

Report to/Rapport au :

Community and Protective Services Committee
Comité des services communautaires et de protection

and Council / et au Conseil

May 16, 2013
16 mai 2013

Submitted by/Soumis par : Steve Kanellakos, Deputy City Manager/Directeur
municipal adjoint, City Operations/Opérations municipales

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BARRHAVEN (3)

Ref N°: ACS2013-COS-PRC-0005

**SUBJECT: SPONSORSHIP NAMING RIGHTS – BARRHAVEN SOUTH
RECREATION COMPLEX**

**OBJET : DROITS D'APPELLATION LIÉS AUX COMMANDITES –
COMPLEXE RÉCRÉATIF DE BARRHAVEN-SUD**

REPORT RECOMMENDATIONS

That the Community and Protective Services Committee recommend that Council:

- 1. Approve the offer from Minto Group Inc. to acquire the naming rights for the new Barrhaven South Recreation Complex to be named the “Minto Recreation Complex – Barrhaven” as outlined in this report.**
- 2. Approve a budget increase of \$1,415,747 to the Barrhaven South Recreation Complex capital project for the installation of an artificial turf field at this site and identify the offsetting Minto Group sponsorship revenue as a long term receivable against the project’s capital account, as outlined in this report.**
- 3. Authorize the Deputy City Manager to finalize and execute a naming rights agreement with the Minto Group Inc., as outlined in this report.**

RECOMMANDATIONS DU RAPPORT

Que le Comité des services communautaires et de protection recommande au Conseil :

- 1. D'approuver l'offre de Minto Group Inc. d'acquérir les droits d'appellation relatifs au nouveau Complexe récréatif de Barrhaven-Sud, qui sera appelé « Complexe récréatif Minto – Barrhaven », comme le précise le présent rapport.**
- 2. D'approuver une augmentation du budget de 1 415 747 \$ pour le projet d'immobilisations du Complexe récréatif de Barrhaven-Sud en vue de doter l'installation d'un terrain avec gazon synthétique, et de désigner les recettes compensatoires de la commandite du Minto Group Inc. comme une créance à long terme par rapport au compte de capital du projet, comme le précise le présent rapport.**
- 3. D'autoriser le gestionnaire municipal adjoint à conclure et à exécuter une entente sur les droits d'appellation avec Minto Group Inc.**

BACKGROUND

City Council approved a Sponsorship and Advertising Policy in 2005 that established the framework for the potential sale of naming rights of City property, buildings and structures to assist in the provision of City services and projects. In March 2011, Council approved a marketing plan that identified various opportunities, including the sale of naming rights of some of the city's major recreation facilities, to generate revenue over a five year period.

Council approved the land purchase in 2010 and design and construction of a new recreation complex near the intersection of Greenbank and Cambrian roads in 2011-2012 to serve the growing Barrhaven community, South Nepean and southern and western parts of the city. The new complex will be the most significant community facility to be constructed by the City since amalgamation with a budget of over \$50 million. It will be 14,865 square metres (160,000 square feet) in size and has been designed to meet a Leadership in Energy and Environmental Design (LEED) Silver rating. The facility components include a six-lane 25 metre pool, two regulation NHL-sized arenas with seating, gymnasium with a second storey walking track, fitness centre, seven multi-purpose rooms and a premium CFL/FIFA dimension natural turf outdoor sports field. Construction will commence in the spring of 2013 and will be completed in the fall of 2014.

During the planning process for the complex, the community requested that the sports field be upgraded to artificial turf to provide for a longer playing season with an earlier start in the spring and later into the fall. Additionally, dependable programming could be available on the artificial surface throughout the season as the field would not require the "rest time" that a natural surface requires for adequate turf growth and protection or

when excessive rainfall results in temporary field closures. Funding in the capital budget did not provide for such an upgrade. Alternate funding would be required to provide for the incremental cost of artificial turf.

Over the past year, the Ward Councillor has been actively engaging companies with the potential for naming the complex and using the funds for the field upgrade.

DISCUSSION

Minto Group Inc. has proposed to pay the City \$1.45 million over 15 years to acquire the naming rights for the Barrhaven South Recreation Complex and the sports field. The offer will provide the City with \$75,000 annually for the first two years, during which the building will be under construction, and \$100,000 for the remaining 13 years with an option to renew at that time. The naming of the sports field will be provided in perpetuity.

The value of the proposal has been reviewed by the external company assisting the City with sponsorship initiatives. The proposal and terms are in line with the value of Minto's exposure to the more than a million plus annual anticipated users of the Complex and the associated marketing benefits the naming rights will provide to them.

The name of the new facility will be the Minto Recreation Complex – Barrhaven. The facility name is in the format of other named recreation complexes, most recently the new Richcraft Recreation Complex – Kanata.

Minto is a well-known, experienced development company in the city in general, and in Barrhaven specifically. The location of the recreation complex is geographically positioned relative to many existing and future residential and commercial developments by Minto such as Chapman Mills, Ampersand and the new Mahogany community to the south in Manotick, and as such, represents a strategic business advantage for future sales. Partnering with the City on naming this facility is a very good fit with the company's values, business objectives and support for the community in which its employees live and work.

As part of the naming rights agreement, the City will install interior and exterior signage bearing the Minto name, use the Minto name on city-wide and facility-related publications and provide other visibility and branding opportunities. Minto will be recognized as a "Leader" in the Community Champion Program, its most prominent level.

Design and construction specifications for the option to upgrade the natural turf field to artificial turf with sports field lighting were included in the tender for construction of the recreation complex. The stated cost of \$1,415,747 is all inclusive of construction, administration and HST costs. Although the construction tender only included the upgrade to the field as an alternate price, the formal approvals process necessary for site development demonstrated artificial turf with lights throughout the site plan approval process and all community consultations that were undertaken. The "end state" design

that includes artificial turf and lights is integrated into the recreation complex site plan application which was approved 12 October 2012.

The upgrade to an artificial turf field will prove to be of benefit to the local sporting organizations as this will allow for a longer playing season, April through November, and the ground conditions will remain reliable and usable even during inclement weather conditions.

The General Manager of Parks, Recreation and Cultural Services will ensure that the naming rights agreement with Minto fully complies with the terms of City's Sponsorship and Advertising Policy such as provisions of termination by both parties and provisions respecting renewal.

RURAL IMPLICATIONS

The new complex is being developed to serve the recreational needs of Barrhaven, Riverside South, Rideau-Goulbourn (including Manotick) and the south-western parts of rural Ottawa.

CONSULTATION

The proposed facility name "Minto Recreation Complex – Barrhaven" is in the format of other named recreation complexes, most recently the new Richcraft Recreation Complex – Kanata.

The design of this facility, including the site amenities, was subject to consultation with a Public Advisory Committee, several public open houses and meetings, and a formal site plan approval process. Although the base design in the tender documents was for a natural turf field only, the base design demonstrated at public meetings and for planning approvals was for the artificial turf and sports field lights upgrade as it was anticipated that a sponsor would be found. By demonstrating the preferred end state to the community during approvals process, transparency regarding details of the site was achieved.

COMMENTS BY THE WARD COUNCILLOR(S)

Councillor Harder is supportive of the recommendations within this report.

LEGAL IMPLICATIONS

There are no legal impediments associated with the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk implications.

FINANCIAL IMPLICATIONS

There are sufficient funds from the Minto sponsorship to cover the increased costs to the capital budget for the upgrade to artificial turf. There is no expected impact on the future operating costs of this facility resulting from this upgrade.

ACCESSIBILITY IMPACTS

All signage and information provided to the public with respect to the name of the facility will be consistent with the corporate and departmental policies, practices and procedures for accessibility.

TECHNOLOGY IMPLICATIONS

There are no technology implications associated with this report.

TERM OF COUNCIL PRIORITIES

Strategic Priority: Healthy and Caring Community

HC2 - Improve parks, recreation, arts and heritage

Provide accessible, inclusive and quality parks, recreation services and urban spaces for leisure, arts and heritage that respond to demographic trends in population and activity.

Current Actions: Design and construct the complex, a major recreation facility that will include an indoor pool, arenas, and an outdoor sports field.

DISPOSITION

Subject to approval of this report, the General Manager of the Parks, Recreation and Culture Department will finalize the naming rights agreement with Minto to the satisfaction of Corporate Legal Services.