



INFORMATION REPORT

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	September 19, 2014
SUBJECT/REPORT NO:	Hamilton Gateway Marquee Partnership (PW14093) - (Ward 4 with City Wide Implications)
WARD(S) AFFECTED:	Ward 4
PREPARED BY:	Coralee Secore (905) 546-2424, Extension 5557
SUBMITTED BY:	Gerry Davis, CMA General Manager Public Works Department
SIGNATURE:	

Council Direction:

N/A

Information:

The Planning Committee is considering an appeal from the Hamilton Tiger-Cats Football organization action that denied an application for a Marquee Sign on City lands off the Burlington Street/Red Hill Valley corridor of the Queen Elizabeth Way (QEW).

The purpose of this report is to provide further documentation for members of the Planning Committee.

BACKGROUND

In late 2012, the City of Hamilton and the Tiger-Cats signed a Memorandum of Understanding (MOU) that included a clause indicating "City and Tiger-Cats are cooperating on a process in an attempt to secure a Highway Marquee sign for the Stadium".

In February 2014 the City of Hamilton and the Tiger-Cats completed the 20 year license agreement for Tim Hortons Field. The License includes the following:

"Section 19.16 - Stadium Highway Sign - Owner shall reasonably cooperate with Licensee (subject to applicable Governmental Rules) to identify a mutually-agreeable site, owned by the city and with highway frontage, for the placement of a sign to display changing information promoting the Stadium, Events and Sponsors".

Staff identified a preferred site at the City owned Water Treatment facility at 900 Woodward Ave in an area fronting the QEW. This area is not included in the Water Treatment facility's plans for future development.

The Tiger-Cats have proposed a design that delivers more than just a "sign", but can act as a gateway-like entrance to the City of Hamilton.

Summary of benefits:

1. No Capital Investment

The Tiger Cats organization will be fully responsible for the capital investment.

2. Ongoing Operations and Maintenance

All costs for ongoing operations and maintenance will be the sole responsibility of the Tiger-Cats. This includes paying for the power and data required to operate the sign.

3. Delivery of the Long-Sought "Gateway Landmark Infrastructure"

The will to create, and attempts to deliver, a substantial "landmark-like" piece of infrastructure on a major highway through the City of Hamilton has been ongoing for many years. Partnering on this project will deliver on those attempts with no taxpayer dollars allocated to fund it.

4. Fulfils the License Obligation in the 20 Year Agreement

The partnership fulfils the contractual obligation defined in the stadium license agreement.

5. Permanent City Branding - Brand Identification Value

The proposed sign features two City of Hamilton logos that total over 400ft² in surface area. The name "Tim Hortons Field" is prominently displayed on the sign, which does much to promote this City owned facility. These logos are illuminated at night and are highly visible, as they will be seen by approximately 150,000 visitors a day.

6. Promotion of City Events/assets - LED Sign Face and LED Ticker

The City will have a sizable block of ad time free of charge to use to promote any City event, asset or initiative. This sign and ticker will do plenty to give visitors a glimpse of what the City has to offer.

7. Direct Financial Contribution - "The Gateway Fund"

Subject to approval, the Tiger-Cats would make an annual financial contribution that can be pooled within a reserve, used to reduce the tax levy, or put towards special community projects at Council's discretion.

The annual financial contributions would be as follows:

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Year	Annual Financial Contribution	Year	Annual Financial Contribution
2015	\$0	2025	\$25,000
2016	\$45,000	2026	\$25,000
2017	\$20,000	2027	\$25,000
2018	\$20,000	2028	\$25,000
2019	\$20,000	2029	\$25,000
2020	\$22,000	2030	\$32,000
2021	\$22,000	2031	\$32,000
2022	\$22,000	2032	\$32,000
2023	\$22,000	2033	\$32,000
2024	\$22,000	2034	\$32,000

Total Term Gateway Marquee Financial Contribution = \$500,000

8. Other Monetary Benefits

Over 10% of the surface area of the sign would be dedicated to displaying two City of Hamilton Logos and an additional 15% to displaying the logo of Tim Hortons Field. This would constitute a significant portion of the Tiger-Cats \$3 million investment that would be committed to promoting the City of Hamilton and its stadium asset.

The Tiger-Cats would incur all operating and maintenance costs, including an estimated \$10,000 - \$15,000 annually to be incurred by illuminating and maintaining the logos discussed above.

The Tiger-Cats would also provide the City of Hamilton ten seconds of ad time to be displayed on both LED screens and both “tickers,” every five minutes over the life of the agreement. This totals over 17,000 minutes of ad time per year, valued at approximately \$10,000 - \$15,000 annually. If the City of Hamilton were unable to fully utilize this ad time, the Tiger-Cats have agreed to buy back the unused portion, if given sufficient notice and the consent of both parties.

Based on an in-depth financial analysis of the contributions and inducement being proposed (i.e. no capital or operating costs required from the City) the benefit to the City is within the satisfactory range of revenues which could be sourced from this type of medium.

9. Partnership Opportunities

In addition to the economic value stated above, there is significant value in further developing the City’s partnership with the Tiger-Cats. With a history that extends well beyond 100 years, the Tiger-Cats are one of a few anchor brands within the City. More recently, the Tiger-Cats have supported numerous City programs and events and have expressed interest in becoming a long term partner with the City moving forward. The Tiger-Cats have become a positive anchor brand within the City and a co-branded visually appealing digital gateway sign could be seen as a very valuable social and monetary opportunity for both parties.