

## CONCEPT APPROVAL OF NAME SALE

### Recommendation

That Community and Public Services Committee recommend to City Council:

1. That an exemption to City Policy C477A - Facility Name Sale be approved to enable Administration to seek proposals for name sale opportunities for existing City facilities.
2. That concept approval to explore name sale opportunities for the City facilities listed in Attachment 1 of the May 12, 2025, Community Services report CS02751 be approved.

Requested Council Action		Decision required	
ConnectEdmonton's Guiding Principle		ConnectEdmonton Strategic Goals	
<b>CONNECTED</b> 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"><li>• City Policy C477A - Facility Name Sale</li><li>• Council Policy C509C - Naming of Municipal Assets</li></ul>		
Related Council Discussions	<ul style="list-style-type: none"><li>• September 30, 2020, Community Services report CR_8483, City of Edmonton Recreation Facilities Naming License and Sponsorship Concept Approval</li><li>• January 20, 2021, Community Services report CS02752, Edmonton Elks Partner Field Naming</li><li>• April 19, 2021, Community Services report CS00462, Naming Rights Agreement (RE/MAX Field)</li><li>• September 12, 2022, Community Services report CS01200, Facility Naming and Sponsorship Agreement - Clareview Community Recreation Centre</li><li>• January 16, 2023, Community Services report CS01366, Sponsorship Update (Coca Cola Sponsorship)</li><li>• October 11, 2023, External report EXT01996, Naming Committee: Moving</li></ul>		

## CONCEPT APPROVAL OF NAME SALE

### Policy to Action Plan

- May 14, 2024, Community Services report CS01395, City of Edmonton Recreation Facilities Naming Rights and Sponsorship Update - Namesale Approval for Terwillegar Community Recreation Centre
- February 5, 2025, Community Services report CS02752, Edmonton Elks Partner Field Naming
- March 5, 2025, Financial and Corporate Services report FCS02746, Fiscal Gap Strategies Work Plan

## Executive Summary

- In alignment with the March 5, 2025, Financial and Corporate Services report FCS02746 Fiscal Gap Strategies Work Plan, Administration is seeking Council concept approval to pursue facility name sale of all City-owned and operated sport and recreation facilities, including internal assets, listed in Attachment 1.
- To move forward, Council must provide an exemption to City Policy C477A - Facility Name Sale, specifically the direction that “the City of Edmonton will not actively seek proposals for existing facilities.” This exemption and Council’s concept approval for the list of facilities in Attachment 1 will enable Administration to begin discussions with potential sponsors and negotiate agreements that will be advanced to Council for approval prior to execution.
- As required by Policy C477A, public consultation on potential sponsors will be conducted and all agreements will be subject to review and approval by Council.
- The estimated value for naming all assets outlined in Attachment 1 is approximately \$4 million annually. Agreements are negotiated over time and generally for a duration of 10 years. If approved, over the next 10 years there is potential to generate estimated net revenue of \$21 million after related costs and expenses, providing valuable financial support for these important community facilities.
- Administration will ensure all agreements align with existing policies, reflect City values and protect the City's interests.
- In 2026, Administration will bring forward updates to the Facility Name Sale Policy, Naming Municipal Assets Policy, and Naming Committee Bylaw for alignment.

## Report

Many municipalities are finding new ways to raise revenues without increasing taxes. One way is by selling the naming rights to municipally owned buildings and spaces, including assets within those buildings. This means a company pays the municipality for the right to put its name on a building, such as a recreation centre, gymnasium, pool, multi-purpose room or sports field.

This arrangement benefits both the municipality and the sponsoring company. The City gains revenue that may help with operating costs, while the company is granted time-limited rights to promote its name and brand in a prominent location within the community.

## CONCEPT APPROVAL OF NAME SALE

Operating costs for City of Edmonton facilities are increasing. New sources of revenue may help to limit fee increases for community members and the potential need for additional tax levy investments. Increasing fees could make it harder for more people to access and benefit from these facilities. Selling naming rights could help the City avoid these potential increases in the short term.

Administration is committed to ensuring facility and internal asset name sales agreements are achieved responsibly. To do so, Administration will protect the City's interests by:

- Negotiating good deals: Work with sponsors to get the best value for the City and its operating partners.
- Protecting the City's brand: Make sure any potential sponsor aligns with the City's brand.
- Following existing policy guidance: align with procedures outlined in City Policy C477A - Facility Name Sale, which provides guidelines to construct naming rights agreements.
- Managing costs associated with name sales: the City intends to hire a third-party vendor to assist in selling Name Sale opportunities on behalf of the City.
- Public consultation: public engagement to measure the public's perception of name sale and sponsor alignment as per City Policy C477A - Facility Name Sale.

A high-level jurisdictional scan, included as Attachment 2, highlights that sponsorship sales, including facility name sale and internal amenity name sales, are a common practice in other municipalities.

Should Council approve the recommendation, Administration will work with a third party to identify potential sponsors and negotiate agreements for future Council approval.

### Policy Alignment

Three Council-approved documents currently impact the naming of City-owned facilities: Policy C477A, Policy C509C - Naming of Municipal Assets (which governs Naming Committee considerations) and Bylaw 17138 - Naming Committee Bylaw, which delegates authority to the Naming Committee to name municipal assets.

Policy C477A requires Council to provide Administration with concept approval to “explore a name sale opportunity with a potential partner.” However the policy also states “the City of Edmonton will not actively seek proposals for existing facilities.” This report is requesting the stated concept approval, as well as an exemption to the portion of policy that restricts naming of existing City facilities, including internal assets. Each individual naming agreement will return to Council for approval prior to finalization.

While 17138 Bylaw and Policy C477A require the Naming Committee to have a role in determining the name of municipal facilities, the Naming Committee has advised that its review or approval should not be required for corporate sponsorship naming opportunities. To support this, Administration plans to bring forward amendments to Policy C477A, Policy C509C and Bylaw 17138 in 2026 prior to new facility names being approved by Council.

## CONCEPT APPROVAL OF NAME SALE

### Budget/Financial Implications

Agreements of this kind are estimated to generate a net revenue of approximately \$21 million over the life of the 10 year program, after related costs and expenses, providing valuable financial support for these important community facilities.

Estimated revenue is based on an evaluation of each potential asset and the final amount will depend on individual negotiations between potential sponsors and the third-party vendor identified by Administration to support sales. The exact amount to be received by the City will be determined as agreements are negotiated. Administration will lead agreement negotiations in collaboration with the third-party vendor.

Estimated revenue is not currently factored into the 2025-2026 budget. The additional revenue could be used to offset facility operation costs and is considered a strategic revenue-generating opportunity that will complement other strategies, including a comprehensive user fee review as identified in FCS02746 - Fiscal Gap Strategies Work Plan. Given the time needed to identify and negotiate agreements, it is feasible to anticipate that initial agreements could be ready for Council consideration beginning in 2026.

### COMMUNITY INSIGHT

Two surveys conducted by the City of Edmonton gauged public opinion on using facility naming rights and sales to generate revenue.

- July 2020: Over 6,000 residents responded when asked about their comfort level with securing facility naming rights to help offset pandemic-related costs. A combined 80 per cent of respondents were either comfortable (62 per cent) or neutral (18 per cent) towards the idea as outlined in Attachment 3.
- November 2024: Over 4,600 residents were surveyed about selling the naming rights to City-owned facilities, including recreation and sports centres, to offset operating costs. A combined 65 per cent of respondents were either comfortable (46 per cent) or neutral (19 per cent) with this concept as outlined in Attachment 4.

To date, public feedback suggests a significant portion of Edmonton's community members are open to the City exploring alternative funding options such as selling facility naming rights.

### GBA+

Pursuit of sponsorable asset sales is anticipated to benefit all community members by providing Administration and its operating partners with additional revenue to offset operating costs, which in turn reduces impact on the tax levy required to support these facilities. Additional revenue sources further provide Administration greater ability to maintain affordable fees for access to these facilities. Administration will apply GBA+ to sponsor selection by prioritizing organizations that demonstrate a commitment to equity, diversity and inclusion, and the City's values. No GBA+ was conducted for this report as it seeks to gain approval to pursue sponsors for all sport and recreation facilities under the stewardship of the City of Edmonton.

## **CONCEPT APPROVAL OF NAME SALE**

### **Environment and Climate Review**

This report was reviewed for environment and climate risks. Based on the review completed no significant interactions with the City's environmental and climate goals were identified within the scope of this report.

### **ATTACHMENTS**

1. City of Edmonton Recreation Facility Name Sale and Assets
2. Jurisdictional Scan - Municipal Name Sale Agreements
3. Facility Naming Rights - Research Summary (July 2020)
4. November 2024 Mixed-Topic Survey Report