MUNICIPALITIES AND CORPORATE SPONSORSHIP

Niagara Region

Council Educational Meeting
Presentation February 27, 2020

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SESSION OVERVIEW

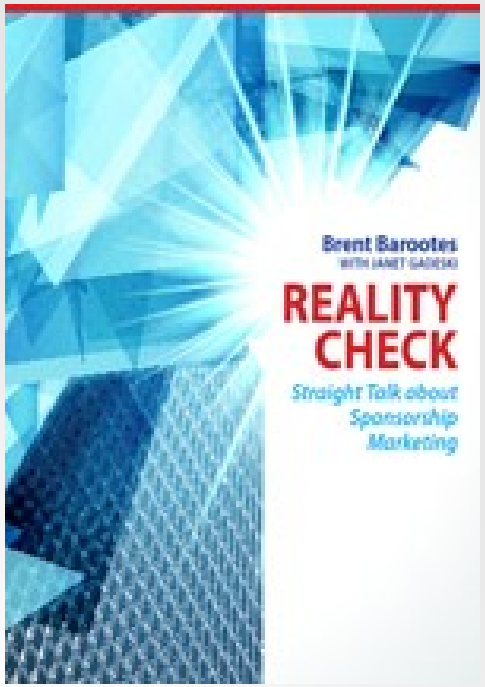
1. Our background as your consultants
2. Region's exploration into sponsorship
3. The landscape of the market
4. How this project differs from St Catharines
5. Steps, Process, Outcomes and Timelines
6. Questions and Discussion

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WHO ARE WE?

1. Corporate history
2. Personal background
3. Work with municipalities
4. Other: - Reality Check

   - WSC



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Region's Strategic Priorities

- ✓The Region has a strategic priority to increase fiscal sustainability and partnerships through the *Sustainable and Engaging Government Priority*
- ✓The goal is to increase revenues
- ✓Initially this is being engaged through the *partnership with the City of St. Catharines*,

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Region's Strategic Priorities

- ✓From there potentially *policy development*,
- ✓Then the next step would be for the *execution for Niagara Region*
- ✓Then possibly down the road *partnerships with the remaining 11 Niagara municipalities*



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WHAT IS SPONSORSHIP?

"Sponsorship reaches people in an environment that matches their lifestyle rather than intrudes upon it. Sponsorships speaks to the public, not at them."

IEG Sponsorship Consultants

- ✓ Philanthropy
- ✓ Funding – Underwriting
- ✓ Corporate Sponsorship

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Definition of Sponsorship

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A cash and/or in-kind fee paid to the Niagara Region in return for the associated commercial potential to the Niagara Region. It is a business relationship.

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TRENDS

CONSUMER SPONSORSHIP RANKINGS STUDY

Study of over 2000 Canadians by online and telephone

85% of Canadians believe that companies should be able to sponsor / name public places such as hockey rinks, ball parks, recreation centres

1 in 2 Canadians believe that existing titled buildings should make way for corporate naming and revenue to the municipality

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What are Canadian Municipalities Doing?

Canadian Municipal Benchmarking Survey on Sponsorship and Naming Rights











Source: *Canadian Municipal Benchmarking Survey on Sponsorship and Naming Rights*
Centre of Excellence For Public Sector Marketing

What are Canadian Municipalities Doing?

- 66% of municipalities are involved in some form of corporate engagement
- Almost 50% more municipalities in the naming rights game since 2013
- 47% have actively marketed their opportunities for over 5 years
- Most common assets are naming rights; then events then programs

What are Canadian Municipalities Doing?

- 94% of these identified municipalities in the game are actively seeking naming rights of which almost 2/3 have agreements in place
- Most common length or term for naming rights is 5-10 years – "perpetuity agreements" are now scarce
- Arenas, recreation complexes, pools and sports fields are the most common naming

What are Canadian Municipalities Doing?

- 55% of the municipalities have sponsorship centrally managed for the municipality and 45% allocate by department
- 82% have sponsorship policy in place
- 62% have naming rights policy only in place
- 43% have just advertising policy in place

What are Canadian Municipalities Doing?

- Many communities between 50,000 and 150,000 people have over a million in revenue potential annually

POINTE-CLAIRE

THE CITY OF CALGARY

City of Regina | REGINA Infinite Horizons

LLOYDMINSTER Canada's Border City

THE CITY OF Edmonton

TORONTO

City of Peterborough

City of Prince Albert

NIAGARA REGION VERSUS ST CATHARINES PROJECTS

WHAT IS THE DIFFERENCE?

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ST CATHARINES

- ✓ Undertake a city-wide all properties (recreation, cultural, events, programming) Inventory Asset Identification and Valuation (IAV)
- ✓ Build out a strategy and implementation plan to monetize the IAV
- ✓ Review and develop policy (advertising, naming rights, sponsorship and donations)
- ✓ Mentoring

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NIAGARA REGION PROGRAM

- ✓ Undertake a sponsorship Inventory Asset Valuation for selected Region properties (Community Services, Water / Wastewater Treatment, Bridges, facilities, Transit) that exist within St Catharines
- ✓ IAV report and determination of total asset value and projected revenue expectations

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NIAGARA REGION POTENTIAL NEXT STEPS

- ✓ Review outcomes for St Catharines to look at monetization of assets
- ✓ Determine best way to yield revenue now and the future and implement the monetization strategy for the Region
- ✓ Look to determine feasibility and the ROI in undertaking similar programs with other 11 municipalities (or key municipalities) or just undertaking the same process for the Region's assets in these municipalities

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STEPS, PROCESS, OUTCOMES AND TIMELINES





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THE PROCESS

- ✓ Site visits – being done in Q1
- ✓ Interviews – started in Q4, continue in Q1
- ✓ IAV Report– To be completed by end of Q1
- ✓ Council presentations – updated one in Q2



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WHAT YOU NEED TO KNOW

- ✓ Many municipalities are already doing sponsorship and advertising to an extent – in an ad hoc way



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WHAT YOU NEED TO KNOW

- ✓The question really is not about “do you / they want to be in the sponsorship game?”
- ✓The question really is **“How do you / they want to be involved in sponsorship?”**

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WHAT YOU NEED TO KNOW

- ✓ We need to understand that for municipalities and others it is no longer just naming rights, but rather holistic sponsorship programs including and / or excluding naming rights
- ✓ Sponsorship is relationship developed and takes 18-22 months to procure on average
- ✓ It is ***NOT*** transactional

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WHAT YOU NEED TO KNOW

- ✓You need policy to ensure transparency and control
- ✓**Sponsors are buying exposure in real market value, not paying for the building**



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WHAT YOU NEED TO KNOW

- ✓ You need to determine how to sell the product –
  - Will the region sell it with own staff
  - Will you outsource to the municipalities to sell for you
  - Will you outsource to a third party to sell for you?

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CONCLUSION

- ✓ You have opportunity here
- ✓ **If you can be generating $1M per year in net revenue that is .3% of your 393 million levy**
- ✓ Remember this is a cooperative undertaking… the city, community partners, sponsors and the citizens

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QUESTIONS



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Thank You

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