



Report to: General Committee

Meeting Date: December 17th, 2024

SUBJECT: Midea Home Appliances Canada – Sponsorship and Naming Rights Agreement

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

RECOMMENDATION:

- 1) THAT the report titled “Midea Home Appliances Canada – “Sponsorship and Naming Rights Agreement” be received; and,
- 2) THAT the City of Markham enter into a five-year sponsorship and naming rights agreement with Midea Home Appliances Canada company (“Midea”), granting Midea the following rights:
 - Designation as the “Entertainment Sponsor” for the Markham Canada Day Celebration for the years 2025, 2026, 2027, 2028 and 2029.
 - Sponsorship rights and interior naming rights for the Angus Glen Community Centre East Arena and Gymnasium.
 - Naming rights for the Angus Glen Community Centre Lower-Level Concession Stand, to be named the “Midea Community Kitchen and Pantry”; and,
- 3) THAT the sponsorship and naming rights agreement include the following fees payable by Midea;
 - A one-time Concession Stand Renovation Fee of \$50,000 to be paid in Year 1.
 - A one-time Gymnasium Floor Renovation Fee of \$55,000 to be paid in Year 1.
 - An annual Canada Day Entertainment Sponsor sponsorship fee of \$30,000 for Years 1, 2, 3, 4, and 5.
 - An annual East Arena and Gymnasium naming rights and sponsorship fee of \$25,000 for Years 1, 2, 3, 4, and 5.
 - An annual naming rights fee of \$24,000 for Years 1, 2, 3, 4, and 5, for the Midea Community Kitchen and Pantry.
- 4) THAT the Mayor and Clerk be authorized to execute the sponsorship and naming rights agreement between the City and Midea, substantially in accordance with the terms set out in the report, and extensions of such sponsorship and naming rights agreement, in a form approved by the CAO and City Solicitor; and,
- 5) THAT the one-time Concession Stand Renovation Fee of \$50,000 and the one-time Gymnasium Floor Renovation Fee of \$55,000 be deposited into new two new capital projects; and,

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- 6) THAT the East Arena and Gymnasium sponsorship and naming rights proceeds be deposited into G/L# 795-796-9254 (General Sponsorships), the Lower-Level Concession Stand naming rights proceeds be deposited into G/L # 514-113-8910 (Recreation Revenue Account) and the Canada Day Entertainment Sponsor sponsorship proceeds be deposited into G/L # 025-210-0016 (Canada Day) for the payment terms in 2025, 2026, 2027, 2028 and 2029;
 - 7) THAT Council delegate authority to the CAO to approve and execute agreements in connection with interior naming rights and sponsorship opportunities up to \$100,000 per agreement, in a form approved by the CAO and the City Solicitor and,
 - 8) THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

BACKGROUND:

The City of Markham actively seeks sponsorship opportunities with businesses that align with its values and strategic objectives. Midea Home Appliances Canada has expressed a commitment to building long-term community relationships to strengthen its ties and enhance brand visibility within Markham.

By securing title recognition as the Canada Day Entertainment Sponsor, Midea will gain significant exposure at the City's largest event, while enabling the City to attract top-tier entertainment talent earlier in the planning process.

Additionally, Midea's sponsorship of the Angus Glen Community Centre aligns with their broader initiatives, including their current sponsorship of the Professional Women's Hockey League. This partnership also supports community enhancements, such as the renovation of the Angus Glen Gymnasium floor to meet official pickleball court standards, addressing growing demand and delivering a valuable new asset to the facility.

In response to reduced utilization of concession stands at City facilities, Midea proposes a partnership to revitalize the Lower-Level Concession Stand at the Angus Glen Community Centre. Under this agreement, Midea would receive exclusive naming rights, transforming the space into the "Midea Community Kitchen and Pantry" for the duration of the sponsorship. This initiative will showcase Midea's appliances while providing a semi-functional kitchen, and engaging space for residents. The City's successful pantry program, piloted at Aaniin Community Centre, will also be expanded into this new space.

Midea's commitment to the community goes beyond sponsorships. The company recently established its Canadian headquarters in Markham, relocating to a new 10,000 sq. ft. facility, further solidifying its presence in the City.

This partnership represents a meaningful collaboration that will benefit the City, its residents and a prominent local business.

OPTIONS/ DISCUSSION:

This report outlines the terms of the proposed sponsorship and naming rights agreement between the City of Markham and Midea Home Appliances Canada.

FINANCIAL CONSIDERATIONS

Total Sponsorship and Naming Rights commitment of \$500,000 including:

- A one-time **Concession Stand Renovation Fee** of \$50,000 to be paid in Year 1.
- A one-time **Gymnasium Floor Renovation Fee** of \$55,000 to be paid in Year 1.
- An **annual Canada Day Entertainment Sponsor sponsorship fee** of \$30,000 for Years 1, 2, 3, 4, and 5.
- An **annual East Arena and Gymnasium naming rights and sponsorship fee** of \$25,000 for Years 1, 2, 3, 4, and 5.
- An **annual naming rights fee** of \$24,000 for Years 1, 2, 3, 4, and 5, for the **Midea Community Kitchen and Pantry**.

NAMING RIGHTS / SPONSORSHIP RIGHTS

1. Naming Rights:

The Lower-Level Concession Stand will be named "*The Midea Community Kitchen and Pantry*" after the renovations are complete.

The East Area will be named the "*Midea Arena*", and the Gymnasium will be named the "*Midea Gym*".

The new names will be utilized in all promotional materials and communications associated with the Angus Glen Community Centre.

2. Sponsorship Rights

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 East Arena and Gymnasium;
- City of Markham website links, web advertisement and promotion of the newly renovated space;
- Print and digital news releases.

Signage:

- Interior signage at the Angus Glen Community Centre, on the outside wall of the *Midea Community Kitchen and Pantry*.
- East Arena entrance door wrap, centre ice logo placement, two wall banners, one glass wrap, and one rink board advertising in the East Arena. One backlit sign at the East entrance of Angus Glen Community Centre.

Sponsorship exposure and benefits to Midea may vary based on City of Markham marketing/promotion plans. The City of Markham Sponsorship and Advertising Lead will meet annually with Midea Home Appliances Canada to review.

3. Product Promotion:

- Midea Home Appliances Canada printed promotional material to be allowed distribution within the *Midea Community Kitchen and Pantry* as passive promotion, in a manner and location acceptable to the City of Markham and in consultation with the Recreation and Corporate and Community Engagement Departments.

4. Interior Room Design of the Midea Community Kitchen and Pantry:

- Midea will be granted reasonable input into the design and layout of the renovation for the Lower-Level Concession Stand.
- Midea Home Appliance Canada will provide a semi-functional kitchen renovation designed to reflect a home kitchen with a family-oriented layout.
- Appliances supplied by Midea Home Appliance Canada.
- Midea Home Appliance Canada will be responsible for the maintenance and upkeep of all appliances provided throughout the duration of the agreement.

5. Term

The duration of the proposed sponsorship and naming rights agreement will be for a term of 5 years, unless extended by mutual written agreement of the City of Markham and Midea Home Appliances Canada.

6. Non-Exclusivity

The proposed sponsorship and naming rights agreement with Midea Home Appliances Canada does not preclude the City of Markham from entering into agreements with other parties for:

- interior naming rights associated with other interior spaces within the Angus Glen Community Centre.
- sponsorship rights associated with other interior spaces within the Angus Glen Community Centre, or associated with the Midea spaces (but not in the same business category).

- other categories of sponsorship for the Canada Day event.

OTHER CONSIDERATIONS

Angus Glen Community Centre East Area and West Arena

The City entered into a sponsorship and naming rights agreement with Kylemore Communities in March 2024 in connection with the Angus Glen Community Centre West Arena and Upper-Level Concession Stand. Subject to Council's approval of the naming of the East Arena as the "Media Arena", Staff will identify the West Arena as the "Kylemore Arena" in all internal communications and programming in order to ensure clarity and consistency for residents.

Delegated Authority

To improve efficiency in the contracting process for sponsorship and naming rights opportunities, Staff recommend that Council delegate authority to the CAO to approve and execute agreements in connection with sponsorship and interior naming rights opportunities up to \$100,000 per agreement, in a form approved by the CAO and the City Solicitor.

HUMAN RESOURCES CONSIDERATIONS

Not Applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

The proposed sponsorship and naming rights and gymnasium and concession stand renovations align 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:

Office of the CAO, Community Services Commission, Corporate Services Commission, Financial Services, Legal Services.

RECOMMENDED BY:

Andy Taylor, Chief Administrative Officer
Office of the CAO

Morgan Jones,
Commissioner, Community Services

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

Mary Creighton,
Director, Recreation

ATTACHMENTS: Angus Glen Community Centre Interior Naming Rights Asset List