opportunities for the City. An example of this pursuit is working with Sign By-law on amendments for digital billboards.

Administrative Update

In 2020, the sponsorship portfolio and staff moved to the CPPL division under the Public Affairs business unit's operational authority. As a result of the restructuring, housekeeping updates to the Sponsorship & Naming Rights Policy and Administrative Authority By-law are required and will be recommended as part of a separate report to Council in the near future.

Corporate Implications:

Financial Implications:

There are no financial implications associated with this report. Staff will ensure any future adjustments to the sponsorship revenue budget will be incorporated in the 2022-2025 operating budget submission, pending Council approval.

Legal Implications:

All Sponsorships and Naming Rights require an Agreement that is reviewed and approved as to form by Legal Services.

Term of Council Priorities:

The Annual Sponsorship Update achieves the Council Priority Well-Run, demonstrating the success of pursuing sponsorship, naming rights and advertising to generate non-tax revenue for the City. It also achieves the City of Opportunities priority, creating sponsorship opportunities for Businesses to pursue their marketing objectives and to give back to the community.

Conclusion:

The Public Affairs, Sponsorship & Grants portfolio delivered results in a difficult year, including the first-ever naming rights for the City. There is strong momentum for 2021 but the pandemic will continue to have a negative impact on sponsorship activity. It is recommended that Council approve advertising revenue generation be an operational objective of the portfolio; the coming year will have an increased focus on developing new revenue-generating advertising opportunities for the City.

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