



Report to: General Committee

Date Report Authored: May 6, 2015

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SUBJECT: Happy Life Wealth Management Inc. – Naming Rights for the Markham Pan Am Fitness Centre

PREPARED BY: Dennis Flaherty, Director, Corporate Communications and Community Engagement

RECOMMENDATION:

- 1) THAT the report titled Happy Life Wealth Management Inc. - Naming Rights for the Markham Pan Am Fitness Centre be received; and,
- 2) THAT the City of Markham enter into an interior naming rights agreement with Happy Life Wealth Management Inc. to re-name the fitness centre located in the Markham Pan Am Centre (the “Markham Pan Am Fitness Centre”) as the “HAPPY LIFE FITNESS CENTRE”, the new name to be branded and utilized in all promotional, administrative, and legal functions, operations and communications associated with Markham Pan Am Fitness Centre; and,
- 3) THAT an interior naming rights term of five years, and an annual interior naming rights fee of \$50,000 payable by Happy Life Wealth Management Inc. (subject to an increase each year during the term of this agreement to reflect the change in the Consumer Price index [Toronto All items September – September, with such increases effective January 1st rounded off to the nearest dollar), be approved; and,
- 4) THAT the remaining interior naming rights terms as outlined in the report be approved; and,
- 5) THAT the Mayor and Clerk be authorized to execute an interior naming rights agreement (“Naming Rights Agreement” agreement with Happy Life Wealth Management Inc, in accordance with the terms set out in the report, and in a form satisfactory to the CAO and City Solicitor; and,
- 6) THAT the 2015 funds from the Naming Rights be deposited into account 870 870 9254 (Pan Am Hosting and Celebration)

- 7) THAT the proceeds from Naming Rights for the payment terms 2016, 2017, 2018 and 2019 be deposited into account 890 890 9254 (General Sponsorship); and
- 8) 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 into an interior naming rights agreement ("Naming Rights Agreement") with Happy Life Wealth Management Inc. for the interior naming rights to the fitness centre located in the Markham Pan Am Centre ("Markham Pan Am Fitness Centre") in accordance with the terms set out in this report.

BACKGROUND:

In 2009, Council directed Staff to award a contract to Wakeham & Associates Marketing Inc. to undertake the development and negotiation of sponsorship opportunities for the City of Markham (including interior and exterior naming sponsorships). This included valuation of identified City of Markham facilities, assets and events, and the establishment of a process for undertaking naming opportunities. Further to their efforts, City Staff have used similar efforts to pursue sponsorship opportunities with potential Markham business sponsors which complement the values and goals of the City of Markham.

Happy Life Wealth Management Inc., is a recognized financial services company located in Markham offering a variety of financial services and products.

OPTIONS/ DISCUSSION:

This report sets out the proposed terms of the Naming Rights Agreement between the City of Markham and Happy Life Wealth Management Inc. This would include a five year term, and an annual naming rights fee of \$50,000.00, subject to an increase each year of the term to reflect the change in the Consumer Price index.

The following is a summary of the remaining terms of the Naming Rights Agreement:

NAMING RIGHTS TERMS

1. Naming Rights:

The City of Markham agrees to re-name the Markham Pan Am Fitness Centre:
"Happy Life Fitness Centre"

2. Branding:

The new name is to be branded and utilized in all promotional, administrative, and legal functions, operations and communications associated with the Markham Pan Am Fitness Centre.

3. General Exposure:

- Markham Pan Am Fitness Centre Events advertising and presence on all digital and print media;
- City of Markham flyers, posters, sales kits, house programs, and rental clients promotional material and programs, and any other printed promotional collateral related to the Markham Pan Am Fitness Centre;
- City of Markham EIB at the Markham Pan Am Centre and interior TV monitors;
- City of Markham website, web links, web advertisement, Markham Life magazine references and e-marketing;
- The Markham Pan Am Fitness Centre phone communication - lines, messages
- Live mentions- at events and public functions where the Markham Pan Am Fitness Centre is mentioned;
- Print mentions - Press releases, programs, listings and business documents.

4. Signage:

- Interior signage at the Markham Pan Am Fitness Centre door entrance and glass window;

5. Corporate Exposure:

- Other corporate publications where the Markham Pan Am Fitness Centre is referenced;
- Markham Pan Am Centre events where the Fitness Centre is referenced;
- Uniforms worn by Fitness Centre Staff will be branded "Happy Life Fitness Centre".

6. Corporate Promotion

- **Product promotion:** Advertising of Happy Life Wealth Management Inc. products;
- Happy Life Wealth Management Inc. printed promotional material to be allowed distribution within the Markham Pan Am Centre in manner and location acceptable to the City of Markham and in consultation with the Recreation and Corporate Communications and Community Engagement Departments;
- Markham Life: One full page advertisement annually. Placement at the City of Markham's discretion;
- Happy Life Wealth Management logo as the fitness centre sponsor displayed on the front reception monitor as part of rotating promotions;

7. Interior Room Recognition

- Interior wall plaque within the Markham Pan Am Fitness Centre commemorating the official opening.

8. Benefits, Networking and Promotional Opportunities

- Three (3) Complimentary fitness centre passes for five years;
- Opportunity to co-host with the City of Markham a sponsorship announcement press conference and client reception at the Markham Pan Am Centre;
 - Official Recognition: The City of Markham to officially recognize Happy Life Wealth Management at a specific City of Markham function. City of Markham function for the announcement of the naming rights and for the official opening ceremony under the new name of the Markham Pan Am Fitness Centre.
 - Opportunity to participate in the City of Markham annual Canada Day and Santa Claus parades (float entry) for five years;
 - Opportunity to host an information booth at the City of Markham's Canada Day celebrations to promote the Happy Life Fitness Centre;
 - Two complimentary golf spots at the City of Markham's Annual Employee United Way Golf and Fun Day for two years;
 - Opportunity to acquire hole sponsorships at the annual City of Markham United Way Golf and Fun Day at a 50% discount for two years;

9. **Markham Pan Am Centre Use**

- Two (2) annual uses of the multi-purpose room for a company function, based on availability;

HAPPY LIFE WEALTH MANAGEMENT INC. OBLIGATIONS:

Naming Rights Fee:

Happy Life Wealth Management Inc. will pay \$50,000 per year for 5 years, for the Markham Pan Am Fitness Centre naming rights. The first payment to be made upon the execution of the Naming Rights Agreement, and the remaining payments to be made as of September 30 of each year. The annual naming rights fee of \$50,000 will be subject to an increase each year during the term to reflect the change in the Consumer Price Index (Toronto all items September- September), with such increases effective January 1st rounded off to the nearest dollar.

DURATION OF AGREEMENT AND OTHER CONSIDERATIONS

The duration of the Naming Rights Agreement shall be for a period of 5 years, unless otherwise extended or amended by mutual written agreement of the City of Markham (based on Council approval) and Happy Life Wealth Management Inc.

Exposure and benefits may vary with scope of programs and marketing/promotion plans. City of Markham management Staff will meet annually with Happy Life Wealth Management 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 Naming Rights Agreement with Happy Life Wealth Management 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 the Markham Pan Am Centre including the main foyer, warm up room, multi-purpose rooms, gymnasium and pool area,
- Provided such other interior naming rights are not provided to a financial services sponsor. Happy Life Wealth Management will retain competitor category exclusivity naming rights for financial services within the interior of the Markham Pan Am Fitness Centre;
- Any other exterior naming rights associated with the Markham Pan Am Centre;

- Any category of sponsorships for Markham Pan Am Centre events, performances, or programs.

First Option Term 2:

Happy Life Wealth Management may exercise an option to renew for a second 5 year term with notification to the City of Markham by January 31st, 2020, subject to terms agreeable to the City of Markham.

Other Options:

Happy Life Wealth Management Inc. may exercise the first option to sponsor an additional fitness centre within the City of Markham's current and future fitness centre locations. This option will be valid until September 30, 2017 and subject to negotiated terms, conditions and pricing.

In order to better understand the potential revenue that could be generated through corporate sponsorship, Corporate Communications contracted Wakeham & Associates Marketing Inc. in 2009 to conduct a financial evaluation and assessment of sponsorship opportunities and to provide recommendations as to how the City of Markham might maximize sponsorship revenue for its various facilities and assets.

The analysis also included a value assessment of all City of Markham facilities at that time from a naming rights perspective. As a comparator, the current Flato Markham Theatre exterior naming rights sponsorship was established and approved at \$75,000 per year for a ten year period. Interior naming rights sponsorships related to ice arenas in the Angus Glen Community Centre were valued, at and subsequently acquired for \$40,000 per year for three year terms.

Based on this benchmark, the value of the sponsorship opportunity from Happy Life Wealth Management Inc. is in line with the values identified by Wakeham & Associates Marketing Inc.

The 2015 funds from the Naming Rights be deposited into account 870 870 9254 (Pan Am Hosting and Celebration).

The proceeds from Naming Rights for the payment terms 2016, 2017, 2018 and 2019 be deposited into account 890 890 9254 (General Sponsorship).



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HUMAN RESOURCES CONSIDERATIONS

Not applicable.


ALIGNMENT WITH STRATEGIC PRIORITIES:

Aligns with priority for seeking new revenue opportunities revenue.

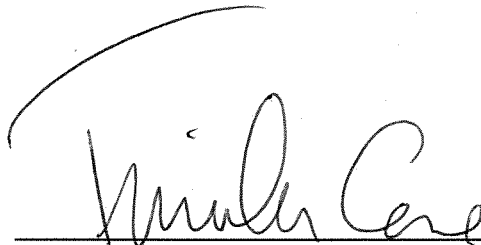
BUSINESS UNITS CONSULTED AND AFFECTED:

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

RECOMMENDED BY:



Dennis Flaherty, Director
Corporate Communications and
Community Engagement



Trinela Cane,
Commissioner, Corporate Services