



City of Richmond

Report to Committee

To: General Purposes Committee

Date: October 16, 2012

From: Vern Jacques
Senior Manager, Recreation

File: 11-7200-01/2011-Vol
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Re: Sponsorship Arrangements at City Subsidized Events Policy

Staff Recommendation

That the proposed "Sponsorship Arrangements at City Subsidized Events Policy" as presented in Attachment One of the report dated October 16, 2012 from the Senior Manager of Recreation, be approved.

Vern Jacques
Senior Manager, Recreation
(604-247-4930)

Att. 1

REPORT CONCURRENCE				
ROUTED TO:		CONCURRENCE	CONCURRENCE OF GENERAL MANAGER	
Sponsorship		<input checked="" type="checkbox"/>		
Sport Hosting		<input checked="" type="checkbox"/>		
Arts, Culture & Heritage		<input checked="" type="checkbox"/>		
Law		<input checked="" type="checkbox"/>		
REVIEWED BY SMT SUBCOMMITTEE		INITIALS: 	REVIEWED BY CAO	INITIALS:

Staff Report

Origin

At the General Purposes Committee meeting on December 12, 2011, in response to an expressed concern from a Richmond business, a brief discussion ensued about concerns related to City subsidized events for which organizers make exclusive arrangements with businesses such as hotels. Comments were made about the necessity for guidelines, and Committee members expressed their views on the fairness of exclusive arrangements.

It was moved and seconded:

That staff report back on a policy for City subsidized events and the possibility of non-exclusive commercial arrangements.

The purpose of this report is to recommend a policy for commercial sponsorship of events held at City facilities that receive subsidized rates.

Analysis

A common practice by organizers of sports tournaments, conferences and other events is to negotiate a sponsorship fee with commercial businesses such as hotels or transportation providers as a method of generating revenue to offset event related costs. Sponsorship arrangements between event hosts and product or service providers vary considerably, but often involve the supplier paying a percentage commission on services (number of hotel rooms or flights booked) in exchange for advertising targeted to tournament, conference or event visitors.

Product or service providers (most typically hotels) often ask to be the exclusive sponsor of their services for the event, sometimes with the expectation that using the sponsor's service would be tied to the event as a condition of entry. Providing exclusivity to commercial sponsors in exchange for products, services and/or cash is common practice in the private sector. However, in the public sector, providing exclusivity to commercial sponsors sometimes results in complaints from local businesses that may perceive the process as unfair. This situation occurred this past winter for the International Midget Hockey Tournament held over the Christmas break period. The immediate issue was resolved and Council directed staff to develop a policy to address the longer term.

City staff established a working group comprised of representatives of Richmond Arenas Community Association, Richmond Aquatics Services Board and Richmond Sport Council to provide input into a draft Sponsorship Arrangements at City Subsidized Events Policy. Some members of the working group felt that the policy should only reflect accommodation others felt that it should refer to all products and services (transportation, food, beverage, accommodation). Staff, in reviewing this, recommend a broader context that includes all products and services. This would ensure that any sponsorship deal would not result in a tiered pricing approach or participation restrictions.

After considerable discussion, it was the recommendation of the majority of the Richmond sport representatives that the attached draft "Sponsorship arrangements at City Subsidized Events Policy" (**Attachment 1**) be approved by Council.

Should this policy be adopted by Council, it will be distributed to all community organizations that host events in City subsidized facilities and to Tourism Richmond as the primary conduit to the hosting industry.

Financial Impact

None

Conclusion

This report recommends a policy on sponsorship of events held at City facilities that are provided by community organizations receiving subsidized rates. The policy indicates that when engaging a particular product or service provider as a sponsor, use of those products or services cannot be a condition of participating in an event.



Vern Jacques
Senior Manager, Recreation
(604-247-4930)

Attachment 1	Sponsorship of City Subsidized Events Policy	Doc # 3517985
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Policy #__ Sponsorship Arrangements at City Subsidized Events Policy

It is Council Policy that:

1. The City of Richmond recognizes the desire for sponsorship community organizations to enter into sponsorship arrangements with product and service providers to help offset event operating costs.

In carrying out an event, if City facilities are used/rented/programmed at subsidized rates:

- a) Use of specified products or services cannot be a condition of participating in the event(s) and/or;
- b) Increased fees or penalties or deterrents are not permitted for participants who choose not to use sponsor provided products or services.

Penalties:

- Failure to comply with this policy may result in a community organization not receiving preferred access and/or rental rates at City facilities.