



City of Peterborough

To: Members of the General Committee

From: Sandra Clancy, Chief Administrative Officer

Meeting Date: September 12, 2022

Subject: Sponsorship Agreement for Naming Rights for the Urban Park on Charlotte Street, Report CAOCS22-006

Purpose

A report to recommend that the Naming Rights for the downtown Urban Park, on Charlotte Street, east of Aylmer Street, be the subject of a Sponsorship Agreement with PepsiCo Canada ULC. (Quaker).

Recommendations

That Council approve the recommendations outlined in Report CAOCS22-006, dated September 12, 2022, of the Chief Administrative Officer as follows:

- a) That Naming Rights to the Urban Park, located on Charlotte Street east of Aylmer Street, be added to the Sponsorship Asset Inventory; and
- b) That the City enter into a Sponsorship Agreement with PepsiCo Canada ULC., or a subsidiary of this corporation that represents Quaker Foods, for the Naming Rights to the Urban Park for a term of 15 years with a value of \$240,000 plus inflationary increases on annual payments, and that the Mayor and Clerk be authorized to execute the agreement on terms acceptable to the City Solicitor and the Chief Administrative Officer.

Budget and Financial Implications

The sale of the Naming Rights to the Urban Park on Charlotte Street, east of Aylmer Street, for a 15-year term will generate \$240,000 plus inflationary increases on annual payments.

The sponsor will cover all costs associated with production and activation of the sponsorship at the Park.

Background

Sponsorship has been considered as a potential revenue generating opportunity associated with the Urban Park throughout the planning and development of the space. Sponsorship opportunities were referenced in Report PLPD17-002 Urban Park Development when Council approved the conceptual design for the Urban Park.

Naming Rights opportunities are discussed with businesses and organizations that are seeking to purchase sponsorships with the City and the Corporate Sponsorship program develops proposals to discuss, with potential sponsors, what would be a good fit for specific opportunities. Several businesses and organizations have engaged in exploratory conversations with the City related to the Urban Park Naming Rights opportunity. PepsiCo Canada ULC., through its local Quaker brand presence, has been identified as a strong strategic fit for the sponsorship opportunity, for both the City and Quaker.

Development of successful sponsorships requires a strategic and appropriate fit between three key parties: the property (the City), the sponsor, and the audience. The City's approach to corporate sponsorship is to have meaningful discussions about sponsorship opportunities, objectives, and benefits available to the parties. The naming of an entire facility, such as the Urban Park, requires a financial and term commitment that limits the number of businesses that will see a strategic or appropriate fit. The City typically aims for a term of at least 10 years for Naming Rights to entire facilities to provide consistency for community awareness of the facility.

PepsiCo (Quaker) was approached about the opportunity for sponsorships with the City. It has been actively marketing its Quaker brand this year as part of its celebration of 120 years in Peterborough through its creative Quakerborough campaign. Its marketing activities have included advertising through the City's sponsorship program, including presence through Peterborough Transit advertising. Discussions with Quaker expanded to other potential opportunities, including the possibility of the Naming Right to the Urban Park. There is a strong alignment in the suitability of the fit between the property (City – Urban Park), the sponsor (PepsiCo under its Quaker Oats brand), and the audience (the Peterborough community where Quaker has a meaningful and long-term presence in the city).

Key terms/principles of the sponsorship include:

- Term: Both the City and PepsiCo are interested in a long-term relationship beyond 10 years. Quaker is interested in a long-term commitment of 15 years with opportunities to extend upon mutual agreement by both parties. Extensions would be subject to Council approval, as per the Sponsorship Policy. This is a

rare alignment with a business interested in such a long-term commitment for a naming right.

- Name: PepsiCo (Quaker) intends to request that the City name the park as Quaker Foods Urban Park as part of the naming rights sponsorship agreement.
- Value: PepsiCo (Quaker) would buy the Naming Rights for 15 years for \$240,000 plus inflationary increases on annual payments. Quaker has expressed interest in making a larger up-front payment than annual payments for the remainder of the term.
- Sponsorship objectives: Both the City and the sponsor view this space as a community hub intended for celebrations, gatherings, and events. The sponsor wishes to support that objective and contribute by undertaking some of its own activations in the park to engage with the community and its workforce. This represents additional financial commitments and benefits of the sponsor's activation. A certain number of days (expected to be approximately 6) would be included in the agreement for Quaker to use the park for events to engage with the community and/or its workforce. Booking of the days would be on mutual agreement of the parties.
- Audience: PepsiCo is a long-standing local employer with a historic presence in Peterborough. Its Quaker Oats brand uses "wholesome goodness" as part of its identity. Associating a major local employer that is involved in the production of food with a community gathering space contemplated for use for a regular farmers' market is an ideal fit between the City space and the sponsor. The Urban Park will also generate an economic impact and vibrancy for downtown businesses. The alignment to economic benefits also supports PepsiCo's interest to be part of a strong and healthy local business community.

PepsiCo (Quaker)

PepsiCo includes some of the world's most recognizable brands, including Quaker.

[Quaker products](#) include a wide range of items such as hot oatmeal, cold cereal, granola bars, baking mixes, pancakes, and syrup. Quaker is a long-standing employer and corporate pillar in the Peterborough community, celebrating 120 years of operations in Peterborough.

Sponsorship Policy

Under the Sponsorship Policy Section 5.1.2, Council approves all Naming Rights for entire facilities, regardless of value.

Section 9.2.2(a) of the Sponsorship Policy states:

Naming Rights for an entire Facility requires consultation with the appropriate Advisory Committee and Council approval before being added to the Asset Inventory.

The City consulted with the Arenas, Parks and Recreation Advisory Committee (APRAC) on August 30, 2022 to seek input on the use of Naming Rights to the Urban Parks as a sponsorship asset. APRAC voted to receive the report for information. As part of its discussion on the item, APRAC members commented that they would like to see any naming rights to the park that are sold as a sponsorship asset to connect to the heritage of Peterborough and they advised that the activation/implementation of the sponsorship in the space should not overly commercialize the space.

The Quaker Foods brand is part of the heritage of community with the company celebrating 120 years in Peterborough. As part of the sponsorship agreement, the City will ensure the activation plans reflect the comments from APRAC members that the space not become overly commercialized.

Summary

Naming Rights to the Urban Park on Charlotte Street, east of Aylmer Street, will generate \$240,000 in revenue, plus inflationary increases on annual payments, over 15 years. The Quaker Urban Park Naming Rights opportunity is a strong alignment between the sponsorship opportunity with the City and PepsiCo, a historic local food manufacturer and major employer.

Submitted by,

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Chief Administrative Officer

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