

**REPORT NO. 221 of the  
SOCIAL DEVELOPMENT,  
HEALTH & CULTURE STANDING COMMITTEE**  
of its meeting held March 5, 2014

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**Present:** Councillor Ed Sleiman, Chair  
Councillor Jo-Anne Gignac  
Councillor Alan Halberstadt  
Councillor Al Maghnieh  
Councillor Fulvio Valentinis

That the following recommendation of the Social Development, Health and Culture Standing Committee **BE APPROVED** as follows:

Moved by Councillor Gignac, seconded by Councillor Valentinis,  
**THAT** the administrative report authored by the Executive Director of Recreation & Culture dated January 16, 2014 entitled "WFCU Centre Naming Rights Update – CQ25-2013" **BE RECEIVED** for information.  
Carried.

**Liveline 16960, SR/8880**

Clerk's Note: The report authored by the Executive Director of Recreation & Culture dated January 16, 2014 entitled "WFCU Centre Naming Rights Update – CQ25-2013" is attached as background information.

  
CHAIRPERSON

  
COUNCIL SECRETARIAT

<b>NOTIFICATION :</b>				
Name	Address	Email Address	Telephone	FAX

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Social Development, Health and Culture Standing Committee-**  
**Administrative Report**

**MISSION STATEMENT:**

*"Our City is built on relationships – between citizens and their government, businesses and public institutions, city and region – all interconnected, mutually supportive, and focused on the brightest future we can create together."*

<b>LiveLink REPORT #: 16960 SR/8880</b>	<b>Report Date: January 16, 2014</b>
<b>Author's Name: Jan Wilson</b>	<b>Date to Standing Committee: March 5, 2014</b>
<b>Author's Phone: 519 253-2300 ext. 2701</b>	<b>Classification #:</b>
<b>Author's E-mail: jwilson@city.windsor.on.ca</b>	

**To: Social Development, Health and Culture Standing Committee**

**Subject: WFCU Centre Naming Rights Update – CQ 25-13**

P&R 14-04

**1. RECOMMENDATION: City Wide: \_\_\_\_\_ Ward(s): 6**

THAT the report from the Executive Director, Recreation & Culture on the WFCU Centre Naming Rights **BE RECEIVED**.

**EXECUTIVE SUMMARY:**

N/A

**2. BACKGROUND:**

The WFCU Centre opened in 2008 and as part of the business plan for the building, the WFCU Centre Steering Committee was to establish a Capital Campaign Cabinet to lead and secure naming rights for facilities within the WFCU Centre.

At its meeting of October 29, 2007, the WFCU Centre Steering Committee approved the following motion:

*"That the proposed fundraising activities including Naming Rights for facilities within the WFCU Centre **BE APPROVED**, and that a separate account **BE ESTABLISHED** to track expenditures and revenues relating to the fundraising activities, and that the net revenues received **BE CONTRIBUTED** to the capital project for the WFCU Centre, and further, that funds in the amount of \$5,000 from the Ward 5 Account **BE CONTRIBUTED** to assist with the fundraising initiative."*

This motion was adopted by City Council at its' meeting of November 26, 2007 (M328-2007).

At their meeting of May 3, 2010, City Council approved the following resolution:

CR172/2010

*"That the sponsorship of facilities within the WFCU Centre for Naming Rights over a ten year period effective January 1, 2009 until December 31, 2018 by the following companies/organizations:*

- *AM800 CKLW*
- *The Windsor Star*
- *Green Shield Canada*
- *Optimist Clubs of Windsor*
- *The Collavino Group*
- *Jamieson Laboratories*
- *Festival Tent and Party Rentals*

***BE APPROVED**, and further, that the Chief Administrative Officer and City Clerk **BE AUTHORIZED** to sign the agreements subject to approval as to the form by the City Solicitor and as to content by the Executive Director of Recreation and Culture and the City Treasurer, and further, that the authorization for the execution and signing agreements for additional future Naming Rights of facilities at the WFCU Centre **BE DELEGATED** to the Chief Administrative officer for those sponsorships of \$150,000 or less."*

At the July 22, 2013 Council meeting the following Council Question was submitted:

**CQ25-2013**

*"Asks for a written report on the status of the naming rights agreement and payment instalments at the WFCU Centre"*

### **3. DISCUSSION:**

The WFCU Centre Capital Campaign Cabinet developed a listing of Naming Rights opportunities within the WFCU Centre and the associated value with each area. They identified:

- Community Centre
- Community Rinks
- Sports Gymnasium
- Reception Hall
- Seniors Centre
- Leisure Gym
- Multi Purpose Rooms
- Program Rooms

From this list the Campaign Cabinet was able to secure naming rights for 10 years for the Community Centre, all 3 Community Rinks, and the Reception Hall, as well as for event seating. The Senior Centre was sponsored by Jamieson's Laboratories for 5 years and they are paid in full.

All areas that have naming rights secured are current with all their payments with the following exceptions:

1. In 2011 Optimist International, who had obtained the naming rights for the Community Centre, notified City Administration that they could not meet their financial commitment for the Community Centre naming rights. The organization had not signed an agreement and no payments were received. All applicable signage for this area was removed, and in the October 2012 Capital Variance report to Council, Administration did report that the Community Centre naming rights would not be realized and efforts would continue to identify a new sponsor to try and offset the reduction in sponsorship revenues.
2. In 2009 The Windsor Star, under parent company Canwest Global Communications, committed to a 10 year agreement for naming rights in one of the community rinks at the WFCU Centre with payments commencing on August 1, 2009. In 2009-10 Canwest declared bankruptcy which impacted their legal obligation with the City for naming rights for the Windsor Star Community Rink. The bankruptcy meant the City could not recover the amount that was to have been paid between August 1, 2009 and July 13, 2010. Discussions were held with the Windsor Star and they indicated a commitment to the remaining 9 years of their 10 year pledge. On September 13, 2013, the City received a letter from the Windsor Star (copy attached as Appendix A) which indicated that they no longer wished to continue with their sponsorship. Although there was no signed agreement between the parties, the Windsor Star had paid the annual sponsorship in the amount of \$17,000 for 3 years, totalling \$51,000. It is noted that the name of the Windsor Star is still on the rink, as the season had started with print materials including the existing name. The intent is to remove the name at the end of the current season (March 2014) and use the name "Windsor Rink" until such time as another corporate sponsorship is obtained.

#### **4. RISK ANALYSIS:**

Administration worked closely with each of the organizations for the finalization of the agreements. Accepting commitments for Naming Rights and Sponsorships over a period of time does include risk for the potential for organizations to be unable to fulfill their obligations for a variety of reasons. However, it is highly unlikely that the majority of organizations would be in a position to pay for a sponsorship in full up front, and longer term agreements are typical for Naming Rights in other areas that were surveyed at the time of the original report to Council.

#### **5. FINANCIAL MATTERS:**

Consistent with Council's approval, all sponsorship revenue is being credited to the WFCU Centre project as received (project ID #7064900).

The table below summarizes the sponsorship funding details for the WFCU Centre. Based on the best available information at this time, it is projected that \$469,000 in revenue will not be realized. This is made up of the following:

1. Optimist International did not meet the full obligation of \$350,000 as originally projected and therefore the full amount over the ten year period will not be realized.
2. The Windsor Star withdrew from the commitment after three years which will result in \$119,000 less than projected in revenue.

All remaining sponsors are in good standing and payments have been received to date.

<b>WFCU CENTRE SPONSORSHIP FUNDING SUMMARY</b>						
<b>Sponsor Name</b>	<b>Contract Term</b>	<b>Payment Terms</b>	<b>Original Projection</b>	<b>Revised Projection</b>	<b>Variance</b>	<b>Comment</b>
WFCU	10 years	Quarterly	\$1,620,000	\$1,620,000	\$ -	Projected on budget as committed; \$162,000 annual payment
Optimist International	10 years	Annually	350,000	-	(350,000)	Could not meet financial obligations, therefore sponsorship funding has been removed
Windsor Star	10 years	Annually	170,000	51,000	(119,000)	Amended from 10 years to 3 years.
Green Shield	10 years	Annually	151,600	151,600	-	On budget as committed Note: Accelerated payments over a five year period
AM800 CKLW Radio	10 years	Annually	170,000	170,000	-	Projected on budget as committed; \$17,000 annual payment
Collavino Group	10 years	Annually	120,000	120,000	-	Projected on budget as committed; \$12,000 annual payment
Jamieson	5 years	One-Time	44,588	44,588	-	On budget as committed
Festival Tents	10 years	Annually	30,000	30,000	-	Note: Paid entire amount upfront Projected on budget as committed; \$3,000 annual payment
<b>Total Sponsorship</b>			<b>\$2,656,188</b>	<b>\$2,187,188</b>	<b>\$(469,000)</b>	

Because the original budget for the WFCU Centre did not include a line item for sponsorship revenue (it only included a budget of \$1.5 million for the naming rights of the facility), this \$469,000 variance will not impact the overall project budget. In essence, it results in a "lost opportunity" for additional revenue. However, it is Administration's hope that this variance will be mitigated by securing additional sponsorship revenue in the future. Administration is moving towards re-establishing a multi-departmental committee to address sponsorship and naming rights, not just at the WFCU Centre, but where opportunities are available at any city facility.


As reported to Council as part of the September 2013 Capital Variance report, the projected surplus in the WFCU Centre project was estimated to be approximately \$2.2 million. With the projected variance in the naming rights revenue noted above, the projected surplus in the overall project is now estimated to be \$2.1 million. It should be noted that the projected surplus is still subject to change as the final sale prices of the redundant facilities has not yet been realized.

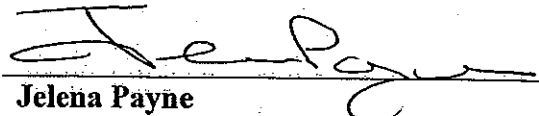
## **6. CONSULTATIONS:**

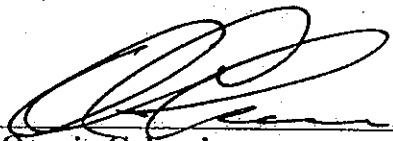

Financial Planning Administrator – Recreation and Culture  
 Manager of Operating Budget Control and Financial Administration  
 Senior Legal Counsel


**7. CONCLUSION:**

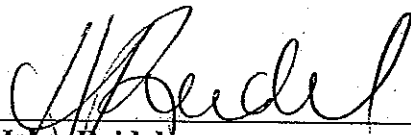
The Naming Rights campaign for the WFCU Centre has been a successful component of the fundraising strategy for the facility. Ongoing opportunities for Naming Rights, sponsorship and community involvement will continue as a part of the operating strategy for the complex

  
for **Jan Wilson**  
Executive Director, Recreation and Culture

  
**Jelena Payne**  
Community Development and Health  
Commissioner and Corporate Leader Social  
Development, Health, Recreation and  
Culture

  
  
**Onorio Colucci**  
Chief Financial Officer/City Treasurer  
and Corporate Leader Finance and  
Technology

  
for **Shelby Askin Hager**  
City Solicitor

  
**Helga Reidel**  
Chief Administrative Officer

JW:hg

**APPENDICES:**  
Letter received from The Windsor Star

**DEPARTMENTS/OTHERS CONSULTED:**  
Name:  
Phone #: 519 ext.

**NOTIFICATION :**

Name	Address	Email Address	Telephone	FAX


Corporation of the City of Windsor  
350 City Hall Square West  
Windsor, Ontario N9A 6S1  
Attention Helga Reidel

September 13, 2013

Re: Community Rink at WFCU Centre

Dear Ms. Reidel:

The Windsor Star wishes to formally express its decision to relinquish all rights and interests with respect to the community rink at the WFCU Centre, effective immediately.

  
Thank you and best regards,  
Marty Beneteau  
Editor-in-Chief, The Windsor Star