



Governance and Priorities Committee Report For the Meeting of June 12, 2014

To: Governance and Priorities Committee **Date:** May 30, 2014
From: Jocelyn Jenkyns, General Manager
Subject: Civic Facilities Naming Rights – Philanthropic Guidelines

Executive Summary

The Victoria Conference Centre was established as a self-financing department of the City of Victoria in 1989. The centre was built on property owned by the Fairmont Empress. The Fairmont Empress and the City are parties to a 50 year lease which extends to 2037.

The centre is the sales organization for conferences in Victoria and works in partnership with the business, post-secondary, technology, tourism and hospitality sectors to bring direct spending related economic impact to the city of between \$40 and \$60 million a year. The VCC is benchmarked each year with other convention centres across the country and ranks highly year after year in its competitive set.

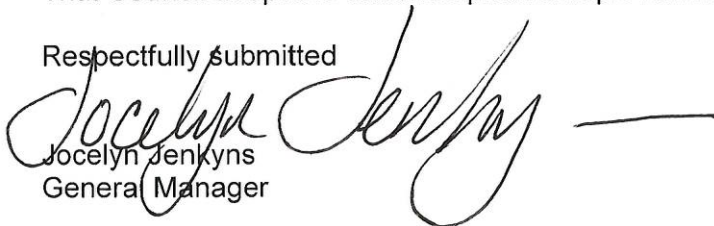
In early 2007, the VCC expanded their space to include the Crystal Garden to be able to accommodate larger conferences to the City. As of 2009, additional operating costs associated with the Crystal Garden as well as a decrease in business revenue led to the City providing a subsidy to the centre. In an effort to return to being self-financing, the City is exploring the financial opportunities related to naming rights.

In 2013, Spectrum Marketing was selected through a competitive process to conduct a feasibility study related to the naming rights opportunities that exist for the VCC. On April 24, Spectrum and staff presented draft corporate naming rights guidelines related to Corporate naming for City of Victoria Civic Facilities. Council then directed staff to draft philanthropic naming policy guidelines for review at a subsequent meeting.

Recommendation:

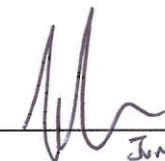
That Council adopt the attached philanthropic naming policy.


Respectfully submitted


Jocelyn Jenkyns
General Manager

Report accepted and recommended by the City Manager:

Date:


June 5, 2014

 CITY OF VICTORIA	COUNCIL POLICY	
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CHAPTER:		
SECTION:		
SUBJECT: Philanthropic Naming Recognition		
AUTHORIZED BY: Council		
EFFECTIVE DATE:		REVISION DATE:

1. PURPOSE

The purpose of this policy is to:

- provide guidance to City staff and others who have an interest in pursuing a philanthropic donation in support of a civic property
- ensure that there is a consistent approach to receiving, soliciting, managing and reporting on philanthropic namings
- ensure that the reputation, integrity and aesthetic standards of the City and its assets are protected, and
- ensure that revenues are provided to enhance community and public service priorities and amenities.

2. APPLICATION

(a) This policy applies to Civic Properties determined by City Council as being available for naming recognition in return for a philanthropic donation.

(b) This policy does not apply to:

- corporate naming rights or sponsorships wherein an organization provides goods, services or financial support in return for access to the commercial and/or marketing potential associated with the public display of the organization's name on a City property for a finite period
- gifts or donations where no recognition is granted to the donor, or
- bequeaths.

3. DEFINITIONS

For purposes of this policy:

"Philanthropic naming recognition" means the naming of Civic property in response to a charitable donation from an individual, group of individuals, civic or charitable group or other entity, that is intended to enhance the community by financial and/or in-kind support for a specific Civic property. This could take place in the form of an unsolicited donation or a campaign initiated by the City or Civic Property.

4. POLICY STATEMENTS

General

- (a) An asset analysis and market valuation is to be completed to determine the value of the property being considered for philanthropic naming recognition. Factors to be considered in development of the goal shall include, but not be limited to:
 - capital costs
 - annual operating and maintenance costs, and
 - desirability and marketability of the opportunity.
- (b) Proposals for philanthropic naming recognition will be evaluated on a case-by-case basis according to the compatibility of the proposed honouree, event or icon with the City's mission, vision and values.
- (c) A risk/benefit analysis should be completed prior to the acceptance of any philanthropic donation related to naming recognition.
- (d) The proposed benefactor's history and, if applicable, business activities should be appropriate to the specific opportunity for naming recognition.
- (e) Consideration shall be made with respect to how the proposed Civic Property name and philanthropic naming recognition satisfies the criteria of this policy. Specifically, the following should be considered:
 - Background information and/or biographical information (if named after an organization or an individual) demonstrating that the proposed name for the Civic Property is of significance to the community and/or the City and supports the image and values of the City.
 - Names should give a sense of place, continuity, belonging, and celebrate distinguishing characteristics and uniqueness of Victoria
 - Names should maintain a long-standing local area identification with residents of Victoria
 - Names shall be consistent with any other applicable City of Victoria policies and standards
- (f) Names which reflect or imply a reference to any of the following will not be eligible:
 - Elected officials currently in office
 - Political affiliation
 - Derogatory or offensive terms or references
 - Discrimination against race, gender, ethnicity, or creed
 - Duplication
 - Tobacco, alcoholic, pornography, weapons or other life-threatening products
- (g) The City must obtain documentation verifying that the person/organization (or their legal representative) for which the honorary naming is being bestowed is in agreement with the recognition.

- (h) A statement of intent is required outlining the details of and any conditions applicable to the financial contribution.
- (i) A list of recognition and benefits commensurate to the donation must be assembled.
- (j) The City or Civic Partner must retain all rights to manage and control the facility.
- (k) All philanthropic naming agreements shall be confirmed by a written contract that shall be approved by the City's Legal Services.
- (l) The terms and conditions of the philanthropic naming agreement must not conflict with the terms and conditions of an existing lease, license or agreement with the City.
- (m) Proceeds received by the City/Civic Property for the philanthropic naming recognition are to be used in accordance with the donor's wishes which may include the enhancement and maintenance of the named facility and the provision of programs and services directly related to its mandate.
- (n) Signage and branding shall conform to all applicable municipal bylaws and policies and must not impact the quality and integrity of the associated properties, buildings or land.

Naming Rights Agreements

- (o) A philanthropic naming rights agreement for a Civic Property will be evidenced in a written contract that will include the following:
 - A definitive term that does not exceed the useful life of the property
 - The value of the consideration and, in the case of in-kind contributions, the method of valuation
 - The payment schedule
 - Rights and benefits, and
 - Confidentiality terms.
- (p) A philanthropic naming recognition agreement will be reviewed by the City Solicitor prior to finalization in order to ensure that the City's legal interests are protected.

Donor Recognition

- (q) The City of Victoria will consider naming a public building or property or features of a building or property as a means of providing recognition for significant financial gifts to the City, in accordance with this and other applicable city policies.
- (r) The City will establish an aggregate campaign goal for specific philanthropic naming rights opportunities. Factors to be considered in development of the goal shall include, but not be limited to, capital costs, annual operating and maintenance costs, and desirability and marketability of the opportunity. Each campaign shall be developed on a case-by-case basis.

- (s) The City will establish associated benefits for specific donations related to philanthropic naming rights campaigns.
- (t) All naming rights shall be approved for a specific term, which shall not be longer than the useful life of the property or facility, as determined by the City, unless otherwise established in a donor contract approved by the City and the donor.

5. RESPONSIBILITIES

- (a) City Council will:
 - Exercise decision-making authority for opportunities for naming regardless of whether guidelines are met or not.
 - Approve and revise these guidelines as necessary.
 - Ensure processes that balance the need for information to be made public, with the requirements for confidentiality in negotiations.
 - Accept philanthropic contributions and provide appropriate donor recognition based on these guidelines.
- (b) City Administration will:
 - Designate a key contact who will:
 - Act as the main contact and information conduit
 - Participate in donor discussions on behalf of the Civic Partner
 - Consult with other City resources as appropriate
 - Assess the extent to which guidelines have been met, and
 - Ensure timely communication to Council and other members of the Administration.
- (c) Civic Partner will:
 - Provide the City Manager with notice of intent to pursue a philanthropic naming donation/campaign in advance of commencing such activity.
 - Maintain regular communication with the City Manager.
 - Undertake due diligence efforts to ensure that these Guidelines have been considered.
 - Provide a written summary of the philanthropic naming recognition donation/campaign that addresses the application of these guidelines including:
 - results of asset analysis and market valuation
 - Results of risk/benefit analysis, including any possible contentious issues, if any, and proposed methods of resolving those issues
 - Value and term of philanthropic rights, and
 - Intended use of funds.

6. REVISION HISTORY