



**STAFF REPORT  
ACTION REQUIRED  
Confidential Attachment**

**Proposed ReNaming Rights of The Hummingbird Centre**

<b>Date:</b>	June 11, 2007
<b>To:</b>	Executive Committee
<b>From:</b>	Daniel D. Brambilla, CEO The Board of Directors of the Hummingbird Centre for the Performing Arts
<b>Ward:</b>	28
<b>Reason for Confidential Information:</b>	This report involves the security of property belonging to the Hummingbird Centre
<b>Reference Number:</b>	

**SUMMARY**

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The financial pledge from Hummingbird Communications Ltd. to the City of Toronto and the subsequent voluntary renaming by the City of the former O’Keefe Centre was cancelled earlier in 2006 pursuant to an agreement between Hummingbird Communications Ltd. and The Hummingbird Centre (the “Centre”). Subsequent to such agreement, Hummingbird Communications Ltd. was sold to OpenText and has since ceased to exist as a separate company. This situation combined with the desire to raise funds to implement The Hummingbird Centre’s Business Plan as approved by City Council on July 25, 26 and 27 2006 has led the Board of Directors of the Centre to pursue a new naming rights partner. After discussions with numerous potential naming partners, a company has been identified that is prepared to make the largest investment in the naming rights for the theatre as set forth in the confidential attachment.

## **RECOMMENDATIONS**

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The Chief Executive Officer of the Centre, pursuant to authority granted from the Board of the Centre, recommends that Council:

1. Approve of entering into an agreement with the designated company for the naming rights to the Centre substantially on the terms and conditions contained in Attachment 2 to this report and such other terms and conditions required by the City Solicitor and the Centre's Chief Executive Officer with the intent of renaming the Centre.
2. Direct that the funds received as a result of the naming rights agreement be deposited in the Hummingbird Centre Capital Improvement Reserve Fund
3. Direct that, in the event that insufficient funds are raised to carry out the CityCentre development, the naming rights revenues be henceforth deposited in the Hummingbird Centre Stabilization Reserve Fund
4. Request City officials and the Chief Executive Officer of the Centre to take all necessary steps to give effect thereto.

## **DECISION HISTORY**

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On July 25, 26 and 27, 2006, City Council approved the Centre's Business Plan to renovate the Theatre and redevelop the site into a new cultural centre as proposed by the CEO. As a condition to the implementation of the full redevelopment plan, the Centre is required to raise the sum of \$57 million to supplement the \$3.3 million in then existing reserve funds and \$15 million from the proposed sale of City land to Castlepoint Realty Partners.

The Centre entered into an agreement with Wakeham & Associates Marketing Inc. ("WAM") to provide sponsorship consulting services pertaining to securing naming rights partners for the Theatre as well as for the proposed new cultural centre development on the site. Since then, WAM conducted an inventory of marketing assets offered at the Theatre, developed sponsorship packages, conducted valuations for six separate naming rights opportunities (one of which was the naming rights for the Theatre), reviewed comparable property naming rights agreements, and conducted a naming rights sales campaign. During the campaign, WAM approached over 360 companies, and presented them with the various opportunities. Of the companies approached, WAM has identified the designated company as being the company interested in providing the greatest financial consideration in exchange for acquiring naming rights to the Theatre.

At its meeting of June 8, 2007 the Board of Directors of the Centre considered the proposed terms for the naming rights agreement with the designated company (see

Attachment 3). The Board endorsed the terms of the proposed agreement and authorized the Chief Executive Officer of the Centre to continue negotiations with the designated company.

## **COMMENTS**

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The financial terms of the proposed naming rights agreement, for either the 10-year offer or the 20-year term, represent fair market value as the terms are comparable to other recent naming rights agreements which are discussed more fully in the confidential attachment.

The renaming of the Theatre is important because:

1. It will act as a catalyst to consummate additional naming opportunities now being negotiated for the other segments of the cultural centre as well as for Federal and Provincial funding.
2. Even if the Centre does not obtain sufficient funding to fully implement the full redevelopment and creation of the new cultural centre, the funds received for renaming the theatre will be able to be used by the Centre for the renovation of the existing Theatre and for future operations of the Theatre.

This Report recommends that the City of Toronto authorized the Board of Directors of the Hummingbird Centre to enter into a naming rights agreement with the designated company per the terms outlined in the confidential attachment hereto.

## **CONTACT**

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Chief Executive Officer,  
The Hummingbird Centre for the Performing Arts  
416-393-7450

## **SIGNATURE**

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Dan Brambilla  
Chief Executive Officer,  
The Hummingbird Centre for the Performing Arts

Attachment 1: Confidential Appendix.  
Attachment 2: Terms of Agreement

Attachment 3: Minutes of June 8, 2007 Meeting of the Board of Directors of the Hummingbird Centre