



STAFF REPORT ACTION REQUIRED

Live Green Toronto Corporate Sponsorship

Date:	May 3, 2010
To:	Executive Committee
From:	Director, Toronto Environment Office
Wards:	All
Reference Number:	P:\2010\Cluster B\TEO\EC10004

SUMMARY

Officially launched in May 2008, Live Green Toronto is the City's leading initiative for supporting neighbourhoods and community groups in taking local, grassroots action on climate change and other local environmental issues of concern. With the creation of a dedicated website providing one-stop access to information tools (www.livegreentoronto.ca), the provision of financial assistance and the support of Community Animators, Live Green Toronto has helped neighbourhoods and community groups install green roofs, plant trees, initiate collective purchases of renewable energy systems, create community gardens, encourage energy efficiency retrofits, and facilitate people in choosing alternative low polluting modes of transportation.

When City Council endorsed the establishment of Live Green Toronto it was identified that it would become a vehicle through which other public and private interests could support community led environmental activities. It was expected that this would primarily come in the form of sponsorships or partnerships.

The Toronto Environment Office has been approached by Canadian Tire about becoming the first major financial sponsor of Live Green Toronto. Its proposal involves a financial commitment spread over two years that would provide support for the Live Green Toronto Festival, the Live Green Toronto Grants Program and the Cut It Out Program. Preliminary proposals have also been received from other potential sponsors.

This report seeks authority from City Council to negotiate and enter into a sponsorship agreement with Canadian Tire for a value of \$200,000 (\$175,000 cash and \$25,000 in-kind) each year for a total of two years, as well as the authority for a period of two years to negotiate and enter into future sponsorship agreements that may have terms of up to two years (so an agreement entered into a year and a half from the date authority is

granted might extend to a date three and one-half years from the date authority is granted) with a value of up to \$200,000 per sponsorship agreement each year.

RECOMMENDATIONS

The Director of the Toronto Environment Office recommends that:

1. City Council authorize the Director of the Toronto Environment Office to negotiate and enter into a sponsorship agreement with Canadian Tire Corporation Limited for a two year period (2010 and 2011) for the Live Green Toronto initiative, on terms and conditions generally as set out in Attachment 1 and otherwise on terms and conditions satisfactory to the Director of the Toronto Environment Office and in a form satisfactory to the City Solicitor.
2. City Council authorize the Director of the Toronto Environment Office, for a period of two years, to negotiate and enter into sponsorship agreements for the Live Green Toronto initiative for up to a maximum of \$200,000 each year, per sponsorship agreement, over a maximum period of two years from the date of the agreement, in accordance with principles and requirements set out in Attachment 2 and on terms and conditions satisfactory to the Director of the Toronto Environment Office and in a form satisfactory to the City Solicitor.

Financial Impact

The Toronto Environment Office 2010 Operating Budget includes City funding of \$1.650 million for the Live Green Toronto Grants Program and \$0.100 million for the Live Green Toronto Festival. The recommendations included in this report to receive cash and in-kind support of \$0.200 million annually in 2010 and 2011 through sponsorship agreement with Canadian Tire, and obtain authority for future sponsorship agreements will support the above initiatives. As the 2010 Operating Budget includes an overall target for donations and partnerships of \$0.700 million, the Toronto Environment Office will incur no additional costs as a result of these sponsorships in 2010. The continuation of these programs and partnerships in 2011 is subject to Council's 2011 Operating Budget considerations.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting of July 16 – 19, 2007 City Council adopted the Climate Change, Clean Air and Sustainable Energy Action Plan: Moving from Framework to Action (the "Climate Change Action Plan"). Included in the Action Plan were recommendations that the Toronto Environment Office establish Live Green Toronto to support residents,

businesses, community groups and neighbourhoods in taking action to green their communities.

At its meeting of December, 2007 City Council adopted the objectives and a five year, \$21 million (net City funding \$17 million) funding plan for Live Green Toronto, including the directive “that a minimum of \$3.5 million will come from external funding sources, primarily corporate partnership/sponsorships for the Live Green Toronto initiative.”

Web link to the report proposing the Live Green Toronto initiative:

<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8712.pdf>

ISSUE BACKGROUND

Canadian Tire Corporation approached the Toronto Environment Office in September 2009 expressing interest in partnering with the City on environmental initiatives. Toronto Environment Office staff met with Canadian Tire representatives to present several key environmental initiatives that Canadian Tire could potentially get involved in. Canadian Tire Corporation was particularly interested in the Live Green Toronto initiative including the Cut it Out Program (older gas powered lawn and garden equipment disposal program), the Live Green Toronto Grants Program and the Live Green Toronto Festival.

COMMENTS

The City of Toronto is a recognized global leader in the effort to address climate change and this is due to the fact that the City and its residents, community and neighbourhood groups and businesses have taken and are willing to take action. Live Green Toronto, which officially launched on May 24, 2008, is one of the key vehicles established to assist neighbourhoods and community groups in reducing greenhouse gas emissions and adapting to climate change.

A key foundation for the future success of Live Green Toronto is the development of partnerships with community and business partners. It is intended that Live Green Toronto will become a vehicle through which public and private partners can provide various forms of support for community led and inspired environmental initiatives.

As Live Green Toronto grows, the Toronto Environment Office has seen an increase in the number of inquiries from external partners interested in sponsoring elements of the initiative. Toronto Environment Office staff are interested in partnering with corporate entities whose mission, values and sustainability goals are in line with the City’s core values and principles.

The first major corporation to approach the Toronto Environment Office to support Live Green Toronto is Canadian Tire Corporation. After discussions with the City, Canadian Tire Corporation has proposed a sponsorship for two years. The sponsorship of Live

Green Toronto initiatives will include in-kind support and financial investment in the Cut It Out Program, Live Green Toronto Festival and Live Green Toronto Grants Program.

Canadian Tire is striving to reduce its environmental impact, conserve resources and help customers and employees reduce their environmental impact by providing ideas, options, information and solutions. Some of Canadian Tire's green achievements, referenced in its *Community and Business Sustainability Report 2009*, include:

- Being the first retailer to calculate the estimated global-warming potential of their products;
- New stores that are 30% more energy efficient than three years ago;
- Leslie and Lakeshore store was designed to meet the Toronto Green Development Standard;
- New program to introduce energy efficient lighting at 361 stores, projecting to save 85 million kilowatt hours of electricity resulting in a reduction of 20,500 tonnes of carbon dioxide emissions annually;
- Largest seller of renewable energy products in Canada;
- Offers 1,100 environmentally preferable products that help reduce waste and conserve energy and water;
- Over 1,800 employees are working toward a zero waste designation for their Home Office location in Toronto; and
- Participation in over 80 environmental stewardship programs for such products as used tires, batteries, oil, electronics, etc.

The proposal made by Canadian Tire to partner with Live Green Toronto meets the goals of Live Green and therefore it is recommended that the City enter into a sponsorship agreement with Canadian Tire.

The Toronto Environment Office in collaboration with the Toronto Office of Partnerships has received a number of other initial inquiries from private sector entities seeking to partner with Live Green Toronto. It is anticipated that more interest to partner will occur as Live Green Toronto continues. To meet the expectations of these potential private sector partners and to facilitate the development of future sponsorship agreements, it is recommended that the Director, Toronto Environment Office be authorized to enter into annual agreements with values of up to a maximum of \$200,000, per sponsorship agreement. This authority is requested for a period of two years. Staff expect that a formal sponsorship policy from the Toronto Office of Partnerships will be brought to City Council before the end of that period. Meanwhile, the Director of the Toronto Environment Office will be required to consider the principles and requirements set out in Attachment 2 when considering and/or entering into any sponsorship agreements.

CONTACTS

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Lawson Oates
Director, Toronto Environment Office

Attachment 1

Proposed Key Terms of the Sponsorship Agreement Between City of Toronto and Canadian Tire Corporation Limited

Term: Two years (2010 and 2011; 2011 is contingent upon budget approval)

Financial Contribution: \$175,000 per year

In-kind Contribution: \$25,000 per year

Programs and Benefits: The following City Programs are the subject of the sponsorship funding:

1. Cut It Out Program – Canadian Tire Corporation will be the exclusive retail partner of the Cut It Out Program and will provide financial incentives to residents of Toronto who dispose of and replace older gas-powered lawn and garden equipment with new, cleaner technology at Community Environment Days or specific disposal events at 21 Toronto Canadian Tire locations. In-kind support of the program is valued at \$25,000 per year through the off-set of marketing costs and the provision of discounts for residents on environmentally preferred lawn and garden equipment. Canadian Tire contributes all internal costs associated with the program. The benefits to Canadian Tire include the promotion of Canadian Tire as official retail partner of the Cut it Out program and the opportunity to showcase new, efficient replacement products for older gas powered outdoor equipment.
2. Live Green Toronto Festival – Canadian Tire Corporation will be the exclusive home retail exhibitor and main stage sponsor for the Live Green Toronto Festival at Yonge-Dundas Square for 2010 and 2011. This will involve payment by Canadian Tire of \$75,000 per year and will include name and logo display; speaking opportunities at the event; sponsorship and exhibitor exclusivity; promotion through a variety of media.
3. Live Green Toronto Grants Program – Canadian Tire Corporation will provide direct financial investment into the Grants program that will allow for a larger number of community-led environmental initiatives to be funded by the program. This is a financial commitment valued at \$100,000 per year. Specifically, Canadian Tire will have the opportunity to select four projects from a list of projects selected for funding after review by the Independent Review Committee. Canadian Tire sponsored grants will be announced and awarded at the store nearest to the project; news releases will be issued for each grant award.

Other Terms: will include the following, which have not yet been fully negotiated:

- a) terms of payment and disposition of any surplus funds or goods;
- b) program development and delivery;
- c) any necessary indemnity and insurance provisions;
- d) responsibilities of the respective parties (e.g. installation and maintenance, permits, insurance, removal from and remediation of the site, etc.);
- e) benefits to be received by the sponsor (e.g. exclusivity of supply and sponsorship category rights, logos and signage, promotional opportunities, form of recognition, etc.);
- f) duration of the sponsorship and delivery dates;
- g) any restrictions based on existing City contractual obligations;
- h) sole source or right of first refusal arrangements, if any;
- i) respective ownership and warranties regarding trademarks and intellectual property;
- j) level of confidentiality attached to the agreement, and a statement acknowledging that the sponsorship agreement may be subject to provisions of the *Municipal Freedom of Information and Protection of Privacy Act*; and
- k) conditions for termination and remedies available upon termination.

Attachment 2

Principles and Requirements for Sponsorship Arrangements for the Live Green Toronto Initiative

1. Sponsorship means a mutually beneficial business arrangement between the City and an external entity wherein the external entity provides cash and/or in-kind services to the City in return for commercial advantage. This commercial advantage may take the form of publicity, promotional consideration, merchandising opportunities, etc.
2. In entering into sponsorship discussions, staff will ensure that the reputation and integrity of the City and its assets are protected.
3. Naming rights, where an external party receives the exclusive right to place its name on a City property, including at events, services, programs and activities, and on real property, facilities and features (e.g. rooms, bridges, etc.) will be granted only with the approval of the Deputy City Manager and for no longer than two years from the date of the agreement.
4. A sponsorship may not be accepted from parties involved in litigation against, or who are otherwise disqualified from doing business with the City.
5. Any use of the City's name, logo or emblems must be in accordance with the City's Corporate Identity Policy.
6. Although the Unsolicited Proposal Policy does not apply to sponsorship approaches and negotiations, the Toronto Office of Partnerships will be consulted before an agreement is entered into with a sponsor.
7. Sponsorship arrangements should be documented in the form of an agreement consistent with the size, complexity and scope of the sponsorship. An agreement should include, at a minimum, the following:
 - a) the identity of all the parties;
 - b) the type and estimated market value of the contribution;
 - c) terms of payment and disposition of any surplus funds or goods;
 - d) any necessary indemnity and insurance provisions;
 - e) responsibilities of the respective parties (e.g. installation and maintenance, permits, insurance, removal from and remediation of the site, etc.);

- f) benefits to be received by the sponsor (e.g. exclusivity of supply and sponsorship category rights, logos and signage, promotional opportunities, form of recognition, etc.);
- g) duration of the sponsorship and delivery dates;
- h) any restrictions based on existing City contractual obligations;
- i) sole source or right of first refusal arrangements, if any;
- j) respective ownership and warranties regarding trademarks and intellectual property;
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