

**Date:** 2023-09-01

**Subject:** **Multi-Year Sponsorship Agreement**

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

**Report Number:** CAO's Office-2023-767

**Recommendations:**

1. That the report from Tara Hunter, Manager Sponsorship and Corporate Development, Economic Development to the Committee of Council Meeting of September 20, 2023, re: **Multi-Year Sponsorship Agreement**, be received;
2. That Council authorize the Director Economic Development to execute the Tim Hortons Sponsorship Agreement on behalf of the City for an aggregate sponsorship of \$196,350 over a three-year three-month term ending December 31, 2026 and on terms and conditions satisfactory to the Manager of Sponsorship & Corporate Development and in a form satisfactory to the City Solicitor, or designate.

**Overview:**

- **The Sponsorship Section has successfully negotiated a new multi-year Sponsorship Agreement with Tim Hortons in the amount of \$196,350 ending December 31, 2026.**
- **The total value of the Sponsorship Agreement exceeds the amount permitted under the Administrative Authority By-law 216-2017 that delegates authority for the execution of sponsorship agreements for sponsorships of \$100,000 or less and not including naming rights.**
- **This report seeks Council approval to enter into the multi-year Sponsorship Agreement.**

**Background:**

The citywide sponsorship program generates non-tax revenue through sponsorship and naming rights opportunities that enable the private sector, corporate partners and local businesses to connect with the local community to achieve their marketing objectives.

The revenue generated helps the city deliver exceptional experiences to residents, offsetting operational costs and capital investments that the city needs to continue to grow and prosper.

The program is guided by the Sponsorship and Naming Rights Policy approved by Council Resolution C451-2019 (CW497-2019).

The sponsorship program is on track to achieve annual revenue of \$1M by 2025 and to sustain \$1M in subsequent years. Multi-year sponsorship agreements are fundamental to achieve and sustain a million-dollar sponsorship program.

**Current Situation:**

Tim Hortons entered into a multi-year sponsorship agreement with the city in 2019 that ends December 31, 2023. Staff have successfully negotiated a new multi-year agreement with Tim Hortons ending December 31, 2026. The total value of the agreement is \$196,350, which exceeds the delegated authority limit. The total annual amount is made up of specified amounts payable in respect of each sponsored event.

The new agreement will provide brand exposure recognizing Tim Hortons as a sponsor at the following signature events hosted by the City: Canada Day, Diwali, Winter Lights Festival and New Years Eve; as well as Recreation events and programming: Family Day, Fright Nights and Free Swims.

In exchange for the brand recognition, the revenue received helps offset the cost of the sponsored event facilitating the city's exceptional delivery of events to residents and contributes to offsetting the cost of providing free Recreation programming.

**Corporate Implications:****Financial Implications:**

The total revenue generated from this agreement will result in \$196,350 over four years. Revenue will be deposited into the to Corporate Support Services and Community Services operating budgets and will offset expenditures associated with the events and programming that Tim Hortons is sponsoring over the term. There are no direct costs associated with this agreement.

Staff will ensure that the revenue is incorporated in the 2024–2026 operating budget submission, pending Council approval.

Department	2023	2024	2025	2026	TOTAL
Corporate Support Services – Strategic Communications, Tourism and Events	\$8,500	\$50,150	\$50,150	\$41,650	\$150,450
Community Services – Recreation	\$5,525	\$15,300	\$15,300	\$9,775	\$45,900
<b>TOTAL</b>	<b>\$14,025</b>	<b>\$65,450</b>	<b>\$65,450</b>	<b>\$51,425</b>	<b>\$196,350</b>

Legal Implications:

The Sponsorship Agreement outlines the marketing benefits the City will provide the Sponsor over the term. Legal approves all Sponsorship Agreements as to form.

**Strategic Focus Area:**

Government & Leadership: Multi-year sponsorship agreements are efficient and effective, delivering guaranteed non-tax revenue to the city.

Health & Well-being: The Recreation components of the Tim Hortons Sponsorship Agreement support citizens' belonging, health and wellness.

Culture and Diversity: The Events components of the Tim Hortons Sponsorship Agreement supports cultural diversity, cross-cultural understanding, and supports artistic expression and production.

**Conclusion:**

Staff is seeking approval for a delegation of authority to the Director Economic Development to execute the Tim Hortons Sponsorship Agreement on behalf of the City on terms and conditions satisfactory to Manager of Sponsorship and in a form satisfactory to the City Solicitor or designate.

Authored by:

Reviewed by:

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and Corporate Development

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Development

Approved by:

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Officer