

Sponsorship/Naming Consulting Services Agreement

Date: April 11, 2024

To: Board of Governors of Exhibition Place

From: Don Boyle, Chief Executive Officer

Wards: Ward 10 - Fort York-Spadina

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report contains commercial and financial information that belongs to the Board of Governors of Exhibition Place and has monetary value or potential monetary value.

SUMMARY

The purpose of this report is to request Board authority to negotiate and enter a noncompetitive contract. This report recommends the Board enter into an agreement with Wakeham and Associates Marketing Inc. ("WAM") for professional sponsorship/naming consulting services for the renaming of the Beanfield Centre for a period of six (6) months commencing May 1, 2024.

Board approval is required in accordance with Exhibition Place Financial By-law, where the current expenditure request exceeds the Chief Executive Officer authority of the cumulative annual commitment greater than the \$250,000 allowed.

RECOMMENDATIONS

The Chief Executive Officer recommends that:

1. The Board authorize the Chief Executive Officer to negotiate and execute a noncompetitive contract with Wakeham and Associates Marketing Inc. to provide professional naming consulting services for the renaming of the Beanfield Centre, commencing from May 1, 2024 (the date of contract execution) for a six-month period, for a fee structure outlined in Confidential Attachment 1 and on terms and conditions in this report, and other terms satisfactory to the Chief Executive Officer and the City Solicitor.

2. The Board direct that the confidential information contained in Confidential Attachment 1 remain confidential as this report contains commercial and financial information that belongs to the Board of Governors of Exhibition Place and has monetary value or potential monetary value.

FINANCIAL IMPACT

The annual commission payment to the Consultant, only if a naming agreement is executed with a naming partner will be charged to the operating budget which expenditure is offset by the annual naming fees revenue received from the naming sponsor.

DECISION HISTORY

The Exhibition Place 2022-2026 Strategic Plan has a Goal to enhance brand identity and promotion and to maintain a positive operating financial performance across Exhibition Place and all its businesses, and as a Strategy to support this Goal we will seek new or expand revenue opportunities within our existing operations and ensure operating budgets are met or show a positive surplus to budget.

In 2003, an RFP was issued through the City of Toronto Purchasing Department for exclusive sponsorship services for the National Trade Centre and the Board, seven proposals were received and following an evaluation, a recommendation to enter into a three-year agreement with WAM was recommended and approved by the Board at its meeting of July 25, 2003. This agreement with WAM expired on July 31, 2006 and a new agreement was entered between the Board and WAM solely with respect to finding a naming sponsor for the proposed Conference Centre. This agreement expired on December 31, 2007.

At its meeting in June 2006, the Board approved of a further agreement with WAM for six months commencing August 1, 2006 and expiring on January 31, 2007 for sponsorship consulting services for Direct Energy Centre and Exhibition Place.

At its meeting of May 2, 2008, the Board approved entering into an Agreement with Allstream for the naming of the renovated Automotive Building for a term of 10-years, which was then approved by City Council at its meeting of June 23, 2008. The naming agreement term was from August 1, 2008 – July 31, 2018.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2008.EX21.31>

At its meeting of September 6, 2015, the Board approved of amendments to the Allstream Agreement which was subsequently approved by City Council at its meeting of November 13, 14, 15, 16, 17, and 18, 2013.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX35.20>

In February 2015, Allstream executed its right of termination of the Naming Rights Sponsorship agreement, effective June 20, 2016.

At a meeting of the Board on October 23, 2015, and City Council on December 9 and 10, 2015, approval was given to extend the Allstream notice of termination to February 28, 2017, as Allstream was in the process of a sale of the company. The extension allowed Allstream the right to request a further extension until June 30, 2016, but Allstream has now confirmed that it would not be seeking an additional extension of the Naming Rights Sponsorship agreement.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX10.34>

At its meeting of May 23, 2014, the Board engaged Wakeham & Associates Marketing, Inc. (WAM) with a four-year contract effective September 4, 2014 to represent all Exhibition Place sponsorship opportunities in the marketplace, including the naming rights for Allstream Centre.

[http://www.explace.on.ca/database/rte/files/Item%2020-Naming\(1\).pdf](http://www.explace.on.ca/database/rte/files/Item%2020-Naming(1).pdf)

COMMENTS

Termination of Existing Beanfield Technologies Inc. Naming Agreement

The sponsorship relationship between Beanfield and the Board has been a very positive one since its commencement in March 2017. However, Beanfield has been undergoing significant restructuring and ownership changes during this time and other opportunities to direct its annual marketing spend. On January 26, 2024 Beanfield advised Exhibition Place that they have directive from its Board of Directors (OMERS and DigitalBridge) to initiate cancellation of the Beanfield Centre "Naming Sponsorship Agreement" pursuant to Section 4.3 Termination for Convenience, as our one-year notice of termination. The initial agreement was for a ten (10) year term from March 1, 2017 to February 28, 2027.

WAM Background - Naming at Exhibition Place

WAM was incorporated in early 1999 in Toronto as a full-service sponsorship marketing agency providing consulting, property valuation, sales strategy, venue naming execution, strategic planning, event development/management/execution and affinity program services to both corporations and properties. WAM has offices in Toronto and New York. The project team assigned to the Exhibition Place account, will be the Principal, Hugh Wakeham.

WAM continues to be a leader in the sponsorship industry and manages global accounts. Because of its accounts, WAM has numerous contacts with CEO's, Presidents, Boards, and head offices of multinational corporations. WAM have the relevant experience, rigorous methodology, and exceptional track record of success to be considered for this work. WAM is well known in the industry for their success in securing naming rights sponsorships, establishing incremental streams of revenue, and creative activation of sponsor partnerships.

In Ontario alone, WAM has secured sixteen (16) naming rights agreements for venues including sport and recreation facilities, convention and trade centres, and performing arts centres. These include the Enercare Centre at Exhibition Place, the former Direct Energy Centre at Exhibition Place, Beanfield Centre at Exhibition Place, the former Allstream Centre at Exhibition Place. WAM have also executed naming rights agreements for the former Sony Centre, former Panasonic Theatre, former Canon Theatre (Toronto); CAA Centre (Brampton); Rogers K-ROCK Centre and Invista Centre (Kingston); Shaw Centre (Ottawa); and the Scotiabank Convention Centre (Niagara Falls); among others.

With respect to the performance of WAM over the last many years for Exhibition Place, the most significant success was the sale of the National Trade Centre naming rights to Direct Energy and subsequently to Enercare, Allstream Centre and subsequently Beanfield Centre.

Sale of the naming rights has been very difficult for the Board and two other sponsorship companies have made unsuccessful attempts. It was a major achievement for WAM to have found not only a naming rights sponsor at a very competitive fee but a naming rights sponsor which is also committed to a partnership with the Board on some of the Board's key initiatives.

It is because of this background, that staff are recommending a further short-term agreement with WAM agreement at this time. WAM, lead by Hugh Wakeham, has played a major role in the contract negotiations and contract implementation, and is very well respected by our naming partners. The first year of any relationship is key and there are always issues that have to be sorted out between the parties. Hugh Wakeham would be a great asset to ensuring this first-year implementation of any new naming goes very smoothly.

Assessment Objectives

When Exhibition Place initially pursued a naming rights partnership for the conference centre, it established criteria to guide the process of selecting an appropriate partner which criteria will also be followed in 2024 as noted below:

- Build Profile of Exhibition Place and Awareness – The sponsor must make a commitment to elevating the profile and stature of Exhibition Place and the Conference Centre.
- Reinforce Environmental Initiatives – The Board has positioned the grounds as a 'green zone' where new forms of energy are utilized, and state-of-the-art energy conservation programs are implemented. It is important to establish a relationship with a company that shares this mandate and can help Exhibition Place to achieve its environmental initiatives.
- Generate Business Efficiencies – The corporate alliance partner will not simply acquire a 'sponsorship' but will work hand-in-hand with Exhibition Place to create a showcase for public/private cooperation with resulting cost-savings for the Board.

- Offer Benefits to Exhibition Place Tenants, Show Producers and Visitors – An effective sponsor is able to add value to the experience of the tenants, show producers, and visitors to the facility.
- Generate Incremental Operating Income for Special Projects - The sponsor will pay a “rights” fee to Exhibition Place which will allow Exhibition Place to pursue incremental programs to further its mandate and meet its objectives.

WAM - Firm Overview

As President & CEO, Hugh Wakeham has been profiled in industry articles and has spoken on sponsorship and event marketing at international conferences.

Wakeham & Associates Marketing, Inc. specializes in valuation and sale of sponsorship marketing partnerships, with a focus on naming rights.

Corporate Mission Statement – Wakeham & Associates Marketing, Inc. will consistently offer its clients exceptional sponsorship marketing, consulting, and sales services designed to maximize revenue potential for venues and programs.

Strategic Direction – Wakeham & Associates Marketing, Inc. (WAM)) was launched in 1999 as a full-service sponsorship marketing agency offering services to both corporations and properties across Canada and the US. WAM success has been a direct result of our professional and service-oriented commitment to achieving client objectives. WAM’s experience and expertise is focused on sponsorship marketing and the many elements that comprise this marketing genre. WAM offer strategic planning and valuation associated with venue naming rights, as well as sales campaigns to secure naming rights partners for public buildings such as convention centers, sporting facilities and performing arts centers. WAM also secure sponsors and official suppliers for our client’s facilities and programs. WAM has provided naming rights valuation and consulting services, and secured naming rights and sponsorships for dozens of properties across North America. The combination of sponsorship marketing skills coupled with a highly creative application is what distinguishes WAM in serving its clients. WAM has successfully generated tens of millions of dollars in sponsorship revenues for its clients. WAM staff have been profiled in industry articles and have spoken on sponsorship and event marketing at international conferences. Their company was one of the founders of the Sponsorship Marketing Council of Canada, and the sole founding agency.

Nature of Business – Wakeham & Associates Marketing, Inc. offers three streams of service to its clients:

- Sponsorship and naming rights audits and valuations (determining assets that could be offered to sponsors and assessing their value).
- Sponsorship and naming rights sales campaigns (preparing solicitation materials, presenting opportunities to prospects, advising clients of any risks associated with any prospect; negotiating and concluding agreements; coordinating approval authorities); and
- Sponsor activation/stewardship (coordinating fulfillment of sponsorship benefits; overseeing design and installation of signage; interfacing with a client’s procurement, systems, and IT staff; coordinating with a client’s partners and

stakeholders; budget management; creation and implementation of critical path schedule, etc.).

WAM - Past Experience

Wakeham & Associates Marketing, Inc. has been providing feasibility assessments, naming rights valuations, strategic planning, and sales services since its inception in 1999 – over 25 years. During that time WAM has generated millions of dollars in sponsorship revenue for its clients annually through the effective sale of venue naming rights, official sponsor designations, official suppliers, and other marketing-based revenue-generation vehicles. With each naming rights client, WAM undertakes all strategic planning and valuation work in order to maximize revenue for the client, and to ensure justifiable pricing for the buyer.

Some naming rights agreements secured in Southern Ontario include:

Arena Naming Rights – Rogers K-Rock Centre, Kingston; Invista Centre, Kingston; CAA Centre, Brampton.

Convention Center Naming Rights – Scotiabank Convention Centre, Niagara Falls; Allstream Conference Centre, Toronto; Direct Energy Centre (formerly National Trade Centre), Toronto; Beanfield Centre, Toronto; Enercare Centre, Toronto; Shaw Centre, Ottawa.

Performing Arts Venue Naming Rights – Sony Centre for the Performing Arts, Toronto; Panasonic Theatre, Toronto; Canon Theatre, Toronto.

Other Naming Rights Consulting:

Arenas/Sporting Venues – Pan Am Aquatic Centre and Field House, Toronto; San Diego Arena, San Diego, CA.

Convention Centers – Shaw Convention Centre, Edmonton, AB; Telus Conference Centre, Whistler, BC.

Performing Arts Venues – Broward Center for the Performing Arts, Ft. Lauderdale, FL; Adrienne Arsht Center for the Performing Arts, Miami, FL; Stephen Sondheim Theater, New York, NY; Jazz @ Lincoln Center, New York, NY; Beverly Hills Cultural Center, Beverly Hills, CA; Vancouver Civic Theatres, Vancouver, BC; Elgin & Winter Garden Theatre Centre, Toronto, ON; Chicago Theater, Chicago, IL; Orlando Performing Arts Center, Orlando, FL; Studio 54 Theater, New York, NY; St. Lawrence Centre for the Arts, Toronto, ON; and many others.

Some “Official Sponsor” highlights include:

Convention Centers – Official Wi-Fi/Internet Provider (Shaw Communications, Beanfield Metrolink); Official Vehicle (Audi); Official Soft Drink, Beer, Wine (Coca-Cola, Pepsi-Cola, Labatt’s, Molson, Jackson-Triggs); Official Digital Signage Provider (Panasonic); Official Phone Charging Service (Brightbox Inc., Dominion Enterprises International); Official Energy Provider (Direct Energy, Enercare); Official Office Equipment (Ricoh); and so much more.

Performing Arts Venues – Official Wireless Services (Baka Communications, Telus Wireless, Verizon Wireless, AT&T); Official Soft Drink, Beer, Wine, Water (Coca-Cola, Pepsi-Cola, Labatt’s, Molson, Jackson-Triggs, Disani); Official Digital Signage Provider (Sony); Official Printers and Cameras (Canon) etc.

Theater series sponsorships including American Express, Visa, Wells Fargo, Lexus, Accenture, TD Bank, WaMu, Verizon Wireless, Raymond James, American Airlines, and many more. We have confirmed many creative alternative revenue streams for clients ranging from pay-per-vote text message voting programs, to pay-per-purchase retail partner campaigns, among others.

Terms and Conditions of Agreement:

Subject to the financial terms set out in Confidential Attachment 1, the terms and conditions contained within the original agreement dated June 30, 2014 shall remain substantially the same except as amended.

(1) Parties: Wakeham and Associates Inc. and the Board of Governors of Exhibition Place

(2) Term: May 1, 2024 to October 31, 2024

(3) Fees: as set out in Confidential Attachment 1

(4) Payment of Fees: Payable only as the Board first receives its naming fees

(5) Scope of Services: As detailed in Appendix A

(6) Out-of-Pocket Expenses – Reimbursement of all reasonable pre-approved expenses

(7) General: All other terms shall be as per the existing agreement, and such other and amended terms and conditions satisfactory to the Chief Executive Officer and the City Solicitor

CONTACT

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SIGNATURE

Don Boyle
Chief Executive Officer

ATTACHMENTS

Appendix A - WAM Scope Of Services
Appendix B - WAM Selected Business Clients
Confidential Attachment 1 - Financial Implications and Terms

Appendix A - WAM Scope of Services

Project Work Plan and Deliverables - WAM proposes the following work plan:

Naming Rights Sales Campaign

- A naming rights sponsorship sales campaign would take place over a six-month period, commencing immediately upon approval of the valuation document.

The deliverables would be as follows:

- Preparing draft sales presentation template;
- Preparing draft sponsorship target list;
- Preparing draft sponsorship agreement;
- Presenting naming rights and sponsorship opportunities to prospects;
- Creating custom activation concepts as required;
- Reporting on status of presentations to Exhibition Place staff as directed (i.e., on a bi-weekly basis);
- Presenting details of any interested parties and potential naming rights partnerships to Exhibition Place staff and making recommendations;
- Negotiating terms of agreements (along with the team at Exhibition Place);
- Preparing contracts (in collaboration with legal team for Exhibition Place) for execution;
- Initiating fulfilment of sponsorship and naming rights commitments.
- Target List Development - WAM would establish a target list of ten companies to approach. This list would be established in several ways, focusing on companies having a B2C orientation (business to consumer), and with a significant presence in the Toronto region. Companies would be considered which have a brand position that reflects that of Exhibition Place, and which have a target consumer that fits the demographics of the facility users. A list of all Exhibition Place suppliers – current and prospective -- would be reviewed, and each would be approached as appropriate. It may be appropriate to consider the government relations value of acquiring the naming rights to this venue in addition to purely the marketing value – this could significantly broaden the list of companies to be approached. The overall target list should be pre-approved by all approving bodies prior to the launch of the sales campaign. Any additions to the list after the launch of the campaign would be subject to the approval of all approval bodies.
- Proposal Development – A proposal template would be developed, which can be used as a basis for a customized proposal to be presented to individual prospects. The ‘story’ of the sponsorship opportunity and the standard benefits of sponsorship would be included in the template, and pre-approved by all approving bodies prior to the launch of the sales campaign.
- A series of activation concepts would be developed according to the needs of specific industries. These concepts would be added to the proposal template as appropriate to the company being targeted. These concepts should be pre-approved by all approving bodies prior to the launch of the sales campaign.

- **Contract Template** – A contract template would be developed in collaboration with Exhibition Place’s legal counsel. This should be reviewed and approved by all approving bodies prior to the launch of the sales campaign. Having this approved document in place will help to facilitate agreements once interested parties are identified.
- **Call for Expressions of Interest** – It is recommended that a public call for Expressions of Interest be undertaken at the outset of the campaign. While it is unlikely that this will result in any responses, our experience with similar properties indicates that the call for EOI results in fewer potential issues when a sponsor is secured, where competing companies might come forward claiming unfair access to the opportunity. Posting a call for EOI ensures equal access to the opportunity. A news release about the naming rights should also be issued to the sponsorship and marketing industry media as well as local press.
- **Approaching Prospects** – WAM would approach prospects with specific opportunities, customized to meet the business objectives of the prospect. The primary point of contact at a prospect company would be the Vice President of Marketing or Public Affairs. The prospect would be contacted by phone, and a meeting would be requested. At the meeting, WAM would present the opportunity to the prospect, outlining the benefits and focusing on those of specific interest to the prospect. If the prospect will not agree to a meeting until they have seen the proposal, WAM would send a soft copy of the proposal – either by e-mail, or on a flash drive by mail, and then follow up to schedule a meeting. If a prospect is interested in the opportunity and wants to delve into details of activation plans, etc., WAM would request that the prospect sign a Letter of Intent for a set period in order to negotiate specifics in good faith. Throughout the process, WAM would monitor the project schedule to ensure that deadlines are met.
- **Communications, Reports and Reporting Structure** – WAM will maintain excellent communications with Exhibition Place. WAM will always communicate in a professional manner and respect confidentiality in all sponsorship matters. Our company would propose a series of conference calls or Zoom meetings at the outset of the relationship during the period where valuation and strategy is being established. Once the sales campaign commences, WAM would propose sending a sales status chart in Excel format to the key Exhibition Place contact(s) on a weekly basis, indicating all activity during that period. Any special information or inquiries from prospects would be addressed on an as-needed basis with the appropriate Exhibition Place contact(s).

Project Timeline

WAM would commence work immediately upon executing an agreement for services with Exhibition Place. Assuming this could be achieved by May 1, 2024, the suggested timeline would be as follows:

May 1 - May 15 – Preparation of all elements of the project and presenting them to Exhibition Place staff for approval.

May 15 - October 31 – Sales campaign, negotiation of agreement(s); execution of legal contract(s) with corporate partner(s), assisting Exhibition Place staff as they prepare graphic standards for naming rights branding; announcement of naming rights partner(s), and commencement of fulfilment of contractual obligations.

Value Added

WAM takes pride in conducted its work with the utmost in quality control. Our consulting work is done with rigorous attention to detail. Property valuation is a particularly important step in the naming rights assessment work, requiring detailed review of assets and determination of value so that fees are justifiable, and revenue is maximized.

Legal Documents - Legal documents are a critical component of the work. WAM has a template naming rights agreement that can be adapted to this project. Having this in place will eliminate or reduce legal fees that the organization would have to incur. We prefer to establish an approved legal template for a naming rights agreement at the very outset of any sales campaign. We work with a naming rights template that has been created and approved by our legal counsel and invite our client's legal team to review the document and approve it for quality well in advance of the template being utilized with a sponsor partner.

Activation Concepts - Activation concepts for corporate sponsors are key elements of any naming rights or sponsorship proposal, and these creative concepts are often the key elements that entice a corporation to acquire a sponsorship. WAM has a track record of creating unique activation concepts that help them to achieve their business goals and objectives through the naming rights partnership.