



Exhibition Place

Item No. 9

January 15, 2013

To: The Board of Governors of Exhibition Place

ACTION REQUIRED

From: Dianne Young
Chief Executive Officer

Subject: Naming Rights Policy - Revised

Summary:

This report recommends the removal of references related to the CNEA Program within the Naming Rights Policy.

Recommendations:

It is recommended that the Board approve the revised Naming Rights Policy, as outlined in the attached Appendix “A” to take effect April 1, 2013.

Financial Implications:

There are no financial implications resulting from the adoption of this report.

Decision History:

The Exhibition Place 2009-2012 had an Organizational/Staffing Goal to *review and revise our corporate systems* and a Strategy to support this Goal *we will complete an annual review of By-Laws, and policies and procedures of the Board of Governors and the CNEA Board of Directors.*

At its meeting of November 29, 2011, City Council approved a report from the City Manager entitled “Naming Rights – Partnership Policy to Promote and Recognize Contributions to the City”, wherein one of the recommendations included that all City agencies, boards and commissions adopt a similar policy for their organization, if they do not have one.

In light of the City’s above direction the Board, at its meeting of April 5, 2012, adopted a Naming Rights Policy, which policy included the CNEA Program.

Issue Background:

At its meeting of January 27, 2012, the Board approved a direction to move the CNEA to full independence from the Board and the City, which report was approved by City Council City at its meeting of March 5, 2012. As a result of the above, the Board’s Naming Rights Policy requires amendments to remove any reference to the CNEA.

Comments:

For ease of reference the items proposed to be removed are “black-lined” (bolded) in the attached Appendix “A”.

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Submitted by:

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Purpose:

The Board of Governors of Exhibition Place (the "Board") is an agency of the City of Toronto and on behalf of the City manages the Exhibition Place grounds and all buildings and infrastructure on the site. Exhibition Place is made up of ~~four~~ *(insert)* ~~three~~ functional programs: Direct Energy Centre / Exhibition Place; ~~Canadian National Exhibition Association (CNEA)~~; and Allstream Centre.

The purpose of this policy is to establish a Naming Rights protocol that:

- creates a systematic approach to soliciting, managing and reporting on Naming Rights;
- provides guidance to those who have an interest in the Naming of a building or infrastructure at Exhibition Place;
- protects the reputation, integrity and aesthetic standards of Exhibition Place and its assets;
- ensures alignment with Exhibition Place's programs and services; and
- advances Exhibition Place priorities and enhances services.

Definitions

For the purposes of this policy, the following definitions apply:

- "Broker" refers to an external agency responsible for assessing the Naming Rights value of Exhibition Place buildings and facilities and negotiating with the potential Naming Rights Holder on the Board's behalf.
- "Buildings / Facilities" refers to the Board's assets.
- "Naming Rights" means a mutually beneficial business arrangement wherein an organization provides goods, services or financial support to Exhibition Place in return for access to the commercial and/or marketing potential associated with the public display of the organization's Name on a building or facility for a finite period. Current examples include Allstream Centre, BMO Field, Direct Energy Centre and Ricoh Coliseum.
- "Naming Rights Holder" means the party which has been awarded the Naming Rights opportunity.

Policy:

The Board of Governors of Exhibition Place welcomes proposals for Naming Rights by external parties. Granting the right to Name an Exhibition Place building or facility to an external party provides a means of partnering with the private sector to meet the strategic directions of both the Board and the Naming Rights Holder and also providing a means of generating new revenues and alternative resources to assist in the construction, support and/or provision of Exhibition Place buildings, facilities and its programs.

1. **Scope**

- 1.1 This policy applies only to Naming Rights, which represent but one class of activity.
- 1.2 Only external Naming Rights are covered by this policy.
- 1.3 Naming Rights arrangements that pre-date this policy are not subject to its terms.
- 1.4 Naming Rights Proposals will be reviewed on a case-by-case basis.

- 1.5 Any Naming Rights Proposal which varies from the requirements of this policy shall be approved by the Board / City Council.

2. **Principles**

2.1. **General**

- 2.1.1 The Board / City shall retain ownership and control over any Building or Facility to Naming Rights apply.
- 2.1.2 Subject to the agreement, the Naming Rights must not impair in any way the Board's ability to manage the site.
- 2.1.3 The Board will consider all Naming Rights Proposals, but does not have an obligation to accept any. The Board reserves the right to refuse any proposal, including, but not limited to, those submitted by third parties whose activities are perceived to be incompatible with the Board's goals, values or mission.
- 2.1.4 All Naming Rights agreements shall be confirmed by written contract containing terms and conditions satisfactory to the Board, in consultation with City Legal Services.
- 2.1.5 All Naming Rights agreements shall be reported and are subject to the Board and, if required, City Council approval.
- 2.1.6 All funds generated by Naming Rights agreements shall be allocated to the Board.
- 2.1.7 Every Naming Rights agreement shall conform to all applicable federal and provincial statutes, and to all applicable City of Toronto bylaws, policies, contracts and practices, including the Lobbyist Register.
- 2.1.8 While the physical display of the Naming Rights signage shall be negotiated, such recognition must not unduly detract from the character, integrity, aesthetic quality or safety of Exhibition Place or unreasonably interfere with its enjoyment or use.
- 2.1.9 The Naming Rights opportunity must not confer a personal benefit to any particular member of the Board or any employee of the Board.
- 2.1.10 The Board does not endorse the products, services, or ideas of any Naming Rights Holder.
- 2.1.11 The sale of a naming right must not result in incremental net costs to the Board.

3.1 **Naming Rights**

- 3.1.1 Parties that are disqualified from doing business with the Board are not eligible for Naming Rights opportunities.
- 3.1.2 The benefits to the Naming Rights Holder are limited to those expressly stated in the Naming Rights agreement.
- 3.1.3 No form of indemnification will be provided to any Naming Rights Holder without the express approval of the City Legal Services.
- 3.1.4 Naming Rights may only be transferred or assigned by a Naming Rights Holder with the consent of the Board. Where a company changes its name, the Naming Rights may, with the consent of the Board and at the sole expense of the Naming Rights Holder, be modified to reflect the new name.
- 3.1.5 All Naming Rights agreements must be for a fixed term, not exceeding the useful life of the Building or Facility. Every agreement shall have a sunset clause specifying the duration of the Naming Rights opportunity. Such agreements cannot be extended or automatically renewed without Board and, if required, City Council approval.
- 3.1.6 Naming Rights Holders are prohibited from implying that their products, services or ideas are sanctioned by the Board.

- 3.1.7 The Naming Rights agreements must not result in, or be perceived to result in, any competitive advantage, benefit or preferential treatment for the Naming Rights Holder, outside of the terms and conditions of the agreement.
- 3.1.8 There shall be no actual or implied obligation for the Board to purchase the product or services of the Naming Rights Holder except as provided in the terms and conditions of the agreement.

4. **Procedure**

4.1. General

- 4.1.1 Issues regarding the interpretation or application of this policy are to be referred to the Chief Executive Officer of the Board.
- 4.1.2 In accordance with the Board's Code of Conduct, and the principles and criteria contained in this policy, the solicitation, negotiation and administration of Naming Rights are to be conducted by the Board's authorized staff only.
- 4.1.4 All Naming Rights agreements will be in the form of a legal contract. For such agreements, the Chief Executive Officer of the Board shall consult with City Legal Services regarding appropriate terms and conditions and consider inclusion of the following provisions:
 - (a) A description of the contractual relationship, specifying the exact nature of the agreement;
 - (b) The term of the agreement;
 - (c) Renewal options, if permitted;
 - (d) The value of the consideration;
 - (e) The payment schedule;
 - (f) Rights and benefits;
 - (g) Release, indemnification and early termination clauses as appropriate;
 - (h) Insurance clauses;
 - (i) Confidentiality terms;
 - (j) A statement acknowledging that the agreement may be subject to provisions of the *Municipal Freedom of Information and Protection of Privacy Act*; and
 - (k) A statement that all parties are aware of, and agree to comply with, the provisions of this policy. Copies of all Naming Rights agreements are to be retained for audit purposes in accordance with the normal retention policy of the Board.
- 4.1.5 The terms and conditions contained within a Naming Rights agreement are to be approved by the Board, and if required, City Council.
- 4.1.6 As part of the negotiations with the Naming Rights Holder, the Board will seek to reserve the right to terminate the Naming Rights prior to the scheduled termination date, without refund of consideration, should the Board feel it is necessary to do so to avoid the Board being brought into disrepute.

5. **Soliciting Naming Rights**

5.1.1 General

- (a) Subject to this policy, the Board is free to solicit and negotiate Naming Rights.
- (b) For commercial Naming Rights opportunities it is generally recommended that Exhibition Place secure a broker with the requisite experience and expertise to identify, evaluate and negotiate with corporations and such broker be retained through a competitive bid process (i.e. Request for Proposals).