

City of Kingston Report to Council Report Number 24-022

То:	Mayor and Members of Council
From:	Craig Desjardins, Director, Office of Strategy, Innovation &
	Partnerships
Resource Staff:	Julie Fossitt, Manager, Marketing and Revenue Development
Date of Meeting:	December 19, 2023
Subject:	Naming Rights for Kingston Large Venue Entertainment
	Centre

Council Strategic Plan Alignment:

Theme: 5. Drive Inclusive Economic Growth

Goal: 5.10 Ensure the downtown remains vibrant.

Executive Summary:

This report provides an overview of the naming rights agreement for the Kingston Large Venue Entertainment Centre, currently known as the Leon's Centre, including recent developments and the proposed draft agreement with a new partner, Slush Puppie Canada Inc. The previous agreement with McKercher Kingston Ltd. concluded after five years, and Leon's Canada has allowed the Centre to operate under its name while seeking a new partner.

An Expression of Interest was issued to attract potential naming rights partners, resulting in one submission, through a Kingston Frontenacs referral, from Slush Puppie Canada. The submission met the evaluation criteria, prompting further discussions between the City of Kingston and Slush Puppie Canada Inc.

The proposed draft agreement with Slush Puppie Canada Inc. highlights various elements, including signage rights, family events, advertising and social media presence. The agreement spans fifteen (15) years with a fee of \$135,000 per year, for a total of \$2,025,000 over the period of the contract.

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Staff are recommending that Council endorse this naming rights agreement with Slush Puppie Canada Inc. to be formally known as Slush Puppie Place.

Recommendation:

That Council endorse the naming rights agreement for the Kingston Large Venue Entertainment Centre with Slush Puppie Canada, to be formally known as the Slush Puppie Place, from February 1, 2024 until February 1, 2039 and;

That the Mayor and Clerk be authorized to execute the agreement with Slush Puppie Canada in a form satisfactory to the Director of Legal Services.

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Authorizing Signatures:

ORIGINAL SIGNED BY DIRECTOR

Craig Desjardins, Director, Office of Strategy, Innovation & Partnerships

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

Lanie Hurdle, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Paige Agnew, Commissioner, Growth & Development Services	Not required
Jennifer Campbell, Commissioner, Community Services	
Neil Carbone, Commissioner, Corporate Services	Not required
David Fell, President & CEO, Utilities Kingston	Not required
Peter Huigenbos, Commissioner, Major Projects & Strategic Initiatives	Not required
Brad Joyce, Commissioner, Infrastructure, Transportation & Emergency Services	Not required

Desirée Kennedy, Chief Financial Officer & City Treasurer

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Options/Discussion:

On May 1, 2018, Council endorsed a naming rights agreement with McKercher Kingston Ltd. for the naming of the Leon's Centre through <u>Report Number 18-103</u>. An agreement between the City of Kingston, Leon's Canada, McKercher Kingston Ltd. and SMG Canada was executed for a five (5) year naming rights agreement for a total of \$257,500 per year with a Consumer Price Index (CPI) adjustment starting in the second year and an option to extend for an additional five (5) year term. The term of the agreement was from June 25, 2018 until June 25, 2023. McKercher Kingston Ltd. declined the opportunity to renew the agreement for an additional five (5) year term.

Leon's Canada agreed to allow the Leon's Centre to continue to operate under its current name and use of trademarks until a new naming rights partner was secured.

Process

An Expression of Interest (EOI) F18-SPA-MRD-2023-02 for Naming Rights for Kingston Large Venue Entertainment Centre was issued on July 19, 2023. This EOI was posted on the City of Kingston <u>website</u> and Biddingo.ca; emailed to approximately 225 businesses, partners and sponsors who currently work with the City of Kingston; and posted on City of Kingston Facebook and Linked In accounts.

A link to download the EOI provided a list of everyone who received it and a total of 9 individuals downloaded the EOI document. A scheduled walkthrough of the site was communicated to all of those who had downloaded the document and the EOI closed on August 30, 2023. A number of businesses communicated their interest in the opportunity, but a total of one submission was received by the deadline.

Evaluation

Following a referral from the Kingston Frontenacs, a team of City of Kingston staff reviewed the submission against the evaluation criteria and confirmed that the submission satisfied the minimum threshold to pursue discussions with Slush Puppie Canada Inc.

Slush Puppie Canada Inc. has been a well-established family business since 1975. Slush Puppie International was founded in Cincinnati, Ohio, in 1970 and is now owned and operated by The ICEE Company, a division of J & J Snack Foods Corporation, a NASDAQ listed company. Non-carbonated Slush Puppie is sold in more than 40 countries worldwide.

Slush Puppie Canada Inc. operates a production and bottling facility in the Outaouais region and its distributor network spans from coast to coast with a strong presence in Quebec, Ontario, New Brunswick, Nova Scotia, P.E.I., Newfoundland-Labrador and now in Western Canada, in association with Harlan Fairbanks.

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Slush Puppie Canada, operated by the Beaudoin family, directs a significant portion of its philanthropic efforts to support youth in sport, with recent donations to the Fondation Forêt Boucher for cycling trails, 2022 Spinathon for United Way and 2023 Jeux du Québec.

Proposed Draft Agreement

The proposed naming rights draft agreement has been through a review by the City and Slush Puppie Canada Inc., including Legal Services.

Highlights of the draft agreement include the following elements:

- a) Signage rights for the Centre (exterior venue signage, exterior digital sign, concourse, menu boards, scoreboard, wayfinding and pillar wraps)
- b) Four (4) family skating events per year presented by the sponsor
- c) Four (4) rink board ads at the INVISTA Centre
- d) Two (2) Zamboni vinyl signage wraps
- e) Sponsor's products will be made available at concessions in the facility
- f) Ticketmaster advertising
- g) Highly visible presence across all of the venue's social media platforms

A number of benefits in the Leon's Centre agreement are **not** part of the proposed Slush Puppie Canada Inc. contract, including:

- a. Option to use the facility for up to 12 times per year, valued at \$72,000 per year
- b. 4 Lower Bowl tickets per each non-primary tenant event, approximate value of \$7,500 per year
- c. 2 Full suites, Suite 425 and 409 (11-person and 14-person capacity), approximate value of \$52,050 per year
- d. \$12,000 per year food and beverage credit
- e. Off-site activation to promote shows at sponsor venues

Naming

Slush Puppie Canada Ltd. currently has a naming rights contract for the "Centre Slush Puppie" in Gatineau, Quebec. The spelling of "Centre" in both French and English is the same, and to ensure that there is no confusion for ticket buyers, staff are recommending that the naming of the facility be "Slush Puppie Place". This will allow increased brand awareness for the facility and minimize any issues with the name of the facility located in Gatineau.

Existing Policy/By-Law:

Naming of Corporate Assets Policy

Corporate Sponsorship Policy

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Notice Provisions:

None

Accessibility Considerations:

None

Financial Considerations:

The agreement spans fifteen (15) years with a fee of 135,000 per year, for a total of \$2,025,000 over the period of the contract.

Contacts:

Julie Fossitt, Manager, Marketing and Revenue Development, 613-546-4291 extension 1143

Other City of Kingston Staff Consulted:

Alan McLeod, Senior Legal Counsel & Deputy City Solicitor, Legal Services

Amy Elgersma, Manager, Recreation Facilities

Exhibits Attached:

Exhibit A – Naming logo

Exhibit A to Report Number 24-022



PUPPIE

PLACE

SLUSH PUPPIE PLACE





SLUSH PUPPIE PLACE