



STAFF REPORT ACTION REQUIRED

Sponsorships and Naming Rights: Partnership Policies to Promote and Recognize Contributions to the City

Date:	October 14, 2011
To:	Executive Committee
From:	City Manager
Wards:	All
Reference Number:	

SUMMARY

The purpose of this report is to provide Council with policies to enhance revenue received by the City through sponsorships and naming rights and to establish a fair, transparent and consistent review process for such proposals. As requested by Executive Committee and Council, this report also recommends a policy concerning honourific and street names.

Sponsorships of programs or events and corporate naming rights of City-owned property can generate revenue for Toronto that may offset operating and capital costs. However, there are no corporate-wide policies governing sponsorships or naming rights. In 2007, Council requested a report "on a process and criteria for the naming and renaming of existing and future City owned buildings or properties." Following consultations with affected divisions, agencies, boards and commissions, a report and draft policies were prepared but never considered by Council.

Following a request from the Budget Committee during the 2011 budget process, the draft policies were revised and presented to Executive Committee on June 20, 2011, where further changes were requested, following concerns expressed by councillors.

As a result, Toronto Office of Partnerships (TOP) staff met with the Mayor's Office, Councillors, the Integrity Commissioner and the Lobbyist Registrar. Based on their feedback, the following changes were made:

- Although all naming right proposals require Council approval, certain properties and assets (e.g. City Hall, Community Council locations, and others as determined by Council) are not available for naming rights
- Before proceeding with a sponsorship or naming right, the recipient division must consult with the Lobbyist Registrar
- The local councillor is to be immediately advised of all ward-specific naming right proposals
- Properties with names of historic or community significance will only be considered for renaming in exceptional circumstances and only after consultation with the local councillor and the community
- Honourific names shall normally be awarded posthumously to people who have been deceased for at least two years, with exceptions to be approved by Council
- Councillors may introduce honourific naming proposals affecting their wards at Community Council
- The Mayor's office would initiate honourific proposals that are City-wide in scope and they would require City Council approval.

While ward-specific honourific naming proposals are to be considered by Community Councils, those that are City-wide in scope will be reviewed by the Mayor's Office and brought forward to City Council for consideration.

The policies establish a consistent, fair and transparent review process for these partnership arrangements.

RECOMMENDATIONS

The City Manager recommends that:

1. City Council adopt the policies contained in the following attachments:
 - a. Appendix 1 – City of Toronto Sponsorship Policy
 - b. Appendix 2 – City of Toronto Property Naming Rights Policy
 - c. Appendix 3 – City of Toronto Honourific and Street Naming Policy
2. City Council request the Director of the Toronto Office of Partnerships, in conjunction with the relevant City divisions, to identify appropriate properties for potential naming rights;
3. City Council request the Director of the Toronto Office of Partnerships to consult with relevant internal and external stakeholders for the purposes of establishing guidelines for the valuation of City properties that may be leveraged for sponsorships and naming rights;

4. City Council delegate authority to Division Heads to accept and enter into sponsorship agreements and to spend received funds in accordance with Appendix 1 and that the City of Toronto's Municipal Code be amended accordingly;
5. City Council amend the Council Procedures to expand the delegation of authority to community councils to include the authority to name City properties in compliance with City policies.
6. City Council authorize the introduction of the necessary bills to give effect.

FINANCIAL IMPACT

There are no financial implications from this report.

DECISION HISTORY

At its meeting on January 11, 2011, the Budget Committee adopted a motion from Councillor Ford requesting that "The Director of the Toronto Office of Partnerships, in consultation with the appropriate City staff, develop appropriate policies which will increase the City's capacity for revenue generation, including sponsorships and naming rights, and submit a report to the Executive Committee in March 2011."

Furthermore, at its meeting of October 26 and 27th, 2009, City Council adopted the following recommendations from the Auditor General's report entitled "Parks, Forestry and Recreation – Capital Program – The Backlog in Needed Repairs Continues to Grow":

9. City Council request the City Manager, in consultation with the General Manager, Parks, Forestry and Recreation and the Director, Toronto Office of Partnerships, to develop, for approval by Council, a comprehensive City-wide policy on naming rights and other private funding arrangements.
10. City Council request the Director, Toronto Office of Partnerships, in consultation with appropriate divisional staff, to identify all potential projects and facilities that may benefit from naming rights or other private funding arrangements and, with the approval of Council, pursue such funding according to corporate guidelines.

<http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getCouncilDecisionDocumentReport&meetingId=2209>

The attached policies also address recommendations 5 and 6 of the Fiscal Review Panel's "Blueprint for Fiscal Stability and Economic Prosperity – A Call to Action" report, which urged the City to increase and diversify its revenue base and review its capital assets for the purposes of extracting greater value for them.

ISSUE BACKGROUND

Partnerships come in a variety of forms: donations, grants, joint ventures, etc. While the City welcomes opportunities to partner with external parties for the benefit of residents, guidelines are required to establish corporate-wide standards and a consistent, fair and transparent process. To date, the City has developed a number of such protocols (e.g. the Donations Policy, the Unsolicited Quotation or Proposal Policy) to facilitate the creation of new partnerships.

Sponsorships

Toronto engages in a wide variety of sponsorships of programs or events, wherein a third party provides cash and/or in-kind services to the City in return for such marketing benefits as signage, publicity and promotional consideration, sampling and merchandising opportunities, etc.

In 2010, the City engaged in 767 partnerships worth \$46.35 million, with 239 partners. Of these, 92 were sponsorships, worth \$4.1 million. Examples include: The 20-Minute Toronto Makeover (sponsored by Glad, Tim Horton's, Pizza Pizza and others), The Toronto Challenge Run (presented by Monster Mortgage) and Winterlicious (presented by American Express).

In addition, many City agencies, boards, and commissions (ABCs), have utilized sponsorships to fund programs and services. For example, Sun Life Financial sponsors the Toronto Public Library's Museum & Arts Pass Program and the Hudson Bay Company and Toronto Delta East sponsor the Toronto Zoo.

Naming Rights

In a challenging fiscal environment, naming rights are being increasingly looked at by governments and public institutions as a means of securing additional revenue for their infrastructure and programming needs.

Many Toronto cultural, health and educational organizations use naming rights to finance the construction of new facilities. The Michael Lee Chin Crystal at the ROM, the Four Seasons Centre for the Performing Arts, and the Ted Rogers School of Management at Ryerson University are examples.

Across Canada and the U.S., major municipalities have pursued naming rights to varying degrees and most have policies regarding their use. Calgary, Winnipeg, Chicago and New York proactively solicit offers of naming rights. Ottawa recently approved a 2011-2015

Marketing Plan to expand the scope of its corporate partnerships, including the marketing of naming rights.

In Toronto, there are a limited number of examples. They include: Scotiabank Nuit Blanche, the Saturn Playground and the Franklin Children's Garden. The City's ABCs have obtained naming rights for such properties as BMO Field, the Direct Energy Centre and Ricoh Coliseum at Exhibition Place and the Sony Centre (ex-Hummingbird Centre; ex-O'Keefe Centre). The TTC has also approved a new advertising contract which permits the sale of subway station naming rights, subject to the approval of the TTC.

Honourific and Street Naming

Naming opportunities exist to honour the heritage of Toronto and to recognize the dedication, accomplishments, or generosity of individuals and groups who contribute to City building. Over the years, many municipal facilities and amenities have been named to commemorate the financial and other contributions of Torontonians and community organizations. The J.J. Picininni Community Centre, the Barbara Frum Library and the Don Mills Civitan Arena are some notable examples.

As well, requests are made to re-name public spaces in honour of those individuals, both living and deceased, who have made exceptional contributions to the public good. In 2010, Newport Beach Park was re-named Jean Augustine Park, to acknowledge the accomplishments of the first African Canadian woman elected to Parliament. Similarly, City Council recently voted to rename Metro Square after the late David Pecault, civic leader and co-founder of the Luminato arts festival.

COMMENTS

TOP consulted with divisional representatives from Cluster A and Cluster B through the Deputy City Manager's Partnership Advisory Group, the City Manager's Office and Cluster C via the Chief Financial Officer's Partnership Reference Group.

Sponsorship and Naming Right Policy Highlights

The primary features of both policies are:

- Although all naming right proposals require Council approval, certain properties and assets (e.g. City Hall, Community Council locations, and others as determined by Council) are not available for naming rights
- Before proceeding with a sponsorship or naming right, the recipient division must consult with the Lobbyist Registrar
- The local councillor is to be immediately advised of all ward-specific naming right proposals

- Properties with names of historic or community significance will only be considered for renaming in exceptional circumstances and only after consultation with the local councillor and the community. All naming rights, regardless of their value, require the approval of Council.
- With the exception of the City's Business Improvement Areas, they apply to all divisions and those ABCs which are by law subject to the policies of City Council, and to all City properties (events, programs, facilities, features, etc.) except for streets and lanes.
- Unless prohibited by the policies, the City welcomes sponsorship and naming right offers from any third party. The City must retain ownership and control of the sponsored/named property. All sponsorship and naming right agreements must be documented. Divisions have delegated authority to accept sponsorships valued up to \$500,000. An RFP is not required when soliciting sponsorships. With respect to naming rights, TOP will work with relevant divisions and stakeholders to develop an inventory of properties that are candidates for naming and will present an annual plan of naming opportunities to Council.
- To maximize the financial return to the City, it is recommended seeking proposals from companies that specialize in soliciting naming rights to assist with options.

Highlights of the Honourific and Street Naming Policy

The proposed Honourific and Street Naming Policy provides a framework for promoting the identity of Toronto and for acknowledging the significant philanthropic and other contributions made by individuals and organizations to the City. Highlights include:

- Honourific names shall normally be awarded posthumously to people who have been deceased for at least two years, with exceptions to be approved by Council
- Councillors may introduce honourific naming proposals affecting their wards at Community Council
- The Mayor's office would initiate honourific proposals that are City-wide in scope and they would require City Council approval
- The Policy applies to all City divisions and to those ABCs which are by law subject to the policies of Council
- The policy replaces existing naming policies and guidelines such as the City of Toronto Street Naming Policy and the Naming and Renaming of Parks and Recreation Facilities Policy
- Property and street naming are at the sole discretion of the City and may be granted or revoked by Community Council at any time.

Amendments to the Delegation to Community Council

The authority to name streets, lanes and parks in compliance with City policies has already been delegated to community councils under s. 27-152E (5) of the Council Procedures. The proposed Honourific and Street Naming Policy provides that the

delegated authority of community councils would be expanded to include the naming of all City properties including, but not limited to, events, services, programs, activities, real property, facilities, intellectual property, parks and other assets.

The Mayor's office would initiate honourific naming proposals that are City-wide in scope. These proposals would require City Council approval.

Accordingly, the Council Procedures must be amended to give effect to these policies. Amendments to the Council Procedures require a two-thirds majority vote to be adopted.

Conclusion

The City of Toronto needs corporate-wide sponsorship and naming policies to ensure a consistent, fair and transparent review process and to increase revenue. Including corporate-wide honourific naming and street naming policies ensures all naming rights policies are coordinated.

CONTACT

Phyllis Berck
Director, Toronto Office of
Partnerships
E-mail: pberck@toronto.ca
Phone: (416) 329-6119

Cam Weldon
Chief Financial Officer and Deputy
City Manager
cweldon@toronto.ca
(416) 392-8773

SIGNATURE

Joseph P. Pennachetti
City Manager

ATTACHMENTS

Appendix 1 – City of Toronto Sponsorship Policy
Appendix 2 – City of Toronto Naming Rights Policy
Appendix 3 – City of Toronto Honourific and Street Naming Policy