

CITY OF EDMONTON RECREATION FACILITIES NAMING RIGHTS AND SPONSORSHIP UPDATE - NAME SALE APPROVAL FOR TERWILLEGAR COMMUNITY RECREATION CENTRE

Recommendation

That Community and Public Services Committee recommend to City Council:

1. That the Naming Rights Agreement, as outlined in Attachments 1 and 2 of the April 29, 2024, Community Services report CS02463, be approved, and that the agreement be in the form and content acceptable to the City Manager.
2. That Attachment 1 of the April 29, 2024, Community Services report CS02463 remain private pursuant to section 29 (information that is or will be available to the public) of the *Freedom of Information and Protection of Privacy Act*.
3. That Attachments 2, 3, 4 and 5 of the April 29, 2024, Community Services report CS02463, remain private pursuant to sections 16 (disclosure harmful to the business interests of a third party), 24 (advice from officials) and 25 (disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*.

Requested Council Action	Committee decision required		
ConnectEdmonton’s Guiding Principle	ConnectEdmonton Strategic Goals		
CONNECTED This unifies our work as we work to achieve our strategic goals.	Regional Prosperity		
City Plan Values	THRIVE, CREATE		
City Plan Big City Move(s)	Catalyze and Converge	Relationship to Council’s Strategic Priorities	Conditions of Service Success
Corporate Business Plan	Healthy City		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> • City Policy C477A - Facility Name Sale • Council Policy C509C - Naming of Municipal Assets 		

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Related Council Discussions	<ul style="list-style-type: none">• October 11, 2023, Urban Planning Committee - EXT01996 Naming Committee: Moving Policy to Action Plan• September 12, 2022, Community and Public Services Committee - CS01200 Facility Naming and Sponsorship Agreement - Clareview Community Recreation Centre• April 19, 2021, Community and Public Services Committee - CS00462 Naming Rights Agreement• September 30, 2020, Community and Public Services Committee - CR_8483 City of Edmonton Recreation Facilities Naming License and Sponsorship Concept Approval
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Executive Summary

- Following Council direction to seek facility naming sponsors for select recreation facilities (September 30, 2020, Community and Public Services report CR_8483 - City of Edmonton Recreation Facilities Naming Rights and Sponsorship Concept Approval), Administration has selected a proponent for a name sale agreement at Terwillegar Community Recreation Centre.
- Administration advanced the approved name sales and negotiated an agreement with a local business that requires City Council approval.
- The proposed name sale agreement between the proponent and the City of Edmonton for the Terwillegar Community Recreation Centre aligns with the conditions and General Principles outlined in City Policy C477A - Facility Name Sale and Bylaw 16620 City Administration Bylaw. Attachment 2 includes key terms and conditions.

REPORT

Sponsorable asset sales are an increasingly prevalent revenue generating activity within the municipal government context. Sponsorships, including name sale agreements, are a mutually beneficial business arrangement wherein an external party provides financial or in-kind services to the City in return for commercial advantage. Sponsorships benefit the City by providing revenue that can be utilized to offset operating costs and reduce tax levy. Sponsorship agreements also create goodwill for potential sponsors in the local community because community members often appreciate local investment into the economic growth of their community. While communities like Vancouver¹ are exploring options to more strategically manage and increase sponsorship related revenues, many communities are actively involved in and benefit from these types of arrangements. Some embrace sponsorship to support sport and recreation facilities, including St. Albert (Servus Place), Red Deer (Servus Arena), Spruce Grove (TransAlta Tri Leisure Centre) and Cochrane (Jayman Aquatic Centre), while others like Ottawa and Toronto have taken a broader approach to the sale of sponsorable assets (Sony Centre for the Performing Arts, Scotiabank Nuit Blanche arts event) and, as such, can generate up to \$20 million annually.

¹ City of Vancouver, [Mayor's Budget Task Force Report - January 2024](#), pp.29-30.

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During the past 30 years, Administration has, from time to time, pursued the sale of advertising and sponsorable assets such as arenas, amenities and multi-purpose rooms within recreation facilities. In 2007, Council adopted City Policy C477A-Name Sale Policy which requires Administration to seek Council approval to pursue facility name sales, including the approval of the name.

In response to the City's need to improve facility cost recovery performance, on October 5, 2020, City Council approved Administration's recommendation to pursue sponsorship for the multi-year naming of five recreation facilities including Terwillegar Community Recreation Centre, Clareview Community Recreation Centre, The Meadows Community Recreation Centre, Lewis Farms Community Recreation Centre and the partner operated Re/MAX Field (Community Services report CR_8483 City of Edmonton Recreation Facilities Naming License and Sponsorship Concept Approval).

This report provides Council with an update on Administration's progress on name sales, including details on the second name sale agreement that has been negotiated for Terwillegar Community Recreation Centre and which now requires Council approval.

Update on Name Sale Activities

Opportunities to enter into a name sale sponsorship agreement with the City of Edmonton have been openly and transparently communicated through several channels including an Expression of Interest posted on Alberta Purchasing Connection in April 2021 and via the Edmonton.ca website. Administration also works directly with existing partners to explore interest and identify sponsorship opportunities.

This and subsequent reports on the five approved municipal assets will provide Council with insight into progress on development of name sale type sponsorship agreements. Specific focus is on negotiations that are in the sales stage, in the agreement stage (requiring council approval) and those which have been completed.

Complete - Council Approved Agreement

Partner Operated RE/MAX Field

On April 19, 2021, Council approved the name sale for RE/MAX Field (Private report CS00462 Naming Rights Agreement).

In Active Sales Stage

Clareview Community Recreation Centre

On October 3, 2022, City Council approved the naming of the Clareview Community Recreation Centre to Jumpstart Community Recreation Centre, in partnership with Canadian Tire Jumpstart Charities (CS01200 Facility Naming and Sponsorship Agreement - Clareview Community Recreation Centre). Following approval, Administration worked with Canadian Tire Jumpstart Charities to finalize the agreement, who have since indicated a desire to redirect their sponsorship funding toward opportunities more directly aligned with their corporate values and goal to provide educational opportunities for children with a much clearer line of sight to the

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impact of their investment. While discussions continue with Canadian Tire Jumpstart Charities, Administration continues to actively pursue a sponsor interested in name sale for the Clareview Community Recreation Centre.

The Meadows Community Recreation Centre and Lewis Farms Community Recreation Centre

Administration continues to explore potential sponsors to support these two facilities. Discussions are underway with current partners and local organizations that share the City of Edmonton values and the opportunity is advertised on the City of Edmonton website. All interested organizations are invited to submit an application for review by Administration. Administration is in the process of issuing a new Expression of Interest in spring 2024.

Agreement Stage

Terwillegar Community Recreation Centre

Administration has negotiated terms for a proposed agreement with a proponent as the naming partner for Terwillegar Community Recreation Centre. As outlined in Attachment 3, the proponent's brand aligns with the evaluation criteria identified in City Policy C477A Facility Name Sale. As a local company, the proponent is recognized for their commitment to building healthy communities and supporting the health and well-being of youth, children and those with different abilities.

Alignment to the City's Visual Identity Standards and Corporate Brand Guidelines is progressing for the proposed name sale. Administration has developed draft concept designs that ensure alignment of a secondary brand with the City's Corporate Brand and Visual Identity Guidelines (Attachment 4). This alignment ensures continued positioning of the City of Edmonton as the owner of the facility with a secondary brand having limited sponsorship opportunities in that context.

Policy Alignment

City Policy C477A - Facility Name Sale requires that the City of Edmonton's Naming Committee be consulted on the proposed name of any potential Facility Name Sale. The Naming Committee is guided by Council Policy C509C - Naming Municipal Assets.

On February 27, 2024, the Naming Committee received the proposed name sale for Terwillegar Community Recreation Centre; however, the Naming Committee did not consider the submission to be a traditional Naming Application; rather, notice from Administration of the intent to recommend a proposed name sale to Council for approval. As such, the Naming Committee acknowledges that City Council has the authority to make the final determination on this matter. The Naming Committee's perspective can be attributed to the October 11, 2023, Urban Planning Committee motion that the Naming Committee provide options, resources and budget to complete any outstanding recommendations outlined in EXT01996, including Recommendation 6 to sever the relationship between the Committee and the Facility Name Sale Policy unless policy C509C can be reasonably accommodated within the naming process because the Committee "does not wish to interfere with civic business interests or third party relationships". The Naming

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Committee has indicated its intent to address Recommendation 6 by 2026. Administration will update City Policy C477A-Facility Name Sale for Council consideration by Q1 2025.

Budget/Financial Implications

Attachment 2 outlines the key terms of the Naming Rights Agreement. Revenue from the agreement has been included in the Community Recreation and Culture branch budget starting in 2024 on an ongoing basis. If the agreement is not approved, this will significantly impact Community Recreation and Culture's ability to achieve the budgeted branch naming rights revenue on an ongoing basis.

COMMUNITY INSIGHT

Administration conducted five focus groups, through a third party research firm, in 2023 to understand the perspectives of Edmontonians to explore brand and value alignment between the City of Edmonton and the proponent for a potential sponsorship and naming agreement for the Terwillegar Community Recreation Centre. Y-Station research was responsible for recruitment, guide development, hosting and moderating all sessions, analysis and reporting (Attachment 5).

A total of five focus groups comprised of 37 total participants were conducted with various Edmontonians across different socio-economic spheres, including: communities that neighbour the recreation centre, customers of the proponent, spontaneous users and current members of the recreation centre, members of other City of Edmonton recreation facilities and members of the general public.

Overall, attendees were supportive of the idea of a naming and sponsorship partnership agreement with the proponent. Participants felt this would be a low risk and logical partnership. In fact, the proponent was mentioned in every focus group during the unaided discussion to generate ideas about what companies the City could consider partnering with.

Participants shared:

- that the partnership has the potential to elevate both brands;
- their appreciation for the local connection that the proponent has to Alberta and the Edmonton area; and
- that they agreed there is alignment between the brand ideals of the proponent and the City of Edmonton.

Regarding the potential partnership and brand / value alignment, focus group participants mentioned:

"This isn't a problematic connection. Meets the values I associate with recreation centres."

"I think it is a good fit. They do a lot for the community and if they are coming up with money and supporting the community then I am happier with that."

"They both want to provide value to people even if they don't hit the mark. They both want to give back."

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Attendees had many suggestions for types, breadth and depth of information to be shared with all Edmontonians about the agreement in order for Edmontonians to feel positively about the naming and sponsorship agreement, including:

- a high level of transparency around the financial impacts and the length of the agreement;
- clarity on what changes can be expected as a result of the partnership;
- assurance that there are no hidden controversies and/or a clear exit clause for the City (Morality Clause); and
- transparency about the full benefits for the proponent resulting from this partnership.

GBA+

The intention of this sponsorship agreement is to offset operating costs of recreation and culture facilities and programs which benefit all Edmontonians. No GBA+ analysis was conducted specifically for the selection of the naming partner.

ATTACHMENTS

1. Naming Rights Agreement - Recommendation (PRIVATE)
2. Naming Rights Agreement - Key Terms and Conditions (PRIVATE)
3. Partner Evaluation (PRIVATE)
4. Facility Name Signage (PRIVATE)
5. Name Sale Qualitative Study Report- Terwillegar Community Recreation Centre (PRIVATE)