

Subject: Sale of Naming Rights – Kanata Recreation Complex

File Number: ACS2023-RCF-GEN-0001

Report to Community Services Committee on 28 March 2023

and Council 12 April 2023

Submitted on March 10, 2023 by Emily Baxter, Manager, Business and Technical Support Services, Recreation, Cultural and Facility Services Department

Contact Person: Ingrid Meza-McDonald, Partnership Manager, Sponsorship, Advertising & Donations, Business and Technical Support Services, Recreation, Cultural and Facility Services Department

ingrid.meza-mcdonald@ottawa.ca

Ward: Kanata South (23)

Objet : Vente de droits d'appellation – Complexe récréatif de Kanata

Dossier : ACS2023-RCF-GEN-0001

Rapport au Comité des services communautaires

le 28 mars 2023

et au Conseil le 12 avril 2023

Soumis le 10 mars 2023 par Emily Baxter, Gestionnaire, Direction des services de soutien technique et aux activités, Direction générale des loisirs, de la culture et des installations

Personne ressource : Ingrid Meza-McDonald, Gestionnaire des partenariats, Publicités, Commandites et Dons, Direction des services de soutien technique et aux activités, Direction générale des loisirs, de la culture et des installations

ingrid.meza-mcdonald@ottawa.ca

Quartier : Kanata-Sud (23)

REPORT RECOMMENDATION(S)

That the Community Services Committee recommend that Council:

1. **Approve the naming rights proposal from Tony Graham Automotive Group to rename the Kanata Recreation Complex the “Tony Graham Automotive Group Recreation Complex – Kanata”; and**
2. **Authorize the General Manager, Recreation, Cultural and Facility Services to finalize and execute a naming rights agreement for the Kanata Recreation Complex, in consultation with the City Solicitor, as outlined in this report; and**
3. **Authorize up to \$35,000 annually from this naming rights proposal to be used to support free youth access to City fitness facilities during the summer months as outlined in this report, as well as capital and operating enhancements at the Kanata Recreation Complex/Walter Baker Park site.**

RECOMMANDATION(S) DU RAPPORT

Que le Comité des services communautaires recommande au Conseil :

1. **D’approuver la proposition de droits d’appellation du Tony Graham Automotive Group visant à faire passer le nom « Complexe récréatif de Kanata » à « Complexe récréatif Tony Graham Automotive Group – Kanata ».**
2. **D’autoriser le directeur général des Loisirs, de la Culture et des Installations à finaliser et à signer les ententes concernant les droits d’appellation pour le Complexe récréatif de Kanata, en consultation avec l’avocat général, comme le précise le présent rapport.**
3. **D’autoriser jusqu’à 35 000 \$ annuellement pour cette proposition de droits d’appellation utilisés pour soutenir l’accès gratuit des jeunes aux installations de conditionnement physique de la Ville durant l’été, comme l’explique le présent rapport, ainsi que pour des améliorations à apporter aux immobilisations et au fonctionnement du site du Complexe récréatif de Kanata et du parc Walter-Baker.**

BACKGROUND

City Council approved the Corporate Sponsorship and Advertising policy in 2005 which established a framework for the potential sale of naming rights of city property, buildings, and structures to assist in the provision of city services and programs. In

March 2011, Council approved a marketing plan that identified various opportunities, including the sale of naming rights to some of the City's major recreation facilities, to generate revenue. The Kanata Recreation Complex was included in the list of facilities available for the sale of naming rights.

The City's Corporate Sponsorship and Advertising Policy provides that a naming right is "a type of sponsorship in which an external company, organization, enterprise, association or individual purchases the exclusive right to name an asset or venue." Generally, naming right opportunities involve the naming of city sports facilities or part of a city facility for a fixed period of time. The Policy states that City Council is required to approve the naming or renaming of a City property, building or structure.

This report recommends that the Recreation, Cultural and Facility Services department be delegated authority to finalize and execute a Naming Rights agreement to rename the Kanata Recreation Complex the Tony Graham Automotive Group Recreation Complex - Kanata on behalf of the City of Ottawa, in consultation with the City's Legal Services Department. The Sponsorship agreements will adhere with the City's Corporate Sponsorship and Advertising Policy and any applicable City by-laws and policies.

DISCUSSION

Tony Graham Automotive Group has proposed to pay the City of Ottawa \$1,000,000 (plus HST) over 10 years to acquire the naming rights to the Kanata Recreation Complex, located at 100 Charlie Rogers Place. The name proposed by the company is the "Tony Graham Automotive Group Recreation Complex - Kanata".

Tony Graham Automotive Group (TGAG) is a client-focused automotive group based in Ottawa with four dealerships, a collision center, and a leasing company. Since 1969, TGAG has become a household name, with a focus on personalized service and creating a family-friendly environment at every location. Through its various philanthropic and community-centric initiatives, TGAG actively engages in and contributes to making Ottawa a vibrant and inclusive city.

The offer from TGAG will provide the City with \$100,000 (plus HST) annually which will be applied against the targeted sponsorship revenues. The amenities within the complex, including the two arenas, outdoor fields and other components of the complex, are not affected by the naming proposal. Commemorations within the complex such as the Tom Flood Arena and Garry Burke Rink will be maintained pursuant to the Commemorative Naming Policy.

The value of the proposal has been reviewed by City staff and is in line with the value of the marketing potential and exposure that Tony Graham Automotive Group will receive at the recreation facility.

As part of the naming rights agreement, the company would be responsible for changing the exterior and interior signage of the facility over the term of the agreement and will be recognized on city-wide and facility-related print and digital promotional material and be provided other visibility and branding opportunities. TGAG would be required to seek the written approval of the General Manager, for any modifications related to the signage and name throughout the term of the agreement, or any extension of the term.

As part of this new partnership, Tony Graham Automotive Group has indicated a keen interest in having this sponsorship leveraged to support youth fitness. Accordingly, as part of the agreement the City will launch a free weight and cardio summer membership for youth aged 13-17 at City facilities. In addition, a portion of sponsorship funding will be applied annually to enhancing community events, programming and amenities at the site. Both initiatives will be funded from the annual TGAG \$100K payment (plus HST, if applicable), to a value of up to 35K. The balance of the annual revenue will be applied to the Department's budgeted annual sponsorship revenue targets.

Tony Graham Automotive Group's contribution will qualify the company to be recognized as part of the City's Community Champions Program. The new facility name will also assist in clearly differentiating between two recreation facilities in close proximity to each other, the Kanata Recreation Complex and the Kanata Leisure Centre, by providing a new and unique name for one of the buildings.

FINANCIAL IMPLICATIONS

The naming rights agreement will provide the City with \$100,000 (plus HST if applicable) annually for 10 years, for a total of \$1,000,000 (plus HST if applicable). A portion of the revenues will be invested in community programming enhancement, with the balance applied against the Department's annual budgeted target for sponsorship revenues. Any incidental costs for activation of this sponsorship will be funded from the Sponsorship and Advertising budget. Tony Graham Automotive Group will be responsible for changing the exterior and interior signage of the facility.

LEGAL IMPLICATIONS

The proposed naming rights in this case are for a 10-year term with a further option to renew for an undetermined length of time. It is recommended that, upon Council

approval of this proposal, the naming rights agreement to be concluded by staff with the proponent provide a termination provision for the City as contemplated by the Policy, and further provide that the City may at its discretion require additional payments from the proponent for the naming rights in the renewal period if an option to renew is taken up.

COMMENTS BY THE WARD COUNCILLOR(S)

As Ward 23 Councillor, I am both very supportive of this application and appreciative of what this means for the community and our premiere recreational facility.

CONSULTATION

No public consultation was undertaken for the purposes of this report. The 2005 report to City Council approving the City's sponsorship policy included public consultations and identified major municipal facilities that would be available for naming rights, including the Kanata Recreation Complex. The availability of the facility for sponsorship naming is included on Ottawa.ca.

ACCESSIBILITY IMPACTS

The City of Ottawa is committed to ensuring accessibility for persons with disabilities and older adults. All changes for the newly named facility will be consistent with corporate and departmental accessibility policies, practices and procedures to optimize accessible design and construction to benefit persons with disabilities and improve accessibility for all users. All exterior and interior signage will adhere to the City of Ottawa Accessibility Design Standards and facility work undertaken will be compliant with the Integrated Accessibility Standards Regulation, 191/11 and the *Accessibility for Ontarians with Disabilities Act, 2005*.

ASSET MANAGEMENT IMPLICATIONS

This report has no asset management implications.

RISK MANAGEMENT IMPLICATIONS

There are no risk implications associated with this report.

RURAL IMPLICATIONS

There are no rural implications.

DELEGATED AUTHORITY IMPLICATIONS

The delegated authority is outlined in the Delegation of Authority By-law No. 2023-67, Schedule “E” and in the City’s Corporate Policy on Sponsorship and Advertising.

Section 20 in the Delegation of Authority By-law No. 2023-67, Schedule “E”, outlines the delegated powers related to advertising and sponsorship. Subsection 4 outlines that the General Manager is permitted to “approve sponsorships or advertising, and to conclude and execute associated agreements of up to 5 years in term where the value of the sponsorship or advertising does not exceed \$100,000.00 per year”. Subsection 4 states the “City Manager individually is delegated the authority to approve sponsorships or advertising and execute associated agreements where the value of the sponsorship or advertising exceeds \$100,000.00”. Subsection 5 further states that where a sponsorship exceeds five years in duration the sponsorship and advertising shall be approved by the City Manager. The City’s Corporate Policy on Sponsorship and Advertising also provides that the naming rights agreements are approved by Council.

Staff is requesting the General Manager of Recreation, Cultural and Facility Services be given the delegated authority to finalize and execute the naming rights agreement outlined in this report.

All uses of delegated authority are reported annually to Council through an IDP.

TERM OF COUNCIL PRIORITIES

Aspects of the proposed naming rights agreement, such as the partnership with TGAG to implement free weight and cardio summer memberships for youth aged 13-17 across City facilities, supports the 2018-2022 Term of Council priority of a Thriving Community.

DISPOSITION

Subject to approval of this report, the Partnership Manager, Sponsorship, Advertising and Donations, and the General Manager of Recreation, Cultural and Facility Services will finalize and execute the naming rights agreement for the Kanata Recreation Complex in consultation with the City Solicitor.