



September 13, 2016

To: The Board of Governors of Exhibition Place

ACTION REQUIRED

From: Dianne Young
Chief Executive Officer

Subject: **Agreement with Beanfield Technologies Inc.
for the Name-in-Title Sponsorship of Allstream Centre**

Summary:

This report recommends that the Board enter into a Memorandum of Understanding (MOU) and a long-form naming agreement with Beanfield Technologies Inc. (Beanfield) for the name-in-title sponsorship of Allstream Centre commencing at the expiry of the existing agreement between MTS Allstream Inc. (Allstream) and the Board. The Naming Agreement with Beanfield will commence March 1, 2017 and continue for 10 years. The proposed terms and conditions are as set out in Appendix "A" and the confidential terms related to the financial return paid for the specific rights received are set out in the Confidential Attachment.

Recommendations:

It is recommended that, subject to approval of City Council, the Board:

- 1) Authorize staff to enter a Memorandum of Understand and a long-form Naming Agreement with Beanfield generally on the terms and conditions set out in Appendix "A" and the Confidential Attachment I to this report and such other terms and conditions as may be satisfactory to the Chief Executive Officer, and in a form satisfactory to the City Solicitor; and,**
- 2) Direct that the confidential information contained in Attachment 1 to this report not be released publicly in order to protection the competitive position and future economic interests of Exhibition Place and the City of Toronto.**

Financial Implications:

The proposed agreement has a significant and positive financial return to the Board as set out in this report and the attached Confidential Attachment 1.

Decision History:

The Exhibition Place 2014-2016 Strategic Plan has a Financial Goal to *maintain a positive operating financial performance across Exhibition Place and all its businesses* and as a Strategy to support this Goal *we will seek new or expand revenue opportunities within our existing operations and ensure operating budgets are met or show a positive surplus to budget.*

The Board entered into a Naming Rights Sponsorship agreement for the former Automotive Building with Allstream for a period of ten years commencing August 1, 2008.

In February, 2015, Allstream executed its right of termination of the Naming Rights Sponsorship agreement, effective June 20, 2016.

At a meeting of the Board on October 23, 2015, and City Council on December 9 and 10, 2015, approval was given to extend the Allstream notice of termination to February 28, 2017, as Allstream was in the process of a sale of the company. The extension allowed Allstream the right to request a further extension until June 30, 2016, but Allstream has now confirmed that it would not be seeking an additional extension of the Naming Rights Sponsorship agreement. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX10.34>

At its meeting of May 23, 2014, the Board engaged Wakeham & Associates Marketing, Inc. (WAM) with a four-year contract effective September 4, 2014 to represent all Exhibition Place sponsorship opportunities in the marketplace, including the naming rights for Allstream Centre. [http://www.explace.on.ca/database/rte/files/Item%2020-Naming\(1\).pdf](http://www.explace.on.ca/database/rte/files/Item%2020-Naming(1).pdf)

Comments:

While naming of entertainment and sports venues has been common, corporate naming sponsorship of convention/trade facilities has been more difficult to achieve. Very few convention centres across North America have been successful in securing naming rights sponsors. Some Canadian examples include the Scotiabank Convention Centre in Niagara Falls; RBC Convention Centre in Winnipeg; Scotiabank Centre in Halifax; Shaw Centre in Ottawa; and the Shaw Conference Centre in Edmonton.

Assessment Objectives

WAM began seeking a new naming rights sponsor for the Allstream Centre as of January 1, 2016, as the contract with Allstream gave Exhibition Place the right to market this opportunity pending a final decision by Allstream in June 2016. WAM approached over 200 companies with the opportunity.

When Exhibition Place initially pursued a naming rights partnership for this building, it established criteria to guide the process of selecting an appropriate partner which criteria were also followed in 2016 and are as follows:

- (a) Build Profile of Exhibition Place and Awareness of Allstream Centre – The sponsor must make a commitment to elevating the profile and stature of Exhibition Place and the Allstream Centre.
- (b) Reinforce Environmental Initiatives – The Board has positioned the grounds as a ‘green zone’ where new forms of energy are utilized, and state-of-the-art energy conservation programs are implemented. It is important to establish a relationship with a company that shares this mandate, and can help Exhibition Place to achieve its environmental initiatives.
- (c) Generate Business Efficiencies – The corporate alliance partner will not simply acquire a ‘sponsorship’, but will work hand-in-hand with Exhibition Place to create a showcase for public/private cooperation with resulting cost-savings for the Board.
- (d) Offer Benefits to Exhibition Place Tenants, Show Producers and Visitors - An effective sponsor is able to add value to the experience of the tenants, show producers and visitors to the facility.
- (e) Generate Incremental Operating Income for Special Projects - The sponsor will pay a “rights” fee to Exhibition Place which will allow Exhibition Place to pursue incremental programs to further its mandate and meet its objectives.

Alignment of Objectives Between Exhibition Place, Allstream Centre and Beanfield

Beanfield understands the importance of its financial contribution as a primary benefit to the Board. In addition, Beanfield understands the importance to the Board of having an actively engaged partner who will help to build profile for the facility and Exhibition Place; add value for

event attendees and licensees; and actively reinforce the environmental efforts being undertaken by the Board.

There are multiple areas of alignment between the objectives of Exhibition Place and Beanfield which are summarized below. However, for greater details on the mandates and business of Beanfield, refer to the Beanfield Backgrounder attached as Appendix “B” to this report.

Exhibition Place Community Focused Environmentally Conscious Progressive Inclusive Respects Traditions Supports Major Events Showcase of Innovation Delivers Quality Experience	Beanfield Community Focused Environmentally Conscious Progressive Inclusive Respects Traditions Supports Major Events Pursues Innovation Delivers Quality Experience
Allstream Centre Service-Oriented Professional Reliable Progressive Supports Community Events Delivers Quality Experience	Beanfield Service-Oriented Professional Reliable Progressive Supports Community Events Delivers Quality Experience

Conference Centre Reserve Fund (“CCRF”)

All fees received under any naming agreement for this building are to be placed in the CCRF, a reserve fund for the benefit of Exhibition Place to provide a source of funding for any shortfalls in loan payments to the City for the Allstream Centre. On November 5, 2012 City Council approved a report (EX 24.19) for an Administrative Amendment to the CCRF. City Council changed the purpose of the Exhibition Place CCRF in Schedule #15 of Toronto Municipal Code Chapter 227 to “provide a source of funding, in the first instance, for any shortfalls in the loan payments to the City, and this being provided for, to support any cash shortfalls with respect to capital funding required to maintain the Direct Energy Centre and the Allstream Centre in a state of good repair. The intent would be to continue placing contribution of all fees from this name-in-title sponsorship to this reserve fund as before subject to any deduction from the fees for the payment of all costs associated with the name change (annual sponsorship commission, building identification, logos, marketing materials, etc).

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Appendix "A"
Memorandum of Understanding

- (a) Term: The term of the Agreement shall be for ten (10) years, commencing on March 1, 2017 and terminating on February 28, 2027 (the "Term"), or as otherwise mutually agree upon between the parties.
- (b) Renewal: The Agreement may, at the option of Beanfield, be renewed on such terms as may be negotiated in good faith and agreed to by the parties, acting reasonably, for a further ten (10) year term. Exhibition Place (the "Owner") shall require notice of Beanfield's confirmation of renewal twelve (12) months prior to the expiry date of the Term. The parties shall have ninety day to conclude negotiations of the terms of the renewal, after which the Board shall have the right to consider bids from other third parties, subject to Beanfield's right to match the terms of any other bid within ten days of being notified of the terms of such bid.
- (c) Name-in-Title Rights: Throughout the Term the name of the building will be Beanfield Centre. Beanfield shall be entitled to change the name of the Facility with the consent of the Owner during the first 9 years of the Term, such consent not to be unreasonably withheld. Should Beanfield change the name of the Facility, any costs associated with rebranding shall be the sole responsibility of Beanfield.
- (d) Blackout Periods: From time to time the Owner will be host to significant international events that will require a blackout period for the naming rights sponsor. Should such blackout periods be greater than 4 weeks per year, the Owner shall compensate Beanfield for such periods greater than 4 weeks by adding the appropriate number of weeks to the end of the Term.
- (e) Events at Facility: The Owner will provide Beanfield with a schedule of events taking place at the Facility, which will be updated monthly.
- (f) Annual Sponsorship Summary Report: Owner shall provide Beanfield with an updated sponsorship valuation and accompanying report on or around each anniversary date of the Agreement.
- (g) Environmental Conservation Initiatives: Beanfield will work closely with Exhibition Place to support its environmental initiatives and to bring opportunities to the attention of the Board.
- (h) Exclusivity: The Owner agrees to offer marketing exclusivity to Beanfield during the Term.
- (i) Promotions targeting existing Beanfield Customers. Beanfield will work with Exhibition Place event planners to promote their events and programs by extending special offers to Beanfield customers. Event planners can extend offers to Beanfield's customers at their discretion.
- (j) Additional Terms: Such other commercially reasonable terms for an agreement of this type with respect to termination provisions, indemnification, insurance, and so forth as the parties may mutually agree, acting reasonably, with the long-form agreement to be negotiated by November 30th, 2016 or such date as mutually agreed upon by the parties.
- (k) Earnest Fee: See Confidential Attachment I.
- (l) Sponsorship Fee: See Confidential Attachment I.
- (m) Beanfield Sponsorship Benefits: See Confidential Attachment I.

Appendix "B"
Beanfield Backgrounder

Beanfield Technologies Inc. is a Canadian-owned company headquartered in Toronto.

Toronto Waterfront – Beanfield is dedicated to making Toronto one of the most Intelligent Communities in the world with an ultra-high-speed, ultra-broadband, fibre-optic network. This is currently being built throughout Toronto's Waterfront Community. In 2011, Beanfield was awarded a contract by Waterfront Toronto to build a fibre-optic network for the largest urban revitalization project in North America. Under the service provided by Beanfield, residents in the waterfront community will have access to Internet speeds of 1 gigabit. The Internet service will have unlimited bandwidth, no data caps, no contracts and will be more affordable. The goal for Beanfield is to continue to expand this throughout Toronto. Beanfield was the Official Supplier for the TO2015 Pan Am Games. Beanfield provided fibre-based connectivity to select competition venues and to the Athlete's Village. Beanfield has set-up and donated various Wi-Fi hot spots throughout the city of Toronto. The free Wi-Fi can be found in various restaurants, cafes, outdoor spaces and common rooms in condos. There is no cost for the establishment and no cost for the user. The Wi-Fi allows free access to patrons but also reduces costs for the establishments. In many cases, such as cafes for example, patrons will use the Wi-Fi to do work or study, helping the patron and also helping the business. The free Wi-Fi will be expanding to a number of new locations in 2017.

Giving Back - It is important to Beanfield culture that all employees practice community responsibility and give back when opportunities arise. Beanfield is a major sponsor of "The Victory Charity Ball". This event is held in support of the Michael "Pinball" Clemons Foundation, with proceeds going to support local youth that have experienced significant trauma, abuse and neglect in their lives. The event features live entertainment, prizes - and six fully sanctioned boxing matches in a dazzling Las Vegas-style production. On top of being a major sponsor, Beanfield helps with the execution of the event from end to end.

Beanfield is an active supporter of both Fred Victor and Wigwamen. Fred Victor encourages long-lasting and positive change in the lives of the homeless and low income people in Toronto (<http://www.fredvictor.org/home>). Wigwamen is a non-profit and charitable organization providing Aboriginal housing (<http://www.wigwamen.com/>). Beanfield has committed to donating TV and Internet to each resident in both organizations housing facilities, free of charge. Beanfield has committed to this for a minimum of 10 years and has a value to the organization of \$100K/year.

Each year, Beanfield holds its annual employee Holiday Party. Instead of giving gifts directly to employees, Beanfield raffles off prizes. Employees purchase raffles tickets and all proceeds of the tickets to go a local elementary school. The proceeds are used to fund a grade 8 Graduation Field Trip. Beanfield also holds an annual Food Bank and Annual Toy Drive to help individuals and families in need. Employees donate nonperishable food and various toys which are donated locally.

Environment - Beanfield participates in an Electronic Waste Program, in which used electronics are donated to be recycled or demolished in an environmentally friendly way, so that they do not end up in landfill sites. Beanfield has also set an objective to "Green up the Fleet". They had one of the first electric cars in their business fleet and have set a goal to continue to move forward with electric cars. Beanfield will be adding two new electric cars to their fleet in 2016/2017.

Community Development - Beanfield is located in the Liberty Village neighbourhood, adjacent to Exhibition Place. They service the majority of the area and are well known to local residents and businesses. It has been their home since the late 1990s. Since there has been constant development in Liberty Village, Beanfield has recently expanded its scope to help the

neighbourhood. In partnership with the Liberty Village Residents' Association and the Planning Partnership, Beanfield is embarking on an effort to improve the landscaping on East Liberty and Pirandello Street. They will remediate soil, install brick pavers and plant trees in the area. The Canadian Cable Systems Alliance (CCSA) presented their nationwide award to Beanfield for the "Best Public Service/Community Building Effort" for the Liberty Village streetscape initiative. Beanfield was honored with a monetary award which was donated to a local community organization called "The Greenest City". Beanfield is a proud sponsor of the Liberty Village Residents Association. It is a priority to support local businesses. Through Beanfield's sponsorship, the LVRA is able to hold a number of events such as "Movie Nights in the Park" "Give me Liberty" and "Lights in the Park". These are events that are free to residents and allow them to get out and socialize and experience local businesses.