



CITY OF HAMILTON
CITY MANAGER'S OFFICE
Strategic Partnerships and Revenue Generation Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	March 22, 2017
SUBJECT/REPORT NO:	Sponsorship – Hamilton Farmers' Market (City Wide) (CM17007)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Brian MacDonald (905) 546-2424 Ext. 3048
SUBMITTED BY:	John Hertel Director, Strategic Partnerships and Revenue Generation
SIGNATURE:	

RECOMMENDATIONS

- (a) That the Director of Strategic Partnerships and Revenue Generation be authorized to negotiate a \$750,000/5 year agreement (\$150K/year), with the option to renew for an additional 5 years, with Meridian Credit Union for the naming, advertising and sponsorship rights in the Hamilton Farmers' Market, to commence April 1, 2017;
- (b) That the Director of Strategic Partnerships and Revenue Generation or his designate be authorized to execute the \$750,000/5 year agreement (\$150K/year), with the option to renew for an additional 5 years, for the naming, advertising and sponsorship rights in the Hamilton Farmer's Market to Meridian Credit Union; an amendment to the operating agreement with the Hamilton Farmers' Market Corporation; and, any ancillary documents required to implement the naming, advertising and sponsorship transaction with Meridian Credit Union, to commence April 1, 2017, in a form satisfactory to the City Solicitor; and
- (c) That a representative of Meridian Credit Union be appointed to the Hamilton Farmers' Market Corporation Board of Directors in the capacity of an ex-officio, non-voting member, commencing April 1, 2017.

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EXECUTIVE SUMMARY

The Strategic Partnerships and Revenue Generation division in partnership with the Hamilton Farmers’ Market Corporation have reached a \$750,000/5 year agreement (\$150K/year) with the option to renew for an additional 5 years to award the sponsorship for the Hamilton Farmer’s Market to Meridian Credit Union (“Meridian”). The engagement is scheduled to commence April 1, 2017 and will be represented through various medium as, “The Hamilton Farmers’ Market Proudly Supported by Meridian”.

The Strategic Partnerships and Revenue Generation division has been actively engaged in efforts to increase non-tax revenue through sponsorships of City owned assets since April 2014. Through one of the many private sector partnerships that have been developed, Meridian was particularly interested in a sponsorship agreement for the Hamilton Farmers’ Market.

This engagement also includes a complimentary marketing program at the Hamilton Farmers’ Market and throughout the community. In addition, Meridian has wilfully volunteered to have a non-voting representative sit on the Farmers’ Market Board of Directors. Not only does this provide Meridian with an opportunity to provide input and observance with respect to operational and capital decision making process within the board. More importantly, it gives the board additional expertise with respect to financial due diligence requirements of the Farmers’ Market.

The revenue from this engagement will provide a significant contribution to the Market’s ability to meet Council’s directive of a 1.8% increase for fiscal 2017 over last year’s approved budget, and will assist the Board of Directors in continuing to attract exciting new vendors and new patrons through increased offerings and marketing programs in the years ahead.

Meridian (the merge entity of Niagara Credit Union & HEPCOE Credit Union) has been operating in the Province of Ontario for over 85 years. Meridian is the largest Credit Union in Ontario serving 250,000+ Members (throughout Southern Ontario with 85 branches, and Commercial Business Centres) with Assets under Administration of approximately \$18 billion and fourth largest Credit Union in Canada. Meridian prides themselves’ in making a difference in the communities they operate in. As an example, Meridian gives back their surplus profits reinvesting in *active* partnerships that provide for initiatives that are intended to improve the communities overall well-being.

Since entering the Hamilton area market, Meridian has integrated itself throughout the many distinct communities within the City of Hamilton and actively partnered and supported many initiatives to give back and make a difference.

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Community engagement/sponsorship highlights include:

- Strong and valued Partnerships with Innovation Factory;
- The Hamilton Chamber of Commerce;
- The Bay Area Economic Summit;
- Young Entrepreneurs and Professional (YEP);
- Hamilton Philharmonic Orchestra (Gallery Series) ;
- McMaster (Hack the City);
- Hamilton Wentworth District School Board Foundation;
- YWCA (Board Member and Event Sponsor of Walk-A-Mile);
- Food4Kids;
- Santa Claus Parade;
- Small Business Training and Small Business Appreciation Breakfast;
- Hamilton Rate Drop Rebate; and
- City of Hamilton Financial Literacy Initiative.

In addition to these engagements Meridian has also entered in a more focused Partnership with the Strategic Partnerships and Revenue Generation division. Through this partnership Meridian has provided support and been a leader in events and initiatives such as Building Momentum (McQuestern Urban Farm), Vanier Cup, and City of Hamilton - Corporate Services Employee Recognition Event (City Kidz).

Meridian is very excited about the Hamilton Farmers’ Market opportunity and sees it as a leading opportunity to further grow this Partnership in a meaningful way.

Alternatives for Consideration – See Page 5

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The Strategic Partnerships and Revenue Generation division in partnership with The Hamilton Farmer’s Market Board have negotiated a \$750,000/5 year agreement with the option to renew for an additional 5 years to award the sponsorship rights for the Hamilton Farmers’ Market, pending receipt of Committee and Council approval.

\$25,000 per year will go towards the Divisions’ annual commitment towards reducing the tax levy. The balance of \$125,000 will be transferred to the revenues of the Hamilton Farmers’ Market Corporation.

In summary, these additional revenues will provide the Hamilton Farmers’ Market additional long term financial security, in addition to, providing for the opportunities to enhance and upgrade current infrastructure and community programming.

Staffing: Not applicable.

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Legal: Legal Services will prepare and advise on the agreement between the City and Meridian. As well, an amendment to the operating agreement between the City and the Hamilton Farmers’ Market Corporation will be required, in order to document the operational changes at the Market, including the use of a new name/logo for the Market and implementation of any exclusivity rights in favour of Meridian.

HISTORICAL BACKGROUND

- The Hamilton Farmers’ Market is working towards reducing City subsidies from the Tax Levy and actively seeking alternative revenue sources to achieve fiscal sustainability
- The Strategic Partnerships and Revenue Generation division has been actively engaged in efforts to increase non-tax revenue through the possibilities of assigning sponsorships to City Owned assets since April 2014
- The Strategic Partnerships and Revenue Generation division has been actively working with Meridian on numerous partnership based initiatives since September of 2015, including community sponsorships, programming, support of local events, etc.
- The Strategic Partnerships and Revenue Generation division and the Hamilton Farmers’ Market Board have been in negotiation with Meridian on this engagement since August of 2016
- Recently, the Strategic Partnerships and Revenue Generation division and the Hamilton Farmers’ Market Board reached a tentative deal, pending Committee and Council’s approval to award sponsorship rights for the Hamilton Farmers’ Market to Meridian.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Not applicable.

RELEVANT CONSULTATION

- Hamilton Farmers’ Market Corporation Board of Directors
- Market Manager
- Legal Services
- Corporate Services - Manager of Capital Budgets & Development
- Public Works - Manager of Strategic Planning, Capital & Compliance

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The Strategic Partnerships and Revenue Generation division has actively been engaged in numerous revenue generation activities, one of those activities has been

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focused on exploring potential sponsorship rights for the various City of Hamilton owned assets.

The Strategic Partnerships and Revenue Generation division has also had an active partnership with the Hamilton Farmers’ Market since the division’s inception. Out of this numerous projects have been developed and implemented. The implementation of this sponsorship engagement at the Hamilton Farmers’ Market is the culmination of all of these efforts and could only be made possible by the progressive partnership that has developed between the City of Hamilton, Meridian and the Hamilton Farmers’ Market.

The Strategic Partnerships and Revenue Generation division in partnership with the Hamilton Farmers’ Market Board have negotiated a \$750K five year agreement with Meridian, pending approval of Council, awarding them the sponsorship rights for Hamilton Farmers’ Market. This revenue will make a significant and positive contribution to managing the long term sustainability of the Market budgetary pressures keep level increase well in line with Council directives.

ALTERNATIVES FOR CONSIDERATION

The recommended approach provides the best option on balance, for the Hamilton Farmers’ Market, City of Hamilton and Meridian.

In the past, many other private sector organizations where consulted on the potential opportunity, however, none showed an interest or ability to engage on this opportunity. No other option was strongly considered.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Culture and Diversity

Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity are embraced and celebrated.

APPENDICES AND SCHEDULES

Not Applicable.