



<b>Policy Title:</b>	<b>Sponsorships and Naming Rights</b>
<b>Policy Number:</b>	<b>090</b>
<b>Department:</b>	Development Services
<b>Division:</b>	Economic Development
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## 1. Policy Statement

The Corporation of the Town of Essex (hereinafter referred to as the Town) recognizes the importance of Sponsorships and Naming Rights in generating non-tax revenue to support Town assets, services, and programs, as well as acknowledging the contributions made to the community by businesses, not-for-profit organizations, and individuals. Sponsorship and Naming Rights Agreements shall be structured to maximize mutual benefits for the Town and the community. All such Agreements shall be executed in a manner that ensures alignment with the Town's vision, mission, and values, and shall comply with applicable municipal policies, by-laws, and other regulations, while preserving the Town's integrity and safeguarding its public image.

## 2. Purpose

The purpose of this policy is to:

- Provide a structured framework for how the Town can actively seek out and assess Sponsorship and Naming Rights opportunities, ensuring a consistent and strategic approach; and
- Safeguard the Town's values, image, and assets while fostering potential revenue opportunities.

## 3. Scope

This policy applies to all Sponsorship and Naming Rights Agreements between the Town and businesses, not-for-profit organizations, and individuals that contribute either financially or in-kind to the Town, in return for recognition, acknowledgement or other promotional considerations. This policy is only applicable to Sponsorships and Naming Rights resulting from financial or in-kind contributions, either solicited by the Town of Essex or proposed by a potential Sponsor or Naming Entity.

This policy applies to Town owned assets or Town held events and does not apply to the following, which is a non-exclusive list and may be revised and amended at the Town's discretion:

- Core municipal service facilities (e.g. Town Hall, fire halls, police stations);
- Town Facilities where the Town has an existing Agreement with a Sponsor or Naming Entity, until such Agreement has been terminated;
- Committees of Council;
- The Town's Memorial Program; and
- The Town's Designated Heritage Properties.

## Definitions

"Agreement" means a binding legal contract between the Town and a Sponsor or Naming Entity that requires performance from both parties in relation to a Sponsorship or Naming Rights opportunity.

"Asset Analysis" refers to a comprehensive review of an asset's overall value as it relates to Sponsorship or Naming Rights opportunities.

"Commemorative Naming Rights" refers to the official naming of Town Asset to honour a person, persons, or family name.

"In-Kind" refers to a Sponsorship received in the form of property, goods, or services in lieu of cash.

"Naming Entity" refers to an entity (e.g., a business, not-for-profit organization or individual) to whom Naming Rights are granted pursuant to a Naming Rights Agreement.

"Naming Rights" refers to a mutually beneficial partnership between the Town and a Naming Entity wherein the Naming Entity secures Naming Rights to a Town Asset for a specified period in exchange for a financial or in-kind contribution to the Town.

"Sponsor" refers to a business, not-for-profit organization, or individual that provides financial support, goods, services, or other contributions, either in-kind or cash, to the Town in exchange for the right to be publicly associated with an event, activity, or other agreed-upon items. The arrangement is made for the mutual benefit of both parties, with the Sponsor receiving commercial, promotional, or other benefits as outlined in the Agreement.

"Sponsorship" refers to a marketing-oriented, contracted arrangement that involves the payment of a fee or payment in-kind by a business, not-for-profit organization, or individual



in return for the right to be publicly associated with an event, activity, or other agreed-upon items for mutual commercial benefit. Sponsorships may be in the form of financial assistance, non-cash goods, or a contribution of skills or resources.

“Tenant” means a person, corporation, organization, or other entity occupying a Town Asset through an Occupation Agreement.

“Town” means The Corporation of the Town of Essex.

“Town Asset” refers to any property, building, structure, or facility owned by or under the direction and control of the Town, including but not limited to sports facilities, arenas, splash pads, trails, recreation centres, park amenities, tennis and pickleball courts, and skate parks.

“Town Council” means the municipal Council of the Town of Essex.

“Value Assessment” is a determination of the true value that a Naming Entity will receive from the specified Naming Rights and may include tangible and intangible benefits.

#### **4. Interpretation**

Any reference in this policy to any statute or by-law, or any section of a statute or by-law shall, unless expressly stated, be deemed to be reference to the statute or by-law as amended, replaced, re-enacted, or restated from time to time. Any references to a Town policy shall be deemed to be a reference to the most recent passed policy and any replacements thereto.

#### **5. General Policy Conditions**

##### **5.1. General Provisions**

- 5.1.1. All Sponsorships and Naming Rights shall be consistent with the Town’s corporate vision, mission and values and must adhere to applicable federal and provincial laws, municipal by-laws, and established Town policies and procedures.
- 5.1.2. The Town will evaluate all proposed expressions of interest from potential Sponsors and Naming Entities for Town Assets. However, the Town reserves the right, in its sole discretion, to reject any proposed Sponsorships or Naming Rights opportunities.

- 5.1.3. Where appropriate, the Town may issue a Request for Proposal (RFP) or conduct an informal RFP for Sponsorships or Naming Rights for a specific Town Asset.
- 5.1.4. The Town reserves the right to evaluate proposals and expressions of interests on an ongoing basis based on alignment with community values, financial contributions, and long-term benefits to the Town.

## 5.2. **Criteria for Sponsorships and Naming Rights**

- 5.2.1. The Town will not solicit or accept Sponsorships or Naming Rights from a business, not-for-profit organization, or individual whose reputation could prove detrimental or compromise the Town's public image.
- 5.2.2. The granting of a Sponsorship or Naming Rights opportunity does not entitle the Naming Entity or Sponsor to preferential treatment by the Town outside of the terms outlined in the respective Agreement.
- 5.2.3. Sponsorships or Naming Rights Agreements must not result in any Town employee or Town official receiving a product, service, or asset for personal gain or use from a Sponsor or Naming Entity.
- 5.2.4. Sponsors and Naming Entities are prohibited from implying that their products, services, or ideas are sanctioned or endorsed by the Town.
- 5.2.5. There shall be no actual or implied obligation for the Town to purchase products or services from a Sponsor or Naming Entity, unless otherwise stated in the Agreement.
- 5.2.6. The Town will not relinquish any aspect of management or control of an asset, service, or resource upon entering into a Sponsorship or Naming Rights Agreement.
- 5.2.7. The Town will not solicit or accept Sponsorships or Naming Rights from a business, not-for-profit organization, or individual that has or is engaging in activities that may bring the Town into disrepute. If a concern regarding a Sponsor or Naming Entity arises after an Agreement has been signed that

Town feels may bring it into disrepute, the Town reserves the right to terminate the Agreement, at its sole discretion, without refund of consideration, if it is determined that such concern may adversely affect the Town's reputation, operations, or community interests.

### **5.3. Conditions of Sponsorships and Naming Rights**

- 5.3.1. All Agreements will be for a fixed term, subject to renewal upon review and approval by the Town.
- 5.3.2. All Agreements must not unduly detract from the character, integrity, aesthetic quality, safety of the Town Asset, or unreasonably interfere with its public enjoyment or use.
- 5.3.3. All Sponsorship or Naming Rights must not cause increased or unplanned operating costs to the Town. In the possible case where an opportunity could enhance current operations and the cost is judged to contribute to increased efficiency, an exception may be considered upon review of Town Council.
- 5.3.4. Sponsorships and Naming Rights Agreements must not conflict with the terms and conditions of any existing Occupation Agreement between the Town and a Tenant.
- 5.3.5. Naming Rights may only be transferred or assigned by a Naming Entity with the consent of the Town. Where a company changes its name, the Naming Rights may, with the consent of the Town and at the expense of the Naming Entity, be modified to reflect the new name.
- 5.3.6. Charitable tax receipts shall be issued only in accordance with the Income Tax Act and the policies of the Canada Revenue Agency at the agreed upon values within the Agreement.
- 5.3.7. All proposals for Naming Rights will be evaluated against the provisions of this policy and any other naming criteria established by the Town.

#### **5.4. Commemorative Naming Rights Process**

- 5.4.1. When considering the commemorative naming of a Town Asset, at least one of the following criteria must be met:
  - 5.4.1.1. The nominated group or individual has made a significant contribution to the public life and well being of the Town;
  - 5.4.1.2. The nominated group or individual has an extraordinary record of community service;
  - 5.4.1.3. The nominated group or individual has a direct relationship or connection to the Town Asset to be named through their place of residence or community efforts;
  - 5.4.1.4. The proposed name should reflect a sense of place, continuity, and belonging, while celebrating the unique and distinguishing characteristics of the Town; and
  - 5.4.1.5. The proposed name should maintain a long-standing local area identification with residents of the Town.
- 5.4.2. The commemorative Naming Entity (and any Naming Rights Agreement shall specify that such Naming Entity) may be changed or removed, in the sole discretion of the Town, if it is determined that maintaining the existing name would not align with the best interests of the Town.

#### **5.5. Naming Rights Agreement**

- 5.5.1. Naming Rights Agreements will be in the form of a legally binding contract between the Town and Naming Entity and should, at minimum, address the following items:
  - 5.5.1.1. A description of the naming Agreement;
  - 5.5.1.2. Value assessment, including cash, in-kind goods and services (and method of evaluating in-kind contributions);
  - 5.5.1.3. The term of the Agreement and delivery dates;
  - 5.5.1.4. Renewal options, if any;

- 5.5.1.5. Any fees or costs, accompanied by a payment schedule;
- 5.5.1.6. The responsibilities for the cost of the development, installation, and maintenance of a logo, signage, and any other promotional benefits;
- 5.5.1.7. The dispositions and ownership of any assets resulting from the Naming Rights Agreement;
- 5.5.1.8. Details of the exchange of marketing benefits, including what the Town will receive from the Naming Entity, and what benefits are to be provided to the Naming Entity by the Town;
- 5.5.1.9. Indemnification and early termination clauses;
- 5.5.1.10. Confidentiality terms, if applicable; and
- 5.5.1.11. Other commercially reasonable terms deemed necessary by the Town, in its sole discretion.

## 5.6. Sponsorship Agreement

- 5.6.1. Requests for Sponsorships and any subsequent arrangements shall be made in writing detailing the rights and benefits offered and, at a minimum, shall include the following:
  - 5.6.1.1. A description of the Sponsorship Agreement;
  - 5.6.1.2. The value of all funds, goods, services to be provided and the recognition to be provided in return by the Town;
  - 5.6.1.3. The term of the Agreement and delivery dates;
  - 5.6.1.4. Renewal options, if any;
  - 5.6.1.5. Any fees or costs, accompanied by a payment schedule;
  - 5.6.1.6. The disposition and ownership of any assets resulting from the Sponsorship Agreement;
  - 5.6.1.7. Responsibilities of the respective parties (e.g., installation and maintenance, permits, insurance, removal from and remediation to the site, etc.);

- 5.6.1.8. Indemnification and early termination clauses;
- 5.6.1.9. Confidentiality terms, if applicable; and
- 5.6.1.10. Other commercially reasonable terms deemed necessary by the Town, in its sole discretion.

## 5.7. Sponsorship and Naming Rights Package

- 5.7.1. Considering the Town's available opportunities, funding requirements, and other considerations, the Development Services Department will from time to time produce and distribute a Sponsorship and Naming Rights package to provide to potential Sponsors and Naming Entities.

## 6. Responsibilities

- 6.1. **Council** has the authority and responsibility to:

- 6.1.1. Approve any Sponsorship or Naming Rights Agreement exceeding the aggregate amount of \$130,000 or that does not satisfy the provisions of this Policy.

- 6.2. The **Chief Administrative Officer** has the authority and responsibility to:

- 6.2.1. Approve any Sponsorships or Naming Rights Agreement with an aggregate amount of \$130,000 or less in consultation with the Mayor and Deputy Mayor.
- 6.2.2. Review and provide final approval to all Sponsorship and Naming Rights Agreements that the Town enters into.

- 6.3. The **Director of Corporate Services** has the authority to and responsibility to:

- 6.3.1. Allocate funds received through Sponsorship and Naming Rights Agreements to the appropriate municipal accounts in accordance with budgetary policies and long-term financial planning objectives.
- 6.3.2. Facilitate the issuance of charitable tax receipts for eligible Sponsorship and Naming Rights contributions, ensuring compliance with municipal, provincial, and federal tax regulations.
- 6.3.3. Provide guidance and oversight on the financial components of Sponsorship and Naming Rights Agreements, ensuring appropriate financial reporting.

- 6.4. The **Director of Development Services** has the authority and responsibility to:
- 6.4.1. Provide assistance on all aspects of a Sponsorship or Naming Rights Agreement, including approvals, execution, reporting, performance, administration, recognition, and renewals.
- 6.5. The **Director of Community Services** has the authority and responsibility to:
- 6.5.1. Support the Director of Development Services and Manager of Economic Development in assessing Sponsorship and Naming Rights proposals; and
  - 6.5.2. Provide the Manager of Economic Development with potential opportunities for Sponsorship and Naming Rights and support the facilitation of these opportunities.
- 6.6. The **Manager of Economic Development** has the authority and responsibility to:
- 6.6.1. Solicit Sponsorship and Naming Rights opportunities and manage all aspects of a proposal including due diligence, asset analysis and value assessment;
  - 6.6.2. Manage all aspects of a Sponsorship or Naming Rights Agreement, including approvals, execution, reporting, performance, administration, recognition, and renewals;
  - 6.6.3. Ensure that all relevant by-laws and policies are adhered to, appropriate consultation and approval authorities are respected, and where applicable that insurance, indemnification, and permits have been obtained;
  - 6.6.4. Ensure and regularly monitor that all Sponsorship or Naming Rights Agreements properly reflect the Town's best interests and align with the provisions noted in this Policy;
  - 6.6.5. Maintain a log of all Agreements and act as the primary liaison for a Sponsor or Naming Entity; and
  - 6.6.6. Consult the Clerk on the preparation and execution of the proposed and final Sponsorship and Naming Rights Agreements.
  - 6.6.7. Retain original copies of the Sponsorship and Naming Rights Agreements.
- 6.7. The **Clerk** has the authority and responsibility to:



- 6.7.1. Review all Sponsorship and Naming Rights Agreements that the Town enters into;
- 6.7.2. Assist the Manager of Economic Development in the preparation and execution of the proposed and final Sponsorship and Naming Rights Agreements; and

## **7. References and Related Documents**

*(This section lists any acts, by-laws, policies, publications, legislation, etc. that has been referenced in this policy, or any other known references that are commonly associated with the subject matter and ought reasonably to be pointed out to the reader.)*