



Report to: General Committee

Meeting Date: December 5th, 2023

SUBJECT: Kylemore Communities – Sponsorship for the Angus Glen Community Centre West Arena and Concession Stand Naming Rights

PREPARED BY: Ryan McCluskey, Lead Sponsorship, Marketing & Advertising

RECOMMENDATION:

- 1) THAT the report titled Kylemore Communities – Sponsorship for the Angus Glen Community Centre West Arena and Naming Rights to the Concession Stand be received; and
- 2) THAT the City of Markham enter into an interior naming rights agreement with Kylemore Communities to extend the current agreement for promotional rights to the Angus Glen West Arena through sponsorship and to re-name the upper level Concession Stand to the *Kylemore Lounge* within the Angus Glen Community Centre. The new name to be branded and utilized in all promotional, administrative and legal functions, operations and communications associated with each space; and,
- 3) THAT a naming rights term of 3 years, comprising of: a one-time Concession Stand Renovation Fee of \$25,000 in Year 1 and an annual naming rights fee of \$12,000 in Years 2 and 3 for the *Kylemore Lounge*; and,
- 4) THAT an annual fee of \$25,000 for the West Arena sponsorship, be approved; and,
- 5) THAT the remaining interior rights terms as outlined in the report be approved; and,
- 6) THAT the Mayor and Clerk be authorized to execute a sponsorship and interior naming rights agreement (“Sponsorship and Naming Rights Agreement” with Kylemore Communities, in accordance with the terms set out in the report, and in a form satisfactory to the CAO and City Solicitor; and,
- 7) THAT the 2023 renovation funds from the one-time Renovation Fee be deposited into account 795 796 4272 (Program Expense – Facility Ad Expense); and,
- 8) THAT the proceeds from the Naming Rights for the payment terms in 2023, 2024 and 2025 be deposited into account 890 890 9254 (General Sponsorship); and,
- 9) THAT staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to obtain approval from Council to enter a sponsorship and interior naming rights agreement (“Sponsorship and Naming Rights Agreement”) with Kylemore Communities for promotional rights to the West Arena and naming rights to the upper level Concession Stand located in the Angus Glen Community Centre in accordance to with the terms set out in this report.

BACKGROUND:

City Staff pursue sponsorship opportunities with local and national businesses that complement the values and goals of the City of Markham.

The Kylemore Communities’ current sponsorship agreement for the promotional rights to the West Arena in Angus Glen has expired and would like to renew their sponsorship with the addition of the “*Kylemore Lounge*” opportunity in Angus Glen Community Centre.

Concession stands within City facilities can be underutilized and have resulted in a decline of new lease opportunities, particularly post-Pandemic. Kylemore Communities seeks to collaborate with the City of Markham and contribute to the revitalization of the upper-level Concession Stand, to transform the area into a functional space for residents. In this partnership, Kylemore Communities would receive exclusive naming rights and have design input to develop a "Living Room" concept, complete with passive sales promotions within the space.

Kylemore Communities has a long standing relationship with the City of Markham and is headquartered in the City.

OPTIONS/ DISCUSSION:

This report sets out the proposed terms of the Naming Rights Agreement between the City of Markham and Kylemore Communities. This would include a three-year term, with the option to extend the agreement by two years, in which Kylemore Communities is subject to the same annual fee in Year 2, 3, 4 and 5 (\$37,000 annually), increasing the Naming Rights Agreement valuation to \$198,000 for a five-year term. The net benefit to the City is expected to be \$173,000 over five years, as the \$25,000 fee in Year 1 will be used to offset the cost of required renovations.

Kylemore Communities will be granted input within reason, to the design and layout of the Concession Stand renovation.

FINANCIAL CONSIDERATIONS

The City of Markham will receive a one-time Concession Stand Renovation Fee of \$25,000 (to be used to offset the cost of required renovations), and an annual naming rights fee of \$12,000 for the *Kylemore Lounge* payable by Kylemore Communities in Year 2 and Year 3. An annual fee of \$25,000 for the West Arena naming rights is applicable annually.

NAMING RIGHTS TERMS

1. **Naming Rights:**

The City of Markham agrees to re-name the upper level Concession Stand: “*The Kylemore Lounge*” after completed renovations and the continuation of promotional rights to the West Arena in Angus Glen.

2. **Branding:**

The new name is to be branded and utilized in all promotional, administrative and legal functions, operations and communications associated with the Angus Glen Community Centre.

3. **General Exposure:**

- Angus Glen Community Centre advertising and presence on all digital and print media;
- City of Markham flyers, posters, sales kits, house programs, and rental client’s promotional material and programs and any other printed promotional collateral related to the West Arena
- City of Markham website links, web advertisement and promotion of the newly renovated space
- Print and digital news releases

4. **Signage:**

- Interior signage at the Angus Glen Community centre, on the outside wall of the *Kylemore Lounge*.
- West Arena entrance door wrap, centre ice logo placement, wall banner, West Arena Zamboni wrap and one rink board advertising in the West and East Arena. One backlit sign at the East entrance of Angus Glen Community Centre.

5. **Product Promotion:**

- Kylemore Communities printed promotional material to be allowed distribution within the *Kylemore Lounge* as passive promotion, in a manner and location acceptable to the City of Markham and in consultation with Recreation and Corporate and Community Engagement Departments;

6. **Interior Room Design of the Kylemore Lounge:**

- Kylemore Communities to provide vinyl wall wraps to create a living room themed space within the *Kylemore Lounge*. The design is to reflect a Kylemore Communities living room within a model home.
- Furniture is to be provided by Kylemore Communities and meets all fire code regulations as per City facilities.

KYLEMORE COMMUNITIES OBLIGATIONS:**Naming Rights Fee:**

Kylemore Communities will pay \$50,000 in Year 1, and \$37,000 in Year 2 and Year 3 for the promotional rights to the Angus Glen West Arena and to re-name the upper level Concession Stand to the (*Kylemore Lounge*) within the Angus Glen Community Centre. The first payment to be made upon the execution of the Sponsorship and Naming Rights Agreement, and the remaining payments to be made as of September 30th of each year.

DURATION OF AGREEMENT AND OTHER CONSIDERATIONS:

The duration of the Sponsorship and Naming Rights Agreement shall be for a period of 3 years unless otherwise extended or amended by mutual written agreement of the City of Markham (based on Council approval) and Kylemore Communities.

Exposure and benefits may vary with scope of programs and marketing/promotion plans. City of Markham Sponsorship and Advertising Lead will meet annually with Kylemore Communities to review benefits and update any marketing collateral to ensure accuracy of branding for client.

This naming rights arrangement does not constitute a charitable donation under the *Income Tax Act*.

Exclusivity:

The proposed Sponsorship and Naming Rights Agreement with Kylemore Communities does not preclude the City of Markham from entering into sponsorship/naming rights related agreements with other organizations/corporations for:

- Any other interior naming rights associated with any other interior spaces within Angus Glen Community Centre.
- Any other exterior naming rights associated with Angus Glen Community Centre;
- Any category of sponsorship for Angus Glen Community Centre events, performances or programs.

First Option to Extend Agreement Term:

Kylemore Communities may exercise an option to extend the agreement length by 2 years at the same annual rate as of Year 2, 3, (\$37,000), with notification to the City of Markham by January 1st, 2025, subject to terms agreeable to the City of Markham.

HUMAN RESOURCES CONSIDERATIONS

Not Applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

The proposed arena naming rights extension and concession stand renovation aligns with Goal 4 of the Strategic Plan which aims to proactively manage our assets to maximize the return on taxpayer investment. Further, it complements the City's interest in exploring alternative sources of revenue and evaluating public and private partnerships and business opportunities to realize improvements to City assets.

BUSINESS UNITS CONSULTED AND AFFECTED:

Mayor's Office CAO Office, Community and Fire Services Commission, Recreation, Corporate Services Commission, Financial Services.

RECOMMENDED BY:

Andy Taylor, Chief Administrative Officer
Office of the CAO

Trinela Cane,
Commissioner, Corporate Services

Bryan Frois, Senior Manager, Corporate Communications
Office of the CAO

ATTACHMENTS:

OPTION 2
KYLEMORE LOUNGE

Information about the project and list of awards



Vinyl application

KYLEMORE LOUNGE

Center Wall Bump Out to Hide Vending Machines

