

# SPONSORSHIP AND ADVERTISING ASSET INVENTORY VALUATION

## Report

October 2024



LAND

## Acknowledgement

We acknowledge the corporation of the Town of Whitby is located on the Lands of the Great Mississauga Nations who are signatories to the Williams Treaty. These communities include the Mississaugas of Scugog Island, First Nations of Alderville, Beausoleil, Curve Lake, Hiawatha, Chippewas of Georgina Island, and Rama. We believe it is important that we learn, and work to reconcile the impact we, and those before us, have had on the original inhabitants. On behalf of the Town of Whitby, we want to thank them for sharing this land and all its resources. At the Town of Whitby, our goal is to respectfully share in the responsibility of the stewardship and protection of these ancestral lands and waters and continue towards truth and reconciliation as we move forward as friends and allies with all First Nations, Inuit, and Metis people.



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# EXECUTIVE Summary

## Background

The Town of Whitby, located in the heart of the Regional Municipality of Durham, is a thriving urban town where businesses grow and talent is nurtured. The Town's Advertising and Sponsorship portfolio, managed by the Advertising and Sponsorship Sales Manager, has been instrumental in fostering business opportunities and community engagement for over two decades. This report provides an evaluation of the Town's current asset inventory, recommends optimizing practices to maximize revenue through new and existing opportunities.

## Project Objectives and Methodology

In November 2023, the Town of Whitby engaged with Interkom to:

1. Review and assess existing advertising, sponsorship, and event assets.
2. Evaluate and propose enhancements to procedures, pricing models, and staffing levels.
3. Identify new advertising and sponsorship opportunities based on industry best practices.

This work was undertaken in three phases:

1. Internal Review: Review and evaluation of Town-supplied documents and site visits to understand and observe current assets and operations.
2. Environmental Scan: Research into industry best practices and benchmarking with comparable municipalities.
3. Recommendations: Proposals for process enhancements, resource adjustments, and new revenue opportunities.

## Key Findings

### Asset Inventory and Sponsorship Program

The Town of Whitby has a robust advertising and sponsorship program, with assets categorized as Naming Rights, Sponsorship, Advertising, Town-Wide Public Programs and Services, Town-Wide Themed Initiatives, In-Kind Services, and Other Unique Opportunities.

Major facilities like the new Whitby Sports Complex and Iroquois Park Sports Centre provide significant naming rights potential. In addition, annual events and public programs offer increased sponsorship opportunities.

Currently the sponsorship and advertising program generates a total annual revenue of \$607,000, including:

- Annual revenue for facility sponsorship and advertising: \$330,000
- Annual revenue for special events sponsorships: \$119,000
- Annual revenue for Mayor and Council Golf Classic: \$158,000

### Advertising Rates

A review and comparison of advertising rates posted by various municipalities indicate that the Town of Whitby's pricing strategy generally reflects fair or above-market prices. However, extensive staff resources seem to be required for the service and maintenance of rinkboards and backlit signs. The recommendations include exploring outsourcing for rinkboard advertising and backlit signage maintenance, which can potentially free up staff time to pursue more lucrative revenue opportunities, such as naming rights sales.

### Benchmarking and Best Practices

The consultant conducted an environmental scan that involves researching industry best practices and benchmarking against comparable municipalities. This process helps to identify trends, standards, and practices that can be adapted for enhancement of the Town of Whitby's current Advertising and Sponsorship Program. Fundamental to the recommendations in this report were the insights obtained from nine comparable municipalities, which highlighted the importance of asset prioritization and the focus on naming rights for municipally owned assets vs. pure advertising sales for rinkboards, backlit signs, etc.





# RECOMMENDATION #1

## Focus On Selling Naming Rights of New and High-value Assets

### RATIONALE

As a result of the sponsorship and advertising asset review, the priority needs to be a sustained focus on marketing and selling naming rights for new and existing high-value (high visitor number) municipal capital assets, with a particular emphasis on the new Whitby Sports Complex. It is recommended to identify prospective donors/sponsors and outreach, leveraging the excitement and visibility of a new facility to attract donors/sponsors for naming rights. This state-of-the-art facility represents a \$3.6 million revenue opportunity (or \$360,000 annually) to the current income stream derived from this newly built asset. With less than 14 months remaining to the anticipated opening, it is imperative to act now.

In addition, donor/sponsor engagement and relationship building and sponsorship activation are key to success. Provide sponsors with meaningful opportunities to engage with the facility's audience through experiential activations, branded content, or interactive experiences. Use data analytics (i.e. website analytics and social media engagement insights) and feedback mechanisms to assess the effectiveness of sponsorship initiatives and provide frequent updates to sponsors.

### ACTIONS

1. Initiate the sponsorship sales initiative in fall 2024.
2. Prioritize selling of naming rights rather than advertising.

# RECOMMENDATION #2

## Update Staffing Model

### RATIONALE

After reviewing the current staffing of the sponsorship team, we recommend that the Town of Whitby hire an additional full-time staff member to the sponsorship team to help manage the new focus and expanded portfolio. This additional resource is aimed to enhance the team's capacity, allowing the Advertising and Sponsorship Sales Manager to focus on engaging with potential sponsors and private donors and focus on selling naming rights and managing the expanded asset portfolio to increase overall revenue. Detailed cost and revenue projection analysis indicates that with the new staffing structure, the program will generate a substantial increase of net revenue close to \$250,000 over five years.

### ACTIONS

1. Develop a job description for the new FTE role to be added to the sponsorship team.
2. Recruit a new staff member and provide training.
3. Divide responsibilities and reach out to sponsors and prospective donors.

# RECOMMENDATION #3

## Enhance Operational Excellence

### 1. Track visitor number by adding people counting devices at all facilities

Tracking visitor numbers in municipal facilities is crucial for several reasons. The data collected supports operational, financial, and strategic decisions, such as:

- Program and service planning
- Operational efficiency and resource allocation
- Financial planning and budgeting
- Strategic planning and facility expansion
- Naming rights and sponsorship selling

Visitor data is critical when pitching naming rights and sponsorship opportunities, as it demonstrates the facility's reach and visibility. Higher foot traffic makes the facility more attractive to potential donors/sponsors.

### 2. Offer discounted rate for community groups and organizations

Offering discounted rates to community groups and organizations serves several strategic, social, and economic purposes, such as:

- Enhancing facility utilization
- Promoting inclusivity and accessibility
- Positive public relations and community perception

#### Steps to implement:

- 1) Define a Preferred Rate Program and set a preferred rate (i.e. a 15-30% discount) for community groups and organizations (i.e. minor sports groups, cultural groups, service clubs, not-for-profit organizations, etc.)
- 2) Outline procedure, criteria or eligibility for enrollment
- 3) Publish Program information (including an application form) on Town's website

### 3. Boost team collaboration

Successful naming rights and sponsorship selling requires effective team collaboration across various departments such as Sponsorship team, Legal and Finance, and Facility Operations, etc.. Each team brings specialized skills and knowledge that contribute to creating attractive sponsorship packages, negotiating deals, activating sponsorship benefits, and securing financial commitment by donors/sponsors.

Effective communication between Sponsorship staff and Finance is required for tracking and collection of donor/sponsor payments, especially when dealing with multiple-year agreements. Consider exploring software solutions tailored for donation/sponsorship management that can also serve as a customer relationship management (CRM) tool. Potential software options include HubSpot, DonorPerfect, and Societ (formerly Sumac).





# Background

The Town of Whitby's Advertising and Sponsorship portfolio, managed by the Advertising and Sponsorship Sales Manager, has been instrumental in fostering business opportunities and community engagement for over two decades.

The Advertising and Sponsorship Sales Manager oversees a myriad of responsibilities including prospecting, pitching, contracts/renewals execution, processing invoices and payment tracking, budgeting, project managing third-party installations and overall client relationship and retention. This role has evolved tremendously over the past two decades. As a result, the Town is taking proactive steps to assess current practices and procedures, explore new revenue opportunities, and ultimately optimize revenue through the Town's current assets and new opportunities.

The end goal is to continue to be a leader in municipal Advertising and Sponsorship while working to expand its overall revenue. Advertising and Sponsorship opportunities provide businesses the opportunity to engage with the community and strengthen the overall economic viability of the Town. It also helps to offset operating costs and alleviate the overall tax burden on residents.

The project objectives as per the original Request for Proposal document:

- Review and assess existing advertising, sponsorship, and event assets;
- Review, evaluate, and propose enhancements to existing procedures, pricing models, and staffing levels;
- Propose new advertising and sponsorship opportunities based on industry best practices.

Following an open and competitive Request for Proposals process conducted in September-October 2023, Interkom Inc. emerged as the chosen partner for this initiative. With a wealth of experience spanning several decades, Interkom Inc. has demonstrated expertise in collaborating with municipalities across diverse services, making them the perfect fit for this project collaboration.



## OVERVIEW OF **Methodology**

The goal of conducting an Advertising and Sponsorship Asset Inventory and Valuation was to enhance the Town’s existing Advertising and Sponsorship program that would maximize revenue generation, for years to come.

The consultant used the following phased approach to assess the Town of Whitby’s current Advertising and Sponsorship assets and operation and identify opportunities for growing the pipeline.

Internal Review	Environmental Scan	Recommendations
<ul style="list-style-type: none"><li>• Asset inventory</li><li>• Policies</li><li>• Program details</li><li>• Site visits</li><li>• Marketing materials (current Sponsorship Package)</li></ul>	<ul style="list-style-type: none"><li>• Interview and consultation with comparable municipalities</li><li>• Interview internal staff</li><li>• Internet research</li><li>• Industry best practices and trends</li></ul>	<ul style="list-style-type: none"><li>• Process enhancements</li><li>• Resources and staffing</li><li>• Revenue generation opportunities</li></ul>

# Phase 1: Internal Review

The following Town-supplied documents were reviewed:

- Properties list
- Advertising and Sponsorship asset inventory and revenue tracking sheets
- Contract templates
- Examples of Advertising and Sponsorship Agreements
- Advertising and Sponsorship Sales Manager position description
- Town of Whitby Policies:
  - Municipal Property and Facility Naming Policy
  - Paid Advertising and Sponsorship Policy
  - Special Events Policy
  - Adopt-a-Park Program and Policy
  - Tree and Bench Dedication Commemorative Program and Policy
- Special Events Sponsorship Package (2024 version)
- Facility Advertising Package (2024 version)
- Town of Whitby web page - Advertising and Sponsorship Opportunities
- Project overview for the new Whitby Sports Complex

## Meetings and Site Visit:

- Meetings with Advertising and Sponsorship Sales Manager about the program details
- Meeting with Capital Project Manager regarding the new Whitby Sports Complex
- Site visit of various facilities, including:
  - Iroquois Park Sports Centre
  - Whitby Public Library
  - 55+ Recreation Centre
  - Whitby Civic Recreation Complex
  - McKinney Centre
  - Brooklin Community Centre & Library
  - Luther Vipond Memorial Arena

## Phase 2: Environmental Scan

The environmental scan phase of work consisted of internet research and solidifying industry best practices and trends, including the following references:

- Canadian Sponsorship Landscape Study (CSLS)<sup>1</sup>
- IEG's Guide to Sponsorship<sup>2</sup>

In addition, benchmarking research was conducted with various municipalities. The consultation interviews were conducted virtually during January to March 2024 period.

A list of municipalities was identified by the Town of Whitby sponsorship and advertising staff. The following are the research participants:

- City of Burlington
- City of Cambridge
- City of Oshawa
- City of Peterborough
- City of Pickering
- City of Richmond Hill
- City of St. Catharines
- Town of Ajax
- Town of Oakville

## Phase 3: Recommendations

Interkom to propose recommendations for the following areas:

- Revenue generation opportunities (details on page 32)
- Resources and staffing (details on page 33)
- Process enhancements (details on page 38)

### References:

<sup>1</sup>[https://thet1agency.com/wp-content/uploads/2023/11/CSLS\\_17th\\_AnnualReport\\_November\\_2023-1.pdf](https://thet1agency.com/wp-content/uploads/2023/11/CSLS_17th_AnnualReport_November_2023-1.pdf)

<sup>2</sup>IEG's Guide to Sponsorship (PDF file on file).



# Key Findings

## Benchmarking and Best Practices

Based on the comparable size and population, a list of municipalities was identified by the Town of Whitby sponsorship and advertising staff for the benchmarking research. Among them, nine municipalities participated in the study (see list on the previous page).

These municipalities were approached for confidential interviews. Prior to the interviews, a discussion guideline (interview questionnaire) was prepared, approved and shared with the participants. Additionally, further research into other municipalities supported the benchmarking and development of the best practices.

Key insights gained from this benchmarking research and industry best practices are summarized below.

### Facility Naming & Sponsorship

- 1. Alignment with Brand Values:**  
Seek partnerships that align with the values, mission, and target audience of both the facility and the sponsor.
- 2. Engagement and Activation:**  
Provide sponsors with meaningful opportunities to engage with the facility’s audience through experiential activations, branded content, or interactive experiences. Encourage sponsors to go beyond passive logo placement and create memorable interactions with attendees.
- 3. Relationship Building:**  
Use data analytics (i.e. website analytics and social media engagement insights) and feedback mechanisms to assess the effectiveness of sponsorship initiatives and provide frequent updates to sponsors.



## Process and Procedures

- 1. Clear Policies:**

Have clear and transparent policies in place for naming rights, sponsorship, and advertising to guide the process, approvals, and contractual arrangements.
- 2. Insurance Protocols:**

Establish insurance requirements for sponsorships and naming agreements, particularly for higher-value contracts, to mitigate potential risks.
- 3. Structured Sales Process:**

Implement a structured sales process, including presentations, agreement drafting, leadership team and Council approvals, and legal reviews, to ensure a smooth and efficient process.
- 4. Regular Internal Reviews:**

Conduct regular internal reviews of key performance indicators, revenue figures, and pipeline progress to assess the effectiveness of the sponsorship and advertising program.

## Staffing and Resources

- 1. Effective Team Structure:**

Establish an effective team structure with dedicated roles, clear responsibilities, and appropriate staffing levels to manage sponsorship, naming, and advertising activities.
- 2. Regular Training and Development:**

Provide regular training and development opportunities for staff involved in sponsorship and advertising to stay updated on industry trends, best practices, and new technologies.
- 3. Collaboration Across Departments:**

Foster collaboration between the revenue generation team and other departments to enhance coordination, share responsibilities, customer service, and maximize resources.
- 4. Utilization of Specialized Software:**

Explore the use of specialized donation/sponsorship management software or Customer Relationship Management (CRM) to enhance project implementation, invoicing and payment status tracking, and donors/sponsors relationship management.

## Review and Evaluate Advertising, Sponsorship and Event Assets

The Town of Whitby has a comprehensive advertising and sponsorship program in place and has been successfully running the program for over twenty years. Based on the Town-supplied asset inventory related to sponsorship and advertising, the assets can be organized into the following core categories.

### 1. Naming Rights

Opportunities where a sponsor name can be added as a prefix to the facility name and/or amenities and receive a wide range of supporting visibility opportunities over an extended term, for example, Scotiabank Rink at Iroquois Park Sports Centre.

### 2. Sponsorship

Opportunities where a company or organization can associate their brand with Town-operated programs and services, festivals & events, i.e. being a sponsor for the Town's Canada Day event.

### 3. Advertising

Commercial advertising opportunities where there is no implied associative element or relationship between the Town and the advertiser, i.e. rinkboard advertising.

### 4. Town-Wide Public Programs and Services (Stand-alone or Bundled)

Opportunities to support Town-wide programs or services that are offered to citizens under a centralized or common delivery system, i.e. public swims or skates.

### 5. Town-Wide Themed Initiatives

Opportunities for companies to associate their brand with high profile Town-wide initiatives to improve the lives of citizens i.e. Town's sustainability initiatives.

### 6. In-Kind Services

Where the Town is able to realize direct budget savings as a result of products or services being offered as a part of a sponsorship, i.e. flower gardens, parking lot paving, etc.

### 7. Other Unique Opportunities

Other opportunities for sponsorships that are not necessarily related to any of the above categories, i.e. official supplier status.

## Overview of Town of Whitby's Asset Inventory for Naming Rights, Sponsorship, and Advertising

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### Naming Rights

- Iroquois Park Sports Centre and its arenas 1-6 and pool
- McKinney Centre and its arenas 1-3
- Whitby Civic Recreation Complex and its health club and pool
- Brooklin Community Centre & Library and its interior spaces (seniors' activity room, youth room, dedicated pre-school program space, gymnasium, craft room, multi-purpose banquet room, meeting rooms)
- Luther Vipond Memorial Arena
- Port Whitby Marina and lounge
- Parks & trails
- New Asset: Whitby Sports Complex (under construction) and its interior spaces
- Additional Opportunity: Naming of existing facilities – the entire building and other interior space that is not sold currently

### Sponsorship

- Family Day
- Gardening Speaker Series
- Volunteer Appreciation Celebration
- Recreation & Park Month
- Canada Day
- Culture Pop-ups
- Music in the Park
- Movies in the Park
- Harvest Festival
- Ghost Walks of Whitby
- Christmas in the Village
- Whitby Lights the Night & Festival
- Youth Week
- Youth Room Open House
- Art Attack
- Celebrating Youth Awards
- Senior's Month
- New Signature Event
- SPECIAL PROJECT: Mayor & Council Golf Tournament

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**Advertising**

- Arenas/Recreation Facilities (a combination of rinkboard, facility ads, lobby racks, digital (screen) advertising, zamboni wraps, score clocks, marquee signage, dressing room signs)
- Online opportunities (Town or event website, e-newsletters, social media channels)

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**Public Programs and Services**

- Public Swims
- Public Skates

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**Town-Wide Theme Initiatives**

- LEAF: Backyard Tree Planting Program & Community Greening Program
- Electric Vehicle Charging Stations
- Facilities Waste Container Replacement
- Beehive Project
- Public Art

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**In-Kind Services**

- Sports equipment
- Flower gardens

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**Exclusive Provision of Products or Services**

- Official Supplier status
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## Main Facilities

# Iroquois Park Sports Centre

Iroquois Park Sports Centre is Canada's largest municipally owned and operated multi-use sports complex. The Centre is surrounded by 50 acres of parkland.

- Year built: Established in 1976 with renovations in subsequent years
- Size: 244,485 square feet
- Annual visitor number: 2.2 million
- Amenities:
  - o 6 arenas, including a large stadium arena
  - o 25-metre, deep water swimming pool and a wading pool
  - o 6 illuminated tennis courts
  - o Outdoor skate park
  - o Two unlit baseball diamonds
  - o 1 lit soccer field
  - o 400-seat licensed restaurant
  - o Full-service pro shop
  - o Children's playground
  - o Parking to accommodate 750 vehicles
  - o Banquet and meeting rooms
  - o Facility administration office
  - o Elite athletic training facilities
- Location: Adjacent to other community facilities and surrounded by mixed low-density residential and commercial properties
- Usage: Sports tournaments, recreational activities, community events
- Current annual revenue: \$251,000
- Potential annual revenue through additional naming rights sales: \$400,000





## McKinney Centre

- Year built: Built in 2004
- Size: 100,640 square feet
- Annual visitor number: 1 million
- Amenities:
  - 2 arenas
  - 1 board-less figure skating surface with sound room, mirrors and spectator seating
  - Several meeting rooms
  - Youth Room open to Whitby youth 12-18 years of age
  - Barrier free playground
  - Lit tennis courts
  - Skateboard park
- Location: Surrounded by residential subdivisions and institutional uses
- Usage: Sports activities, community events, public meetings
- Current annual revenue: \$105,100
- Potential annual revenue through additional naming rights sales: \$155,400



## Whitby Civic Recreation Complex

- Year built: Built in 1991 with major renovations in 2022/2023
- Size: 54,925 square feet
- Annual visitor number: 560,000
- Amenities:
  - o Fully accredited health club offers state-of-the-art cardio and conditioning equipment
  - o 2 recreational pools
  - o meeting rooms
- Location: Predominantly residential area with commercial establishments
- Usage: Fitness, sports activities, recreational activities, community events
- Current annual revenue: \$20,550
- Potential annual revenue through additional naming rights sales: \$60,560



## Brooklin Community Centre & Library

- Year built: Built in 2010
- Size: 41,550 square feet
- Annual visitor number: 220,000
- Amenities:
  - Library branch
  - Adult 55+ activity room
  - Youth room open to Whitby youth 12-18 years of age
  - Dedicated pre-school program space
  - Gymnasium
  - Craft room
  - Multi-purpose banquet room
  - Meeting rooms
- Location: Surrounded by residential subdivisions with institutional uses
- Usage: Community gatherings, educational programs, recreational activities
- Current annual revenue: \$2,100
- Potential annual revenue through additional naming rights sales: \$52,000





## Luther Vipond Memorial Arena

- Year built: Original building constructed in 1973 with renovations in 2010, 2019
- Size: 29,700 square feet
- Annual visitor number: 80,000
- Amenities:
  - 1 ice arena with seating and viewing areas
  - Lit baseball diamond
  - Children's playground
  - Tennis courts
  - Skateboard park
  - Cricket Field (temporary)
- Location: Brooklin area with residential and commercial surroundings
- Usage: Sports activities, community events
- Current annual revenue: \$11,000
- Potential annual revenue through additional naming rights sales: \$13,000



## 55+ Recreation Centre

- Year built: Original building constructed in 1976 with an addition in 1996
- Size: 17,210 square feet
- Amenities:
  - Activity rooms for seniors
  - Meeting rooms
  - Lounge
  - Dining area
- Location: Surrounded by residential buildings and parks
- Usage: 55+ adult activities and events

## Asset Inventory Valuation

### Naming Rights

Naming rights are a financial transaction – either a form of advertising (publicity) whereby a corporation or other entity purchases the right to name a facility (or portion of a facility), or an individual to fulfill philanthropic legacy, typically for a defined period of time.

Municipalities often engage in naming rights agreements to secure funding for public facilities, enhancing community infrastructure while recognizing corporate or individual benefactors.

Table 1 below showcases diverse approaches and financial arrangements of naming rights of municipal assets. Please note that the figures below are the facility naming value alone - does not include any revenue generated from interior space naming.

Table 1a: Durham Region Area

Municipality	Category	Total amount	Term	Annual Value	Year asset was named	Condition when asset was named
<b>Oshawa</b> Delpark Homes Centre	Sports & Recreation	\$1.5 million	10-year	\$150,000	2018	Existing
<b>Pickering</b> Chestnut Hill Developments Recreation Complex	Sports & Recreation	\$1.125 million	15-year	\$75,000	2019	Existing



**Table 1b: Other Examples**

<b>Municipality</b>	<b>Category</b>	<b>Total amount</b>	<b>Term</b>	<b>Annual Value</b>	<b>Year asset was named</b>	<b>Condition when asset was named</b>
<b>Barrie</b> Peggy Hill Team Community Centre	Sports & Recreation	\$640,000	8-year	\$80,000	2022	Existing
<b>Brampton</b> Save Max Sports Centre	Sports & Recreation	\$2.5 million	15-year	\$16,667	2020	New Build
<b>Burlington</b> Haber Recreation Centre	Sports & Recreation	\$1.7 million	25-year	\$68,000	2013	New Build
<b>Burlington</b> Burlington Performing Arts Centre	Sports & Recreation	\$5 million	25-year	\$200,000	2010	New Build
<b>Cambridge</b> Cambridge Recreation Complex	Sports & Recreation	\$3 million	15-year	\$200,000	Valuation	Under construction
<b>Cambridge</b> Preston Auditorium Expansion	Sports & Recreation	\$1.5 million	15-year	\$100,000	Valuation	Under construction
<b>Cambridge</b> Fountain St. Soccer Complex	Sports & Recreation	\$1 million	10-year	\$100,000	valuation	Under construction
<b>Milton</b> FirstOntario Arts Centre Milton	Arts & Culture	\$1 million	25-year	\$40,000	2017	Existing
<b>Pelham</b> Meridian Community Centre	Sports & Recreation	\$1 million	25-year	\$40,000	2018	New Build
<b>Peterborough</b> Miskin Law Community Complex	Sports & Recreation	\$600,000	10-year	\$60,000	2023	New Build
<b>St. Catharines</b> FirstOntario Performing Arts Centre	Arts & Culture	\$3 million	25-year	\$120,000	2015	New Build
<b>St. Catharines</b> Meridian Centre	Sports & Recreation	\$5.23 million	25-year	\$209,200	2013	New Build

**When reviewing the above examples, take a note of the following:**

**High-Value Agreements:**

- Notable high-value deals include the Burlington Performing Arts Centre (\$5 million) and St. Catharines' Meridian Centre (\$5.23 million). These substantial naming rights investments reflect a significant commitment to prominent new builds or major community assets.

**Term Lengths**

- Long-term agreements: Long-term deals (25 years) are common for new builds and significant community facilities, providing stability and ongoing funding.
- Short to mid-term agreement: The shorter terms (8-10 years) may align with phased development plans.

**Development Condition**

- New builds or under construction: Agreements made during the construction phase help generate community excitement and support. Typically help attract more naming and sponsorship interests.
- Existing Facilities: Some naming rights are for existing structures, aiming to reinvigorate and support ongoing operations.

***Naming rights is potentially one of the most lucrative areas that a municipality can capitalize on to generate sustained revenue, although it also requires the largest investment of time and effort to secure an agreement (estimated 6-18 months). The advantage of selling naming rights is that the longer-term agreements require minimal servicing once the agreements are in place.***

**Here are a few examples of naming rights recognition:**



Facility naming example – FirstOntario Performing Arts Centre in St. Catharines



Facility naming example – Meridian Community Centre in Pelham



Interior naming examples – Partridge Hall and Cogeco Lobby in FirstOntario Performing Arts Centre, St. Catharines

## Determining What a Naming Right or Sponsorship is Worth

Calculating the value of rights or sponsorship value of a municipal-owned facility or facility component typically involves considering various Rights factors. Keep in mind that each situation is unique, and flexibility and creativity may be necessary to secure mutually beneficial donor and sponsorship agreements.

**Here is a basic framework that can help guide the valuation process:**

### 1. Assess Comparable Landscape

- Start by researching similar naming rights and sponsorship deals for municipal-owned facilities in your region or similar markets. Look at the terms, duration, and financial details of these deals to establish a benchmark. (Table 1 is an example.)
- Analyze the local market dynamics, including the level of competition for sponsorship dollars, economic conditions, and demographics.

**Example:** Is the municipality in a depressed state or a bustling economy? Is there a lot of competition among companies?

### 2. Evaluate Facility Characteristics

- Size and prominence of the facility in the community.
- Usage rates and number of visitors or attendees.
- Demographics of the facility's audience.
- Unique features or amenities that may enhance sponsorship value.
- Potential for exposure through media coverage, events, or community engagement.

**Example:** Is this a new facility? Is it a community landmark? Is it “The first...”, “The only...”, or “The largest facility...”? Does the facility appeal to a wide range of audiences year-round? How many people does it serve year-round?

### 3. Determine Exposure and Reach

- Assess the visibility and promotional opportunities offered by the facility, including signage, digital advertising, event mentions, etc.
- Estimate the reach and engagement of these promotional channels to gauge their value to potential sponsors.

**Example:** Is it located along a main traffic artery where it will be visible to a lot of vehicle traffic? Does it mainly serve a community or the entire municipality? Will the facility be mentioned frequently in media such as newscasts and sportscasts? Is the facility Home Venue for a recognizable sports franchise? Are there other ways to provide additional visibility such as signage, publications, website and social media?

## Levels of Naming Rights in a Facility

The levels of naming rights are often structured in a tiered approach based on the visibility, exclusivity, and prestige of each opportunity. Here's a breakdown of typical naming rights levels based on industry best practices:

### 1. Primary Naming Rights

Facility Naming Rights: This is the highest and most prominent level. The donor/sponsor's name becomes part of the facility's official name (i.e., "ABC Sports Complex").

### 2. Major Feature Naming Rights

Key Area Naming Rights: This level includes naming rights for significant components within the facility, such as an arena, aquatic center, gymnasium, or theatre (i.e., "XYZ Arena").

### 3. Secondary Area Naming Rights

Room or Space or Amenities Naming Rights: Donors/Sponsors can secure naming rights for specific spaces like meeting rooms, lounges, lobby, sports courts (i.e., "XYZ Conference Room", "XYZ Field").

### 4. Program or Event Naming Rights

Event or Program Naming: Donors/Sponsors can attach their name to key programs, events, or series hosted within the facility (e.g., "XYZ Summer Camp").

Based on consideration of the above factors, an estimated valuation is assigned to a facility, an event, etc. for its possible naming rights or sponsorship. **Overall, the naming rights sales of the new Whitby Sports Complex has a potential to generate approx. \$360,000 annually; the naming rights sales of existing main recreational facilities represent a further \$289,000 (see Table 2) annual revenue generation potential.**

**Table 2: Summary of Additional Annual Revenue Potential of Existing Facilities Through Naming Rights Sales**

Facilities	Additional Annual Revenue Potential
Iroquois Park Sports Centre	\$148,900
McKinney Centre	\$50,300
Civic Recreation Complex	\$40,010
Brooklin Community Centre & Library	\$49,900
<b>Total Annual Revenue Potential</b>	<b>\$289,110</b>

*It is important to point out that the asset inventory will likely never be completely sold in its entirety. It is intended to provide companies with multiple choices and price points for participating in Town initiatives. For example, in the revenue projection tables on pages 36, 37, an estimate of 50% of annual sales of the asset inventory of the new Whitby Sports Complex is used.*



## Advertising Rates Review and Comparison

As part of the Town of Whitby's initiative to optimize revenue generation through advertising and sponsorship, a comprehensive review of advertising rates was conducted. This research included reviewing available advertising rates information in the public domain, as well as information obtained from participating municipalities during previously mentioned benchmarking research.

### Typical advertising media examples



Rinkboard



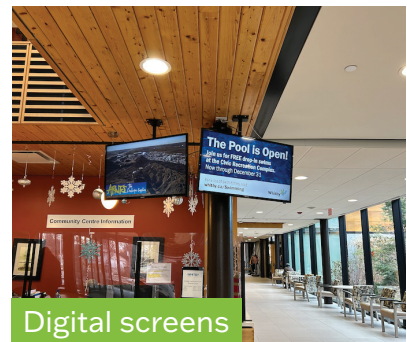
Backlit signage



Zamboni wrap



In-Ice logo



Digital screens

## Advertising rate comparison

The advertising rate comparison in the Tables 3 and 4 below shows the types of advertising, rate range from various municipalities, and the rates that are currently used at Town of Whitby.

**Table 3: Arena Advertising**

Medium	Dimension	Rate Range (Per Location)	Whitby Rate
Rinkboard	2.5'x8', 3.25"x8"	\$643 - \$1,745 (per year)	\$750-\$1,500 (per year), rate varies by location
Arena Board	3'x8'	\$1,663 - \$1,996 (per year)	Bundled into Naming Rights benefits
Scoreboard/Clock	High-definition video scoreboard 7.4'x8'	\$119 - \$240 (per month)	Bundled into Naming Rights benefits
Centre Ice Logo		\$3,000 (per year)	Bundled into Naming Rights benefits
In-Ice Logo	excluding centre ice	\$1,180 (per year)	Bundled into Naming Rights benefits
On-Ice Resurfacer (Zamboni wrap)	Full wrap	\$395 - \$8,500 (per year)	Bundled into Naming Rights benefits

**Table 4: Display Advertising**

Medium	Dimension	Rate Range (Per Location)	Whitby Rate
Backlit	4'x6'	\$2,400 (per year)	\$2,500-\$5,000 (per year), rate varies by location
Backlit	4'x12'	\$2,250 - \$2,600 (per year)	\$4,000 (per year)
Backlit	8'x16'		\$4,000 (per year)
Digital Screens	42" television, 20-second digital commercial	\$79 - \$1,836 (per year)	\$2,100 (per year)

## Findings and Recommendations

- Town of Whitby's current rinkboard advertising rates are fair. It is recommended that no rate change is required.
- Town of Whitby commands a higher rate for backlit signage and digital signs than other municipalities.
- Not all the researched municipalities have backlit signage.
- Extensive staff resources seem to be required for the service and maintenance of rinkboards and backlit signage.
- It is recommended to move away from backlit signage due to the cost to change out expired ads. Digital signs are a preferred choice due to ease of updating.
- 40% of the researched municipalities use a third-party firm to manage arena advertising.
- Some municipalities categorize their advertising rates at various tiers: i.e. non-profit organizations, partners, commercial (non-profit organizations enjoy a lower rate).
- Discounts are offered for group/bundles and long-term commitment.

# Recommendations

To enhance the Town of Whitby's sponsorship and advertising program, here is a set of actionable recommendations for consideration:

## RECOMMENDATION #1

### Focus On Selling Naming Rights of New and High-value Assets

#### RATIONALE

As a result of the sponsorship and advertising asset review, the priority needs to be a sustained focus on marketing and selling naming rights for new and existing high-value (high visitor number) municipal capital assets, with a particular emphasis on the new Whitby Sports Complex. It is recommended to identify prospective donors/sponsors and outreach, leveraging the excitement and visibility of a new facility to attract donors/sponsors for naming rights. This state-of-the-art facility represents a \$3.6 million revenue opportunity (or \$360,000 annually) to the current income stream derived from this newly built asset. With less than 14 months remaining to the anticipated opening, it is imperative to act now.

In addition, donor/sponsor engagement and relationship building and sponsorship activation are key to success. Provide sponsors with meaningful opportunities to engage with the facility's audience through experiential activations, branded content, or interactive experiences. Use data analytics (i.e. website analytics and social media engagement insights) and feedback mechanisms to assess the effectiveness of sponsorship initiatives and provide frequent updates to sponsors.

#### ACTIONS

1. Initiate the sponsorship sales initiative in fall 2024.
2. Prioritize selling of naming rights rather than advertising.



## RECOMMENDATION #2

### Update Staffing Model

#### RATIONALE

After reviewing the current staffing of the sponsorship team, we recommend that the Town of Whitby hire an additional full-time staff member to the sponsorship team to help manage the new focus and expanded portfolio. This additional resource is aimed to enhance the team's capacity, allowing the Advertising and Sponsorship Sales Manager to focus on engaging with potential sponsors and private donors and focus on selling naming rights and managing the expanded asset portfolio to increase overall revenue. Detailed cost and revenue projection analysis indicates that with the new staffing structure, the program will generate a substantial increase of net revenue of close to \$250,000 over five years.

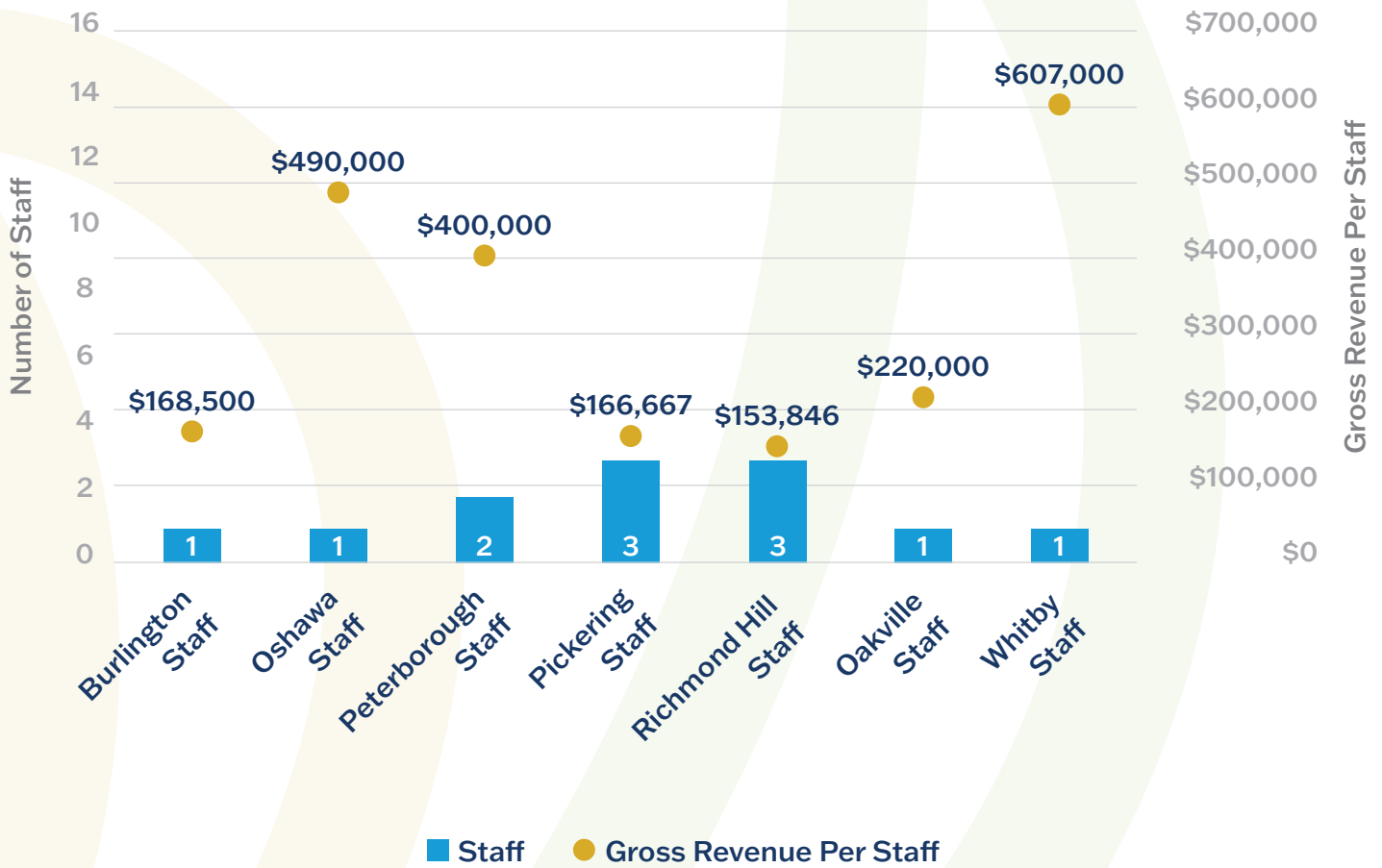
#### ACTIONS

1. Develop a job description for the new FTE role to be added to the sponsorship team.
2. Recruit a new staff member and provide training.
3. Divide responsibilities and reach out to sponsors and prospective donors.

#### Supporting Analysis

Interkom's research and findings show that Whitby has highest "Gross Revenue per Staff" figure – see Chart 1.

Chart 1: Number of Staff & Gross Revenue Per Staff



The adequacy and strength of the sponsorship team structure is the foundation for the development of strong partnerships and sustainable revenue generation. It is important to note that fundraising/sponsorship success can take significant time (multiple years) for an agreement to come to fruition for revenue generation. The key to success is dependent on relationship building. Significant resources are also required for sponsorship benefits activation.



The work involved in naming rights & sponsorship sales typically includes:

- Research and identify prospective donors/sponsors
- Cultivate relationship and explore donors/sponsors interests that may align with available naming/sponsorship opportunities
- Preparation of customized proposals and presenting to potential donors/sponsors
- Negotiation and reaching an agreement
- Seeking internal approval and Council approval
- Donor recognition or sponsorship benefits fulfillment and activation
- Internal collaboration (Legal Services, Financial Services, Community Services, Planning and Development, etc.)
- Ongoing communications with donors/sponsors and relationship building throughout the term period
- Pledge collection and annual payment follow-up
- Approach donors/sponsors for renewal or new or other opportunities
- Donors/Sponsors database management, data tracking and internal reporting

Considering the potential revenue generation opportunity presented by the new Whitby Sports Complex, Interkom proposes augmenting the existing team resources.

### **Cost and Revenue Projection**

The analysis below is based on the model of current Sponsorship staff delivering the program. It does not include Town staff from other departments based on the assumption that their services are viewed as supporting corporate initiatives (in general).

Table 5 shows analysis of the proposed new staffing structure by adding one full-time staff. Table 6 shows analysis based on current staffing structure.

Program Resource Costs consist of staff costs and sponsorship servicing costs (for signage repairs and maintenance where required). No marketing cost is included given that the Town does not currently do paid advertising to promote its sponsorship and advertising program.

For estimated Net Revenue calculation, the current revenue figures are being used as supplied by staff. Additionally, it is estimated that the naming rights sales of the new Whitby Sports Complex could have a potential revenue of approx. \$360,000 annually; the naming rights sales of existing main recreational facilities represent a further \$289,000 annual revenue generation potential.

Note again that 100% sales is not realistic or advised due to clutter.

**Table 5: With Additional Staff Member**

Program Resource Costs	2025	2026	2027	2028	2029	2030
<b>Total Program Resource Costs<sup>1&amp;2</sup></b>	<b>\$225,025</b>	<b>\$291,721</b>	<b>\$302,625</b>	<b>\$313,884</b>	<b>\$325,513</b>	<b>\$335,125</b>
Estimated Revenue	2025	2026	2027	2028	2029	2030
Annual Naming Rights (New Sports Complex) <sup>3</sup>	\$0	\$182,750	\$182,750	\$182,750	\$182,750	\$182,750
Additional Town Facility Naming Rights (Existing facilities) <sup>4</sup>	\$14,456	\$72,278	\$72,278	\$72,278	\$72,278	\$72,278
Sponsorship & Advertising (Existing facilities) <sup>5</sup>	\$607,000	\$625,210	\$643,966	\$663,285	\$683,184	\$703,679
<b>Total Gross Revenue</b>	<b>\$621,456</b>	<b>\$880,238</b>	<b>\$898,994</b>	<b>\$918,313</b>	<b>\$938,211</b>	<b>\$958,707</b>
<b>less: Program Resource Costs (see above)</b>	<b>-\$225,025</b>	<b>-\$291,721</b>	<b>-\$302,625</b>	<b>-\$313,884</b>	<b>-\$325,513</b>	<b>-\$335,125</b>
<b>Net Revenue</b>	<b>\$396,431</b>	\$588,516	\$596,369	\$604,428	\$612,699	\$623,582
<b>Net Revenue (status quo scenario)</b>	\$435,852	\$550,387	\$549,501	\$548,491	\$547,354	\$547,970
<b>Additional Net Revenue realized with New staff member</b>	<b>-\$39,421</b>	<b>\$38,129</b>	<b>\$46,868</b>	<b>\$55,937</b>	<b>\$65,345</b>	<b>\$75,611</b>
<b>Additional Net Revenue realized with New staff member (Over 5 Years)</b>						<b>\$242,469</b>

<sup>1</sup>Salary & Benefits - assuming 3% annual increase

<sup>2</sup>1-2% of Gross Revenue

<sup>3</sup>Based on 50% of full naming inventory being sold

<sup>4</sup>Based on 25% of other naming inventory being sold

<sup>5</sup>Based on assumption of 3% increase annually

**Table 6: Without Additional Staff Member**

<b>Program Resource Costs</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
<b>Total Program Resource Costs<sup>1&amp;2</sup></b>	<b>\$171,148</b>	<b>\$179,150</b>	<b>\$186,166</b>	<b>\$193,368</b>	<b>\$200,759</b>	<b>\$206,459</b>
<b>Estimated Revenue</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Annual Naming Rights (New Sports Complex) <sup>3</sup>	\$0	\$73,100	\$73,100	\$73,100	\$73,100	\$73,100
Additional Town Facility Naming Rights (Existing facilities) <sup>4</sup>	\$0	\$43,367	\$43,367	\$43,367	\$43,367	\$43,367
Sponsorship & Advertising (Existing facilities) <sup>5</sup>	\$607,000	\$613,070	\$619,201	\$625,393	\$631,647	\$637,963
<b>Total Gross Revenue</b>	<b>\$607,000</b>	<b>\$729,537</b>	<b>\$735,667</b>	<b>\$741,859</b>	<b>\$748,113</b>	<b>\$754,430</b>
<b>less: Program Resource Costs (see above)</b>	<b>-\$171,148</b>	<b>-\$179,150</b>	<b>-\$186,166</b>	<b>-\$193,368</b>	<b>-\$200,759</b>	<b>-\$206,459</b>
<b>Net Revenue</b>	<b>\$435,852</b>	<b>\$550,387</b>	<b>\$549,501</b>	<b>\$548,491</b>	<b>\$547,354</b>	<b>\$547,970</b>

<sup>1</sup> Salary & Benefits - assuming **3%** annual increase

<sup>2</sup> **1-2%** of Gross Revenue

<sup>3</sup> Based on **20%** of full naming inventory being sold

<sup>4</sup> Based on **15%** of other naming inventory being sold

<sup>5</sup> Based on assumption of **1%** increase annually

The above data demonstrates the potential year-over-year revenue increase by adding another full-time staff member. The cost is justified by revenue generated from selling naming rights of the new Sports Complex and the existing facilities. After a new facility is opened, the team can continue to manage the Town’s expanded asset inventory portfolio (and any other future facilities).

# RECOMMENDATION #3

## Enhance Operational Excellence

### 1. Track visitor number by adding people counting devices at all facilities

Tracking visitor numbers in municipal facilities is crucial for several reasons. The data collected supports operational, financial, and strategic decisions, such as:

- Program and service planning
- Operational efficiency and resource allocation
- Financial planning and budgeting
- Strategic planning and facility expansion
- Naming rights and sponsorship selling

Visitor data is critical when pitching naming rights and sponsorship opportunities, as it demonstrates the facility's reach and visibility. Higher foot traffic makes the facility more attractive to potential donors/sponsors.

### 2. Offer discounted rate for community groups and organizations

Offering discounted rates to community groups and organizations serves several strategic, social, and economic purposes, such as:

- Enhancing facility utilization
- Promoting inclusivity and accessibility
- Positive public relations and community perception

#### Steps to implement:

- 1) Define a Preferred Rate Program and set a preferred rate (i.e. a 15-30% discount) for community groups and organizations (i.e. minor sports groups, cultural groups, service clubs, not-for-profit organizations, etc.)
- 2) Outline procedure, criteria or eligibility for enrollment
- 3) Publish Program information (including an application form) on Town's website

### 3. Boost team collaboration

Successful naming rights and sponsorship selling requires effective team collaboration across various departments such as Sponsorship team, Legal and Finance, and Facility Operations, etc.. Each team brings specialized skills and knowledge that contribute to creating attractive sponsorship packages, negotiating deals, activating sponsorship benefits, and securing financial commitment by donors/sponsors.

Effective communication between Sponsorship staff and Finance is required for tracking and collection of donor/sponsor payments, especially when dealing with multiple-year agreements. Consider exploring software solutions tailored for donation/sponsorship management that can also serve as a customer relationship management (CRM) tool. Potential software options include HubSpot, DonorPerfect, and Societ (formerly Sumac).

## Additional Advertising and Sponsorship Opportunities

In addition to the naming rights potential of the new Whitby Sports Complex as outlined in the report, the other major revenue generation opportunity is naming rights sales – **entire facility naming** - of the existing main recreational facilities, representing an approx. \$289,000 annual revenue generation potential.

To further capitalize on the Town of Whitby revenue generation potential, additional advertising and sponsorship opportunities could be explored and integrated into the Town's sponsorship and advertising program. Below are some examples for consideration. However, it is important to conduct a thorough analysis of the costs and benefits associated with each opportunity to ensure they are viable for the Town.

- **Transit Advertising**, which is currently operated by Durham Region Transit; however, municipal fleet can be an opportunity for additional sponsorship.
- **Parks:**
  - Naming of leash-free park
  - Event sponsorship targeting pet owners
- **Interactive Engagement Zones:**
  - Create interactive zones within the facility where visitors can engage with sponsor-branded activities or games.
  - Sponsors can showcase their products or services in a fun and engaging way, while also providing value-added experiences for visitors.
- **Event Naming Rights:**
  - Offer sponsors the opportunity to have their name associated with specific events or tournaments hosted at the facility.
  - This could include naming rights for tournaments, leagues, or special events, providing sponsors with high visibility and recognition among participants and spectators.
- **VIP Lounges and Hospitality Areas:**
  - Designate VIP lounges or hospitality areas within the facility for sponsors to host clients, guests, or VIPs during events.
  - Sponsors can brand these areas with their logos and provide exclusive experiences for their guests, such as complimentary refreshments or premium seating.
- **Parking Lot Branding:**
  - Offer sponsors the opportunity to brand parking lots or parking structures adjacent to the facility.
  - This could include branded parking signs, banners, or pavement decals, providing sponsors with exposure to visitors before they even enter the facility.