

Town of Whitby

Staff Report

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Report Title: Okanagan Whitby Naming Rights Sponsorship of Arena 1 at Iroquois Park Sports Centre

Report to: Committee of the Whole

Date of meeting: January 20, 2025

Report Number: CAO 02-25

Department(s) Responsible:

Office of the Chief Administrative Officer

Submitted by:

Sarah Klein, Deputy CAO & Director,
Strategic Initiatives

**Acknowledged by M. Gaskell,
Chief Administrative Officer**

For additional information, contact:

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1. Recommendation:

1. That Council approve entering a new (5) year sponsorship agreement effective April 1, 2025, with Okanagan Hockey Group Inc. for a Naming Rights Sponsorship at Iroquois Park Sports Centre (IPSC), and naming Arena 1 as “Okanagan Hockey Arena 1”, based on the sponsorship package and other terms and conditions identified in Report CAO 02-25.

2. Highlights:

- The Advertising and Sponsorship Division of Economic Development actively solicits the community for sponsorship participation in Town recreational facilities. Top-level sponsorship packages include ‘Naming Rights’ to certain facilities, subject to Council approval.

- The purpose of this report is to seek Council's approval for the proposed Naming Rights Sponsorship by Okanagan Hockey Group Inc. for Arena 1 at Iroquois Park Sports Centre (IPSC) for a five (5) year term with an option for a second five (5) year term.
- Okanagan Hockey Group Inc. has sponsored Arena 4 at IPSC since September 1, 2018, and are seeking transitioning to being the Naming Rights Sponsor of Arena 1 effective April 1, 2025, with the existing naming rights of Arena 4 expiring on August 31, 2025.
- Subject to Council's approval, IPSC Arena 1 naming would become "Okanagan Hockey Arena 1" for the term of the sponsorship. The total revenue that would accrue to the municipality over the term of the sponsorship would be \$150,000 + HST (see Table 1 - Financial Considerations).
- The proposed name, "Okanagan Hockey Arena 1", would be used in Town of Whitby publications, promotional materials, rental permits, and the website as appropriate.
- Okanagan Hockey Group Inc. is responsible for the production and installation costs associated with any updates to the sponsorship materials. This is standard practice with the Town's sponsorship program. Along with the naming rights, a suite of signage and other marketing benefits form part of the naming rights sponsorship package.

3. Background:

Under the Municipal Property and Facility Naming Policy (Policy MS 250), staff are required to report to Council for approval of corporate naming rights to Town property or property features.

Advertising and Sponsorship, part of the Economic Development Division, Strategic Initiatives, is responsible for sponsorship sales initiatives, which include naming rights (title) to certain Town property features. This program began in 2000 at IPSC and expanded to include the Civic Recreation Complex in 2003, McKinney Centre in 2004, the new Port Whitby Marina (PWM) Clubhouse banquet room and the McKinney Youth Drop-in Centre in 2005, and the new Brooklin Community Centre and Library in 2010.

In February 2009, Council approved the naming of Scotiabank Arena 1 at IPSC. This naming rights expired on June 30, 2024, and Scotiabank chose not to renew their agreement. The balance of the arenas at IPSC currently have the following naming rights sponsorships: Whitby Orthodontics Arena 2, Owasco Arena 3, Okanagan Hockey Arena 4, CUPE 53 Whitby Arena 5 and Booster Juice Arena 6. If this report is approved, Okanagan Hockey would expand their naming rights to Arena 1 effective April 1, 2025, and conclude their naming rights of Arena 4 effective August 31, 2025 leaving Arena 4 open for a new naming rights sponsor, which staff will actively pursue.

4. Discussion:

Okanagan Hockey Group Inc. was founded in 1963 in Penticton, BC, Canada. Over the years, it has grown to be the longest-operating hockey camp in the world.

Okanagan Hockey Camps have operated camps in Canada, the United States, Mexico, Japan, Hong Kong, United Arab Emirates, Switzerland, Austria, Germany, England, Scotland, and Denmark.

In 2018, Okanagan Hockey Ontario (OHO) was established in the Town of Whitby and competes in the CSHL Eastern Division. OHO, which offers a U18 Prep, U16 Prep, and U15 team, is partnered with Elite Training Systems (ETS) and Henry Street High School.

Okanagan Hockey Group Inc. is currently in discussions to renew their lease/operational agreement with the Town, and it is the desire of both parties to align these agreements with respect to term and expiry/renewal dates. They presently lease office space above IPSC Arena 3 & 4 and hockey dressing room space in season within IPSC Arena 1.

Okanagan Hockey would be transitioning from Arena 4 with an annual naming rights sponsorship fee of \$18,000 to naming Arena 1 with an annual fee of \$30,000 for minimum of five (5) years effective April 1, 2025. The proposed fee for the sponsorship package reflects current market conditions and is in line with the sponsorship range of fees currently available and sold within IPSC. Aside from increased fees due to increased exposure in Rink 1, the proposed Okanagan naming rights sponsorship package is somewhat similar to their current package. The new agreement would include the following components at IPSC.

Arena 1 Corporate Branding

- Entrance Door Wrap - One (1) full door graphics wrapped on double entrance doors to the arena
- Entrance Above Door - One (1) 7' x 4.5' graphic on the upper portion of the entryway wall including header
- Wall Murals - Two (2) 4' x 10' wall murals
- Rinkboards - One (1) 48' x 3' rinkboard behind the goalie net on the score clock wall
- Wall Feature - Two (2) 3' x 25' wall features behind home/visitor benches
- Centre Ice Logo - One (1) 25' in-ice logo
- Neutral Zone Logos - Two (2) 12' in-ice logos
- Dressing Rooms - Six (6) 11" x 17" dressing room door signs
- Stair Decals - Full riser graphic on the main staircase to stands at the arena entrance
- Backlit Sign - One (1) 4' x 6' backlit sign on the south wall

Right of First Refusal for additional sponsorship rights

- During the Term, the Town shall present all new opportunities for additional sponsorship rights within Rink 1 to Okanagan in advance of other sponsors.

Additional Exposure and Benefits

- Host one (1) free public community skate (open to the first 250 participants) per year, promoted on the Town’s corporate channels.
- Promotion on the Town’s social media platforms. i.e., Promotion of free public skate.
- Rinkboards (30” x 96”)
 - Iroquois Park Sports Centre: Five (5) Rinkboard signs - One in each of the remaining rinks
 - McKinney Centre: Two (2) Rinkboard signs - One in each of the two hockey rinks
 - Luther Vipond Memorial Arena: One (1) rinkboard
- Lobby Rights - Three (3) times annually: Set up and staff a display in the IPSC lobby to promote Sponsor, explain services, run contests, distribute coupons, interact with the community, etc.
- Digital Ads - One (1) complimentary, 20-second digital ad displayed on IPSC lobby TVs and near IPSC front entrance doors
- Interior Sign - One (1) large logo wrap inside IPSC front entrance doors
- Website - Sponsor logo on Town website

Note: Okanagan Hockey Arena 1 has the option to choose as few or as many branded items from this list. Production costs are additional and are covered by the sponsor.

The sponsorship package summarized would be incorporated into the Town’s standard Sponsorship Agreement and follow all guidelines and requirements outlined in the Paid Advertising and Sponsorship Policy MS 390.

5. Financial Considerations:

The total revenue over the five (5) years sponsorship term for Arena 1 will be \$150,000 + HST as shown in Table 1, below. The client is responsible for the cost of the design, production and installation of the sponsorship signage and materials.

Table 1 – Contractual Fees over full term

Term Year	Annual Term	Fee Amount
1	April 1, 2025 - March 30, 2026	\$30,000*
2	April 1, 2025 - March 30, 2027	\$30,000

3	April 1, 2025 - March 30, 2028	\$30,000
4	April 1, 2025 - March 30, 2029	\$30,000
5	April 1, 2025 - March 30, 2030	\$30,000
	TOTAL	\$150,000

* 2025 revenues in this table is exclusive to Arena 1 and excludes partial payment for Arena 4 as part of a proposed bridging plan for the five months (April to August) when Okanagan Hockey Group Inc is sponsoring both Arena 1 and 4 (see Table 2 for details on the bridging).

For fiscal 2025 (i.e. January to December), the Town is projected to receive \$30,750 from Okanagan Hockey Group Inc’s sponsorship of both Arena 1 and 4 (as shown in Table 2, below). The transition of naming from Arena 4 to Arena 1 will be bridged financially to account for the fact that the new agreement will begin April 1, 2025, with the existing agreement expiring August 31, 2025. Okanagan will pay a reduced fee in Arena 4 starting April 1, 2025, when they begin naming rights fees in Arena 1:

Table 2 – Annual Fees including Arena 4 Bridging (January to December 2025)

Annual Fee – Arena 4	\$18,000 plus HST
Annual Fee – Arena 1	\$30,000 plus HST

Month	Monthly Fee – Arena 4	Monthly Fee – Arena 1	TOTALS
January	\$1,500	N/A	\$1,500

February	\$1,500	N/A	\$1,500
March	\$1,500	N/A	\$1,500
April	\$750	\$2,500	\$3,250
May	\$750	\$2,500	\$3,250
June	\$750	\$2,500	\$3,250
July	\$750	\$2,500	\$3,250
August	\$750	\$2,500	\$3,250
September	N/A	\$2,500	\$2,500
October	N/A	\$2,500	\$2,500
November	N/A	\$2,500	\$2,500
December	N/A	\$2,500	\$2,500
Total	\$8,250	\$22,500	\$30,750

Net revenue generated by the Advertising and Sponsorship program directly benefits the public by reducing the net cost of providing municipal services at Town facilities and, therefore, the overall property tax burden.

6. Communication and Public Engagement:

The Advertising and Sponsorship Division will engage the Communication and Creative Services Division to incorporate appropriate sponsorship opportunities, such as free

skating, communications, and a social calendar.

7. Input from Departments/Sources:

This report has been reviewed by internal departments, including Community Services, the Communications and Creative Services Division, and Finance.

8. Strategic Priorities:

This initiative is consistent with the Town's Community Strategic Plan, Pillar 4:

- Objective 4.1 Address community needs through collaborative and strategic partnerships
 - Action 4.1.2 Strengthen existing and build new partnerships
- Objective 4.4 Ensure fiscal accountability
 - Action 4.4.1 Deliver services that respond to community needs while balancing the impact to the taxpayers

9. Attachments:

Not Applicable