



REPORT FOR ACTION

Toronto Parking Authority Sponsorship Policy

Date: July 12, 2022
To: Board of Directors, Toronto Parking Authority
From: President, Toronto Parking Authority
Wards: All

SUMMARY

Toronto Parking Authority's (TPA) vision is to become the world's best provider of sustainable parking, bike share and last mile mobility experiences for our customers, our partners and our city. To help accelerate our journey to becoming the world's best, TPA is actively seeking to partner with private sector partners to develop mutually beneficial sponsorships that will improve our financial performance, operating capabilities and customer experience.

Engaging strategic partners through sponsorship arrangements will allow TPA to access revenue and in-kind contributions that not only offer the potential to offset operating and capital costs, but also have the potential to provide access to technology, research and development capabilities, thought leadership and a shared commitment to sustainability through meaningful action.

TPA is required under subsection 179-7.G. of Chapter 179 to have policies respecting sponsorships, naming rights and honourific names, which are consistent with the policies adopted by City Council. While Bike Share Toronto has authority to enter into sponsorship agreements that are consistent with the City's sponsorship policy, TPA does not yet have an enterprise-wide policy that applies to all of its programs and services. Accordingly, TPA has worked with Legal Service to develop a proposed enterprise-wide Sponsorship Policy, which is presented in Attachment 1 to this report. The purpose of this report is to seek TPA Board of Director approval of the proposed policy.

RECOMMENDATIONS

The President, Toronto Parking Authority recommends that:

1. The Board of Directors of Toronto Parking Authority adopt Toronto Parking Authority Policy Resolution 1-11: Sponsorship Policy, contained in Attachment 1;
2. The Board of Directors delegate authority to the President, Toronto Parking Authority to accept and enter into sponsorship agreements that are consistent with Policy Resolution 1-11: Toronto Parking Authority Sponsorship Policy, as contained in Attachment 1.

FINANCIAL IMPACT

There are no financial implications from this report

DECISION HISTORY

At its meeting of November 29, 30 and December 1, 2011, City Council adopted EX12.2, as amended, requiring all agencies, boards and commissions (ABCs) which are by law subject to the policies of City Council, with the exception of boards of management for business improvement areas, by requiring that those ABCs adopt policies for sponsorships which are consistent with the City's policy concerning sponsorships, along with other directions concerning the establishment of policies respecting the approval and entering into of agreements for sponsorships and naming rights, and the approval of honourific and street naming.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.EX12.2>

COMMENTS

Sponsorships of programs or events and corporate naming rights of City-owned property can generate value and revenue for TPA that may offset operating and capital costs. However, TPA currently has no corporate-wide policy governing sponsorships or naming rights.

Chapter 179, Parking Authority, Section 179-7.1 provides the TPA with a general authority over Toronto's bike share system, including a general authority for TPA to enter into contracts or agreements, undertaking sponsorship, naming, rebranding, partnership, acceptance of donations, approval of sponsorship and third-party advertising on the bike station panels.

Bike Share Toronto has been and is engaged with a variety of sponsorships of programs or events, wherein a third party has provided cash and/or in-kind services to TPA in return for such marketing benefits, publicity and promotional considerations. Examples of these sponsorships include: Free Ride Wednesdays (sponsored by Canadian Automobile Association), and \$1 single rides for Earth Day (sponsored by Longo's).

TPA is required under subsection 179-7.G. of Chapter 179 to have policies respecting sponsorships, naming rights and honourific names which are consistent with the policies adopted by City Council. The proposed policy, has been reviewed by the City's Legal Services Division and meets the standard of being consistent with the sponsorship policy adopted by City Council.

Under the proposed policy, all sponsorship agreements must comply with the sponsorship policy approved by TPA Board of Directors.

Proposed agreements that contain a value exceeding \$500,000 and/or include a term of greater than five (5) years shall be subject to approval by TPA Board of Directors, whereas proposed agreements that contain a value of \$500,000 or less and/or include a term that is less than five (5) years shall be delegated to the President, Toronto Parking Authority.

Any agreements that include naming rights will be authorized separately by the TPA Board of Directors.

The proposed sponsorship policy will provide TPA, as a commercial enterprise, with an opportunity to enter into sponsorship agreements to support TPA's delivery of its services and programs. Engaging strategic partners through a sponsorship arrangement will allow TPA to access revenue and in-kind contributions that not only offer the potential to offset operating and capital costs, but also have the potential to provide access to technology, research and development, thought leadership and a shared commitment to sustainability through meaningful action.

TPA has developed the proposed sponsorship policy as it is currently embarking on exploring new sponsorship opportunities, particularly in the near-term with its bike share program. The attached policy will establish a single enterprise-wide TPA sponsorship policy for all its programs and services and will make it consistent with policies adopted by Council.

CONTACT

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SIGNATURE

W. Scott Collier, President
Toronto Parking Authority

ATTACHMENTS

Attachment 1: Toronto Parking Authority Sponsorship Policy

TORONTO PARKING AUTHORITY SPONSORSHIP POLICY

TORONTO PARKING AUTHORITY

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ITEM: **Sponsorship Policy**

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STATEMENT: Toronto Parking Authority (TPA) welcomes mutually beneficial sponsorships that benefit its' customers, residents and the communities it serves by enhancing its' properties and programs.

PURPOSE: The purpose of this policy is to establish a TPA sponsorship policy that:

1. Aligns with the City's sponsorship policy;
2. Provides guidelines that facilitate and support opportunities for sponsorship; and
3. Creates a systematic approach to soliciting, managing and reporting on sponsorships.

SCOPE:

1. This policy does not apply to advertising. Advertising matters are to be governed by separate policies.
2. This policy is not applicable to philanthropic contributions, gifts, or donations in which property is voluntarily transferred by a third party to the TPA without expectation of return ("Donations" as defined in section 4.1.2.). In such instances, no valuable consideration is provided to, and no business relationship exists with, the third party. Matters respecting Donations are governed by separate policies.
3. Grants obtained from other orders of government, foundations, trusts etc. are exempt from this policy.
4. Sponsorship arrangements that pre-date this policy are not subject to it.
5. This policy does not apply to TPA sponsorship support of external projects where TPA provides funds to an outside organization.
6. All Properties, as defined in section 4.1.4 are subject to this policy.
7. Any sponsorship which varies from the requirements of this policy shall be approved by Toronto Parking Authority Board of Directors.

DEFINITIONS: For the purposes of this policy, the following definitions apply:

"ADVERTISING" denotes the sale or lease of advertising or signage space on Property under TPA operational jurisdiction. Unlike sponsorship, it involves the use of specific dedicated advertising or signage space in exchange for payment at rates for a defined period of time. Advertising does not imply any reciprocal partnership arrangement since the advertiser is not entitled to any additional benefits beyond access to the space.

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"DONATIONS" are cash or in-kind contributions, which provide assistance to the TPA. Donations do not constitute a business relationship since no reciprocal consideration is sought. Donations generally qualify for a tax receipt.

"NAMING RIGHTS" are a type of sponsorship in which an external partner receives the exclusive right to name a property under the TPA's operational jurisdiction under specific terms. The naming right is sold or exchanged for cash or other valuable consideration. Examples of Naming Rights (although involving City assets not under the TPA's operational jurisdiction) as of the date of this policy, include the Meridian Centre and the Scotiabank Nuit Blanche arts event.

"PROPERTY" or "PROPERTIES" refers to City-owned or TPA-owned asset(s) under TPA operational jurisdiction. These include, but are not limited to, events, services, programs, activities, real property, facilities, intellectual property, parks, features (e.g. rooms, ice pads, bridges, playgrounds, etc.), and other assets.

"SPONSORSHIP" is a mutually beneficial business arrangement wherein an external party, whether for profit or otherwise, provides cash and/or in-kind services to TPA in return for commercial advantage. This payback may take the form of publicity, promotional consideration, merchandising opportunities, etc. Because of these marketing benefits, a sponsorship does not qualify for a tax receipt. An example of a sponsorship is the "Free Ride Wednesday's" operation related to TPA's bike share program, which is currently the subject of an agreement whereby the Canadian Automobile Association (CAA) subsidizes the cost of free Bike Share Toronto rides by its members in exchange for promotional opportunities that benefit both TPA and CAA.

PRINCIPLES:

1. General

- 1.1. This policy supplements existing TPA policies and guidelines. However, in the event of conflict between this policy and other TPA protocols involving sponsorships, this policy will prevail.
- 1.2. TPA is free to solicit, accept and negotiate sponsorships, subject to this policy.
- 1.3. Sponsorships must be for purposes consistent with TPA's mandate and must be considered to be in the public interest of the City.
- 1.4. Charitable tax receipts shall be issued only in accordance with the Income Tax Act and the policies of the Canada Revenue Agency.
- 1.5. The City and TPA shall retain ownership and control over any sponsored Property.

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- 1.6. Potential sponsors must not be canvassed in a manner that uses or implies coercion. Prospective sponsors that decline solicitations for contributions shall not be penalized.
- 1.7. Unsolicited sponsorship offers (sponsorship opportunity initiated by a third party) are exempt from a requirement to seek out competing bids.
- 1.8. Benefits to the sponsor are limited to those expressly stated in the sponsorship agreement.
- 1.9. TPA does not endorse the products, services, or ideas of any sponsor.
- 1.10. All sponsorship relationships shall be confirmed in writing or by contract as deemed necessary.
- 1.11. Since sponsorships are only intended to supplement funding and to enhance TPA initiatives or properties, TPA's normal funding must not be displaced by the sponsorship arrangement.
- 1.12. Subject to the agreement, proceeds received from a sponsorship in respect of a property and/or program shall be applied to the applicable property and/or program.
- 1.13. In order to expedite partnership development, a formal competitive process is not required when soliciting sponsorship opportunities. While there is no obligation to test the market, in order to maximize the contribution, it is expected that several prospective sponsors will be approached when circumstances warrant.
- 1.14. TPA is encouraged to bring forward approval of any recurring sponsorships through the budget process.
- 1.15. For new sponsorships, Toronto Parking Authority, President (or their designate) may, without prior Toronto Parking Authority Board approval, approve and enter into agreements where:
 - a. the total value of the sponsorship does not exceed an amount of \$500,000, which aligns with the delegated authority of the President, Toronto Parking Authority for other forms of agreements;
 - b. The value of cumulative sponsorships from a particular third party for the same purpose do not exceed \$500,000;
 - c. The term of the sponsorship agreement does not exceed five (5) years;
 - d. the sponsorship does not involve Naming Rights which will be authorized separately by the Toronto Parking Authority, Board of Directors; and,
 - e. the sponsorship complies with this policy.

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2. Sponsorship Criteria

- 2.1. TPA will consider all sponsorship proposals but has no obligation to accept any of them.
- 2.2. All sponsorship agreements must be arranged for a fixed term.
- 2.3. The sponsorship must not confer a personal benefit, directly or indirectly, to any particular TPA employee or official.
- 2.4. The sponsorship must not create an ongoing financial obligation for the TPA beyond the term of the agreement.
- 2.5. Sponsorships shall conform to all applicable federal and provincial statutes, and to all applicable City by-laws, policies and practices.
- 2.6. The sponsorship must not interfere with existing contractual obligations.
- 2.7. The sponsorship must not unduly detract from the character, integrity, aesthetic quality or safety of the property or unreasonably interfere with its enjoyment or use.
- 2.8. The sponsorship must not result in, or be perceived to result in any competitive advantage, benefit or preferential treatment for the sponsor outside of the sponsorship agreement.
- 2.9. Benefits to the sponsor are to be commensurate with the size and scope of the sponsorship. It is the responsibility of TPA to determine the appropriate level or manner of benefits.

3. Sponsor Eligibility & Restrictions

- 3.1. TPA shall decline sponsorship proposals from parties that are disqualified from doing business with the City.
- 3.2. To protect the privacy of Toronto's residents, sponsors are not to have access to personal information held by TPA or the City.
- 3.3. No form of indemnification will be provided to any sponsor without the express approval of the City's Legal Services Division.
- 3.4. Sponsors are prohibited from implying that their products, services or ideas are sanctioned by the TPA or the City.
- 3.5. There shall be no actual or implied obligation to purchase the product or services of the sponsor

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PROCEDURE:

1. The solicitation, negotiation and administration of all sponsorships are to be conducted in accordance with the principles and criteria noted in this policy, and the obligations of City of Toronto Municipal Code Chapter 192, Public Service.
2. The solicitation, negotiation and administration of all sponsorships are to be conducted by authorized TPA staff only. The President, Toronto Parking Authority has overall responsibility for oversight and control of sponsorship activities at TPA.
3. All new sponsorships must be evaluated for compliance with this policy. TPA is responsible for ensuring that all sponsors and executed agreements comply with this policy and that staff abide by its provisions.
4. As part of its due diligence, prior to proceeding with a sponsorship, the recipient division is responsible for consulting with: the Lobbyist Register, relevant stakeholders, where necessary, and for conducting a risk/benefit assessment of the opportunity.
5. If a sponsorship offer is not accepted, the proponent shall be advised as to the reason.
6. Staff are responsible for ensuring that any use of the TPA or City of Toronto's name, logo and emblems are in accordance with the TPA Trademarks Policy 3-12 and City's Identity Program Principles for the Use of the City of Toronto Corporate Logo, Coat of Arms and Official Flag Policy.
7. All sponsorships must be documented. TPA shall draft a written agreement consistent with the size, complexity and scope of the sponsorship. All sponsorships involving payments of cash with an estimated value over \$50,000 require a full formal written contract in a form consistent with standard Contract Management Agreements as defined in TPA Policy 5-10.
8. With respect to all sponsorships TPA shall consult with the City's Legal Services Division regarding appropriate terms and conditions, as appropriate, and shall consider inclusion of the following provisions:
 - a. the identity of all the parties in the arrangement;
 - b. the type and estimated market value of the contribution;
 - c. terms of payment and disposition of any surplus funds or goods;
 - d. a waiver from liability and an indemnity clause for damages or losses incurred by TPA and City;
 - e. responsibilities of the respective parties (e.g. installation and maintenance, permits, insurance, removal from and remediation to the site, etc.);

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- f. benefits to be received by the sponsor (e.g. exclusivity rights, logos and signage, promotional opportunities, form of recognition, etc.);
 - g. the duration of the sponsorship and delivery dates;
 - h. a statement acknowledging that the sponsorship may be subject to provisions of the *Municipal Freedom of Information and Protection of Privacy Act*;
 - i. an exit clause, conditions for termination and the remedies available to both parties upon cancellation;
 - j. a statement that all parties are aware of, and agree to comply with, the provisions of this policy; and
 - k. Copies of all sponsorship agreements are to be stored for audit purposes, in accordance with TPA's retention obligations.
9. The terms and conditions that form part of a sponsorship arrangement are to be approved by the President, Toronto Parking Authority or a designate.
10. Subject to *General Principles 1.14*, it is the responsibility of the President, Toronto Parking Authority to secure Toronto Parking Authority Board approval for all sponsorship arrangements.
11. It is the responsibility of TPA to review the effectiveness of the sponsorship and to ensure that the respective parties are adhering to the terms of the written agreement.
12. For purposes of financial control and accountability, sponsorship funds are to be credited to the appropriate accounts. As part of the quarterly budget variance reporting process, where they have not already been accounted for in the budget, TPA shall disclose the amount of all sponsorships received to date and report on how the funds were used.
13. The President, Toronto Parking Authority or designate is responsible for providing details of sponsorship agreements to the Toronto Parking Authority Board of Directors on an annual basis for the purposes of tracking.
14. The President, Toronto Parking Authority shall provide the Toronto Parking Authority Board of Directors with an annual report summarizing TPA's sponsorship activity. This report will be coordinated with the submission of TPA's annual audited financial statements to TPA Board of Directors.

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