

STAFF REPORT TO COUNCIL

1100 Patricia Blvd. | Prince George, BC, Canada V2L 3V9 | www.princegeorge.ca

DATE: June 6, 2024

TO: MAYOR AND COUNCIL

NAME AND TITLE: Andy Beesley, Director of Civic Facilities and Events

SUBJECT: Sponsorship of NSC Gymnasium Main Court

ATTACHMENT(S):

1. Letter of Agreement for Sponsorship Naming of the NSC Gymnasium Main Court.
2. Gymnasium: Main Court Sponsorship details

RECOMMENDATION(S):

1. That Council APPROVES and AUTHORIZES the Director of Civic Facilities and Events to sign the Letter of Agreement for Sponsorship Naming of the NSC Gymnasium Main Court, as attached to the report dated June 6, 2024, from the Director of Civic Facilities and Events, titled "Sponsorship of NSC Gymnasium Main Court".

PURPOSE:

The purpose of this report is to seek Council's approval to enter into a sponsorship agreement negotiated by UNBC and direct the City's portion of the revenue (\$10,000) from the sponsorship towards the Northern Sport Centre ("NSC") capital reserve fund, specifically to contribute to the gym floor resurfacing project.

BACKGROUND:

In 2007 the Northern Sport Centre Master Agreement was entered into between the University of Northern British Columbia ("UNBC"), the City of Prince George (the "City"), and Northern Sport Centre Limited ("NSCL"). The term of this agreement is for a period of 30 years from January 1, 2007 to January 1, 2037.

NSC is intended to be a centre for excellence in sport, education, recreation and wellness for citizens of the City, students, faculty and employees of UNBC, and local, provincial and national athletic and sport clubs and associations.

The Master Agreement provides that the City is responsible for the payment of an annual operating contribution of not more than \$300,000, and UNBC is responsible for the payment of an annual operating contribution of \$300,000 or greater amount which may be required to fund a balanced operating budget.

As outlined in the NSCL annual report, there are several upcoming capital projects at the NSC intended to be funded through the NSCL capital reserve fund. An immediate project is the resurfacing of the aging main gymnasium floor. This project is to be funded through the NSCL capital

reserve fund, but UNBC has also obtained a third party grant (NDIT) to assist with the funding towards this project.

Additionally, UNBC has a sponsorship deal pending the decision from City Council as described in this report. (See attachment “Gymnasium: Main Court Sponsorship details”)

Section 7.1 of the Master Agreement governs how Sponsorship Agreements are to be addressed between UNBC, the City and NSCL. Specifically, section 7.1 of the Master Agreement provides that the City and UNBC may receive certain credit towards their Operating Contribution for one half of the value of the Sponsorship Agreement attributed to the NSC, as follows:

“7.1 During the Term, UNBC will have the right to enter into a sponsorship or naming agreement with a third party that may apply to the NSC (“Sponsorship Agreement”), provided UNBC gives prior notice and engages in reasonable consultations with the NSCL regarding the Sponsorship Agreement. UNBC will attribute a portion of the total value of the Sponsorship Agreement to the NSC as agreed to by the UNBC and the City and, as equal shareholders of NSCL, each of the City and UNBC may receive credit towards their Operating Contribution for one half of the value of the Sponsorship Agreement attributed to the NSC.”

City Administration has negotiated with UNBC and as per the attached Letter of Agreement, is proposing that Council supports the recommendation to direct the City’s portion of the revenue (\$10,000) to the NSC Capital Reserve Fund, specifically to contribute to the gym floor resurfacing project. UNBC has agreed to contribute a total of \$44,000.

While the additional grant money UNBC has obtained is likely required to cover the balance of the costs of this project, in the event there are any leftover funds, we are recommending any surplus remains in the NSC Capital Reserve fund as there are several major upcoming projects that will need to be addressed in the near future.

STRATEGIC PRIORITIES:

Providing adequate funding to ensure the NSC is well maintained and in excellent condition supports the following Council Strategic Priorities:

- City Government and Infrastructure Priorities
- Economic Diversity and Growth Priorities: Market Prince George as a place to invest, live and visit
- Social Health and Well Being: Maximize the quality of life for all residents.

FINANCIAL CONSIDERATIONS:

The total proposed sponsorship is \$75,000 over 6 years. Out of that, \$25,000 will cover the additional sponsorship benefits provided to the sponsor by UNBC Athletics (e.g. Cost of sponsor sideboard, Wolf Club passes, etc.) From the remaining \$50,000, the City would receive 20% (\$10,000) and UNBC would receive 80% (\$40,000). The City would contribute its \$10,000 to the NSC, and UNBC would contribute \$14,000 from the sponsorship. UNBC has committed to additional support in the amount of \$30,000, which will result in a grand total of \$54,000 to the NSC.

SUMMARY AND CONCLUSION:

The gym floor at NSC is in need of replacement, and one way to assist with funding this project is through the selling of naming sponsorships. UNBC has done the legwork to obtain a sponsorship

package for the naming of the gym floor for a total of \$75,000 and has written a letter to propose an agreement that would see UNBC and the City agree to use their shares of the proceeds to assist in funding the gym floor project. UNBC has also committed a further \$30,000 for this project, which would result in a net grand total of \$54,000 being directed to the NSC Capital Reserve Fund to contribute to the costs of the project. Administration is seeking Council approval for this agreement.

RESPECTFULLY SUBMITTED:

Andy Beesley, Director of Civic Facilities and Events

APPROVED:

Walter Babicz, City Manager

Meeting Date: 2024/06/24