



**Parks & Recreation Department**

**TO: Community Services Committee**

**SUBJECT: Naming of the new community centre in Alton**

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Report Number: PR-41-12

File Number(s): 901-01

Report Date: September 24, 2012 Ward(s) Affected: 1  2  3  4  5  6  All

Date to Committee: October 24, 2012

Date to Council: November 5, 2012

**Recommendation:** Approve the naming of the new community centre in Alton, subject to the terms outlined in report PR-41-12.

Direct Director of Parks & Recreation (P&R) to develop and issue a quote in Q4 of 2012 for professional consulting services to pursue naming rights for the new community centre in Alton.

Approve one time funding to an upset limit of \$20,000 from the Tax Rate Stabilization reserve fund to hire a consultant to support the solicitation of naming rights for the new community centre in Alton.

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**Purpose:**

- Address goal or action in strategic plan
- Establish new or revised policy or service standard
- Respond to legislation
- Respond to staff direction
- Address other area of responsibility

This report presents a revenue opportunity through the sale of naming rights for the new community centre in Alton. Creatively seeking out new sources of revenue provides additional ways in which to offset costs of operating and maintaining the facility.

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**Reference to Strategic Plan:**

- Vibrant Neighbourhoods
- Excellence in Government
- Prosperity
- N/A

**Excellence in Government**

Ensure we are financially sustainable by:

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- Conduct a review to align and make the most of city facilities.
  - Expected Results: Optimization of resources and facilities.
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**Background:**

Policy #1.3.7, Naming of City of Burlington Corporate Assets (appendix A), states that council may acknowledge the activities and significant contributions made by organizations and individuals to the City of Burlington or to society as a whole, through the use of various naming recognition options. It also states that only those assets designated by council now or in the future are eligible for naming and council may retain the right to not name specific corporate assets.

The city currently obtains a wide variety of sponsorships for events, programs and facilities. Companies contribute cash, goods or services towards events, programs or corporate assets in exchange for commercial benefit (i.e. logo placement or presenting sponsor).

Examples include:

- Tim Hortons free swims and skates
- CIBC stage sponsor at this year's Children's Festival
- Jack Astor's contributes food to Santa's Lunch
- Paletta International Corporation naming of Paletta Mansion
- Various rooms in Tansley Woods

The new community centre in Alton is scheduled to open in September, 2013. The facility presents a unique revenue opportunity through the sale of the naming rights. The facility highlights include:

- four competition-sized double gyms (2 owned by the city and 2 by Halton District School Board)
- 2 multi-purpose rooms
- sports square for hosting award ceremonies and expos
- major destination for regional and provincial badminton, basketball and volleyball competitive play
- high profile, high traffic location
- adjacent to Norton Community Park which features two lit artificial turf sports fields, a water feature, an outdoor multi-use sports court, a playground and a skate park

Both the Halton District School Board (HDSB) and the Burlington Public Library (BPL) have decided to move forward with naming their component separately. The HDSB is reviewing their naming policy and will commence their process in the fall/winter. The BPL has commenced with a public process to name their facility but they are willing to wait pending the direction of the city to determine if there are opportunities for linkages.

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With the opening of this facility, Council has an opportunity to pursue a new source of revenue to assist in the costs of operating and maintaining this facility.

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## Discussion:

### Municipal Trends

The Canadian Sponsorship Landscape Study estimates put the Canadian sponsorship industry size at \$1.59 billion in 2011. Despite recent economic conditions, this was a 2.6% increase over 2010 and a 43.2% increase since 2006. The study also indicates the most popular sponsorship properties to be sports, arts and festivals and events.

In 2006, the Colterman Marketing Group conducted a survey of municipal sponsorship activities across Canada. The survey found that 81% of municipalities are involved in some form of sponsorship, with 45% offering naming rights for their facilities. Recently both the City of Ottawa and the City of Winnipeg launched extensive sponsorship and advertising programs to assist in offsetting the cost of providing municipal services. Since the launch of the Sponsor Winnipeg program the city has raised over \$2 million.

The following are examples of municipalities which have entered into agreements with private corporations or individuals for the naming of municipal assets.

Facility	Term	Municipality
The Benson Centre	\$600,000 12 year term	Cornwall
INVISTA Centre	\$221,025 5 year term	Kingston
Hershey Sports Complex	Not known at this time.	Mississauga
Flato Markham Theatre	\$75,000 per year for 10 years with a one-time contribution of \$30,000 to cover the costs of changing the name, signage and communications material.	Markham
Bob Gale Complex	Mr. Bob Gale owner of a chain of gas stations in the Niagara region provided \$1 million with a \$250,000 annuity to be used to help local families pay registration fees for minor sports.	Niagara Falls

### Revenue Options

Parks & Recreation currently sells advertising space as a means for revenue generation. Staff will be expanding advertising sales to the new facility to align with the current program operating in arenas and community centres. The program will include a number of options, including the sale of digital TV ad space, message space on the external road sign, flyer slots, wall & floor advertising.

Staff is recommending that council consider 2 options for the sale of naming rights for the facility.

1. Amenity Naming

Implies the selling of naming rights of the internal amenities of the facility. Examples include putting a company name on one of the gyms, the sports square or a community room. This would be in keeping with what was previously done at Tansley Woods.

2. Facility Name

Implies the selling of the name of the facility itself similar to what the City of Cornwall did with the Benson Centre. This option has the potential to generate the greatest revenue from a single source.

### **Considerations**

Naming of a corporate asset is not without its issues and risks. Council should consider the following:

- Representatives from the HDSB and BPL have expressed concern with the city having a naming sponsor, but understand that it is a city decision.
- Potential negative community response to a private organization's name on a city-owned community centre.
- The Alton family has approached staff indicating their interest in how the facility is to be named.
- Naming may need to be phased in after the facility opening.

### **Guiding Principles**

For a successful naming rights program a series of guiding principles should be adopted to measure potential naming agreements.

- There is a clear corporate and/or community benefit.
- Agreements must align and not compromise, influence or alter the corporate goals and priorities of the City or in any way diminish the City's public image.
- All agreements must comply with federal and provincial statutes, municipal by-laws & policies, and the standards set out by the Canadian Advertising Standards Council.
- The city will maintain control over the planning and delivery of sponsorship activities.
- Agreements must not impact the quality and integrity of the property, and provide no added risks to safety.
- Agreements must be cost-effective for the City and managing agreements should not require significant administrative resources.
- Agreements will have a specific sunset clause associated with the length of time that the name will be used.
- Sponsors will be required to enter into appropriate legal agreements with the City.

These principles and the Council approved Policy and Procedures will form the framework should a sponsorship and naming program be pursued.

### Strategy/Process

There are a number of steps required to ensure a successful naming program. Should council wish to pursue options #1 and/or #2 above, staff recommends that consultant be hired to undertake the task of securing sponsors. A consultant will be able to provide an additional level of expertise on top of the current staff skill set. The consultant will be responsible for:

1. Developing the naming rights feasibility study including:
  - a. Identify all assets which should be considered for naming.
  - b. Confirm that there is sufficient interest to solicit serious and competitive proposals.
  - c. Determine the fair market value for naming of these assets.
  - d. Identify sponsor benefits and recognition.
2. Identify city staff resources, responsibilities and timeframes required to assist in implementing the naming program.
3. Identify prospects who would be interested in purchasing the naming rights.
4. Design a recruitment strategy and promotion plan that includes specific approaches for contacting and securing sponsors.
5. Ensure a public engagement process as part of the program.
6. Secure sponsors for the program in order to achieve revenues.
7. Provide a naming agreement between the sponsor(s) and the City.

Based on the learnings from the Alton naming program, staff will determine if there is a benefit to expand the program to other assets. If the program proves to be successful it can open the door to additional sources of revenue from the naming of other city assets. Staff will report back to council on the outcomes of the program and future recommendations in the 1<sup>st</sup> quarter of 2014.

Should a suitable sponsor not be found, staff will review other options for naming including linkages with the school and library or a public naming contest.

### Next steps

Staff recommends the following process for the selection of a consultant and implementation of a naming rights plan.

Activity	Timeline
CSC consideration of Report PR-41-12	Oct 24, 2012
Council consideration of Report PR-41-12	Nov 5, 2012
Consultant quote development, issuance & analysis of results	Nov-Dec, 2013
Award of consultant contract	Jan, 2013
Development of naming feasibility study	Jan-Feb, 2013

Report to CSC & Council on results of feasibility study	Mar, 2013
Implementation of naming rights plan	Apr, 2013-Jan, 2014
Report back to CSC & Council on results	Mar, 2014

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**Financial Matters:**

The hiring of a consultant will assist staff in successfully securing sponsors for this facility. Staff is recommending that an upset limit of \$20,000 in one time funding be provided from the tax rate stabilization reserve fund to hire a consultant. Any further costs required for items such as sales commissions, facility signage, sponsor recognition, etc. will be directly funded from revenue received for the sale of naming rights.

Revenues will be held in the current budget, to offset the operations and maintenance of the facility.

**Communication Matters:**

Upon approval of this report, staff will update both the Board of Education and Burlington Public Library as to the process for the naming of the community centre. Staff will continue to communicate with community stakeholders regarding the city's intentions with respect to this asset.

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**Conclusion:**

The sale of naming rights for the Alton facility provides Parks & Recreation and council an exciting new opportunity which will help address future budget pressures. If the program proves to be successful it can open the door to additional sources of revenue from the naming of other city assets. Should a suitable sponsor not be found staff will move forward with other options for naming of the community centre.

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Respectfully submitted,

Sandra Neil  
Supervisor, Marketing & Sponsorship  
905-335-7600 ext. 7973

**Appendices:**

A. Policy 1.3.7 Naming of City of Burlington Corporate Assets
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**Notifications:**  
(after Council decision)

Name	Mailing or E-mail Address
Halton District School Board	
Burlington Public Library	
Marg Alton	

**Approvals:**

\*required

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\*Department

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City Treasurer

\_\_\_\_\_  
General Manager

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City Manager

To be completed by the Clerks Department	
Committee Disposition & Comments	
	01-Approved 02-Not Approved 03-Amended 04-Referred 06-Received & Filed 07-Withdrawn
Council Disposition & Comments	
	01-Approved 02-Not Approved 03-Amended 04-Referred 06-Received & Filed 07-Withdrawn