
SUBJECT: Sponsorship Opportunities

PREPARED BY: Diane Samek, Senior Communications Advisor Ext. 7557

RECOMMENDATION:

- 1) That the report "Sponsorship Opportunities" be received;
- 2) That Council approve the sponsorship opportunity with Bank of Nova Scotia (Scotiabank) for the East Arena Pad at the Angus Glen Community Centre for a three-year period with total remuneration of \$121,548;
- 3) That Council approve the sponsorship opportunity with Mercedes-Benz for interior signage at Angus Glen Community Centre and on two tennis nets at the tennis facility for a one-year period with total remuneration of \$10,000;
- 4) That Council authorize the Commissioner of Corporate Services to enter into interior naming rights and sponsorship contracts with Scotiabank, Mercedes-Benz and Royal Bank of Canada (RBC) in a form satisfactory to the Town Solicitor;
- 5) That Council delegate authority to the Commissioner of Corporate Services to approve future interior naming rights and sponsorship opportunities up to \$100,000 per sponsorship agreement;
- 6) And 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 Council approval to enter into interior sponsorship agreements with Scotiabank and Mercedes-Benz, and to provide delegated authority to the Commissioner of Corporate Services to approve additional sponsorship opportunities.

BACKGROUND:

At its meeting on December 1, 2009 Council approved the awarding of a contract to Wakeham & Associates to undertake the development and negotiation of sponsorship opportunities that included interior and, where appropriate, exterior venue naming, official "category" sponsorships and presenting sponsors for key Town events and programs. The potential sponsors would complement the values and goals of the Town and any naming agreements would be sensitive to Markham's heritage, history, traditions and to the Markham brand. In the future, Staff will to report the status of this contract with Wakeham & Associates.

OPTIONS/ DISCUSSION:

Over the past year, potential sponsorship opportunities have been pursued by Staff and discussions have been ongoing with a variety of Corporations.

Scotiabank - Angus Glen Community Centre

Scotiabank has indicated interest in a sponsorship opportunity at the Angus Glen Community Centre for a three-year period effective July 1, 2011. The proposal provides Scotiabank the status of Naming Sponsor of the interior portion of the Angus Glen Community Centre, namely the East Arena and other sponsorship rights noted below.

The revenue to the Town will be a total \$121,548 over the three year period with \$39,520 receivable in the first year, \$40,508 receivable in the second year and \$41,520 receivable in the third year. (The contract reflects an escalation of 2.5% in revenue for each year).

A complete listing of sponsorship benefits is listed in Schedule A.

Mercedes-Benz – Angus Glen Community Centre

Mercedes-Benz has indicated interest in extending the current contract and discussions are ongoing. The sponsorship rights will potentially include a banner at the Angus Glen Community Centre and net signage on two of the nets at the new tennis centre.

The revenue to the Town will be \$10,000 in the first year of the extension. Staff are currently negotiating the sponsorship rights as well as the term of the contract.

Further, Staff are in discussions with other interested parties for interior naming rights and sponsorship opportunities and will report back to Council upon completion of additional contracts.

A complete listing of the potential sponsorship benefits is listed in Schedule B.

RBC - Milliken Children's Festival

RBC has indicated interest in a sponsorship opportunity for the Milliken Children's Festival for a two-year period beginning in 2011. The proposal includes sponsorship benefits that include corporate naming rights associated with the event title, sponsorship recognition on all collateral material and name recognition on the Markham Theatre marquee sign on Highway 7. In addition, the proposal includes changing the name of the event to the "RBC Markham Children's Festival at Milliken."

The revenue to the Town would be \$55,000 over the two year period with \$25,000 for the first year and \$30,000 in the second year.

A complete listing of the proposed sponsorship benefits is listed in Schedule C.

This offer is being declined at this time due to the name "Milliken" being secondary in the event title. Staff will continue to negotiate with RBC to rename the event such that "Milliken" be primary in the event title.

FINANCIAL CONSIDERATIONS AND TEMPLATE: (external link)

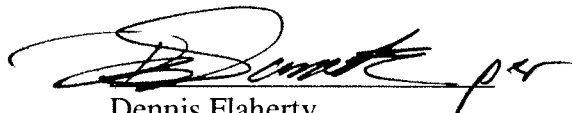
The revenue to the Town from the Scotiabank agreement will be \$121,548 over a 3-year term and \$10,000 for the one-year term of the Mercedes-Benz agreement.

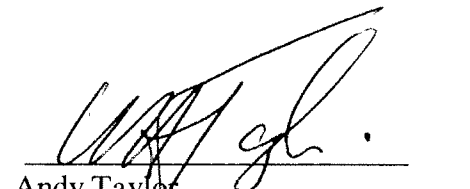
These amounts are competitive with the revenues identified by Wakeham & Associates' sponsorship industry model for similar interior naming rights sponsorship opportunities.

BUSINESS UNITS CONSULTED AND AFFECTED:

The Recreation Services Department and Legal departments have been consulted and their input has been included in the agreements

RECOMMENDED BY:


Dennis Flaherty
Director, Communications &
Community Relations


Andy Taylor
Commissioner, Corporate Services

APPENDIX A

Scotiabank – Proposed Sponsorship Benefits

- Display a Scotiabank Licensed Trademark at the centre ice of the East Arena Pad. The installation will take place once the ice is removed in accordance with the Town's yearly maintenance schedule;
- Display a Scotiabank Licensed Trademark on the East Arena Pad interior door entrance with a door wrap;
- Utilize a total of four (4) arena board surfaces for the purpose of displaying board advertising. Scotiabank may utilize a maximum of one (1) rinkboard surface in the West Pad Arena and one (1) in the East Pad Arena at the Angus Glen Community Centre and the other two (2) remaining rinkboard surfaces at any other community centres owned and operated by the Town of Markham;
- Non- electrical signage:
One (1) 7' x 3' sign at entrance to East Arena/sign over doors
One (1) 3'-6" x 2' sign at Entrance to change room.
- Electrical signage
One (1) 8' x 4' backlit sign
- Zamboni labelling with a Scotiabank marketing design to be determined by Scotiabank.
- One (1) 8" x 16" banner on the North West wall of the East Arena Pad
- One etched decal on the south glass wall of the East Arena Pad
- Junior Firefighter Recruit Day Event
- Markham Life publication: one full page advertisement in the next four (4) issues – Fall 2011, Winter 2011, Spring 2012, Summer 2012
- Scotiabank shall, at its own expense, provide to the Town all artwork, creative and final produced content for the Advertising Materials to be installed or displayed pursuant to this Agreement by a date each Contract Year to be mutually agreed to by the Town and Scotiabank in writing.
- All Advertising Materials placed pursuant to this Schedule A, shall be subject to the prior approval of the Town. Scotiabank covenants and agrees that the decision of the Town shall be final and binding in this regard.
- Scotiabank shall not make any alterations or improvements to the Advertising Materials affixed or installed pursuant to this Schedule A, but for greater certainty, this paragraph does not in any way diminish the Town's obligation to make changes at Scotiabank's request .
- Scotiabank shall not remove any of the Advertising Materials referred to in this Schedule A or relocate them to another location. If Scotiabank wishes to relocate any of the Advertising Materials it shall provide such request in writing to the Town and shall identify the proposed new location. If the Town approves the proposed new location, it shall form part of this Agreement and shall be relocated by the Town at the expense of Scotiabank.

APPENDIX B

Mercedes-Benz –Proposed Sponsorship Benefits

- Signage Banner (8' x 16') - Outside the swimming pool area
- Signage at the Tennis Centre - Logos on two tennis nets
- Markham Life - 2 full page advertisements per year

APPENDIX C

Royal Bank Of Canada – Proposed Sponsorship Benefits

- Corporate Name included in event title
- Logo and Name recognition on pamphlets (front and back cover)
- Sponsored Area name recognition on all posters
- Logo recognition on all advertisements, in-print or on-line material related to the children's festival
- Logo on staff golf shirts and MCF t-shirts
- RBC recognition on the Town of Markham website
- Logo and name recognition on banners
- Logo recognition on volunteer t-shirts - with no other sponsors listed except for on the back of the t-shirts
- Sponsorship recognition Eco Media Bin
- Name Recognition on Markham Theatre Marquee Sign on Highway 7 during the festival advertisement period
- Color sheet logo recognition
- Logo recognition on the Markville Mall Banner
- Logo recognition on street signs
- Opportunity to introduce stage acts
- Sponsorship of Children's Playground - with activation rights through booths etc...
- Mayor's recognition on Main stage
- Chair Recognition on Sponsors
- 20 complimentary MCF Golf Shirts, 20 Parking passes, hospitality for 20 people
- 80 MCF t-shirts that will be available for our branch staff in Markham to wear the week prior to the festival
- Opportunity to display banner on main stage
- Promote event through our branches and within the bank
- Opportunity to use the festival marketing material (with prior approval) in RBC promotional communication and marketing activation
- Opportunity to participate in the organizing committee