



Media Release: Friday, February 28, 2014, 4:30 p.m.

Regional Municipality Of Waterloo

Economic Development and Promotion Committee

Agenda

Tuesday, March 4, 2014

10:00 a.m.

Regional Council Chambers

150 Frederick Street, Kitchener

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- 1. Declarations Of Pecuniary Interest Under The Municipal Conflict Of Interest Act**
 - 2. Delegations**
 - a) Hugh Morrow, CEO, Sports Properties International re: Manulife Financial LPGA Classic Funding Request
 - 3. Reports – Finance**
 - a) [F-14-028](#), Manulife Financial LPGA Classic – Request for Services/Sponsorship 1
 - 4. Other Business**
 - a) Waterloo Region Economic Development Strategy – Update
 - b) Introduction of Ron Gaudet, Manager, Economic Development
 - 5. Adjourn**



Report: F-14-028

Region of Waterloo

Finance Department

Treasury Services Division

To: Chair Tom Galloway and Members of the Economic Development and Promotion Committee

Date: March 4, 2014

File Code: F25-20

Subject: **Manulife Financial LPGA Classic – Request for Services/Sponsorship**

Recommendation:

That the Regional Municipality of Waterloo take no action on the request from Sports Properties International for in-kind services or sponsorship in the amount of \$60,000 for the 2014 Manulife Financial LPGA Classic tournament.

Summary: Nil

Report:

The Manulife Financial LPGA Classic tournament was founded and is owned by Sports Properties International (SPI), a privately held for-profit company. The tournament, held at Grey Silo golf course in Waterloo, has a three year commitment with 2014 being the third year.

On February 5, 2014 Mr. Hugh Morrow, CEO of SPI, made a presentation to Regional Council on the Manulife Financial LPGA Classic tournament and requested in-kind services or a sponsorship to cover Emergency Medical Services (EMS) in the amount of \$25,000 and Waterloo Regional Police Services (WRPS) in the amount of \$35,000 for the 2014 event.

As part of his presentation, Mr. Morrow noted that attendance has been in excess of 127,000 through two years, the economic impact to the Region is approximately \$20 million per year, that 88% of the tourists came to Waterloo Region specifically for the tournament, and that the tournament supports St. Mary's General Hospital with \$559,000 raised and given in the past two years.

Requests for funding for events having an economic benefit to the Region are generally considered by the Region's Economic Development and Promotion (EDP) Committee in conjunction with the Region's Policy on Financial Assistance for Events providing an Economic Benefit to the Region. The policy lists a number of criteria to be considered when reviewing requests for financial assistance for events including "sponsorship of the event by charitable or non-profit organizations." This requirement is central to the policy as Section 106 of the "Municipal Act" prohibits municipalities from providing direct or indirect assistance to businesses.

While the Manulife Financial LPGA Classic tournament is a valued community event which provides a significant economic and charitable benefit to the region, it is founded and owned by a private, for-profit corporation incorporated under the "Ontario Business Corporations Act." The tournament is not run by a charitable or non-for-profit organization. Providing financial assistance in the form of in-kind services or sponsorship would directly benefit the privately owned corporation Sports Properties International and would be in conflict with the Region's policy and potentially with the "Municipal Act." Notwithstanding these conflicts, the provision of such assistance to a private, for-profit enterprise would be precedent setting and likely result in other such requests for assistance.

It is recommended that the Region of Waterloo take no action on this request. This recommendation is consistent with the recommendation made in November of 2012 regarding a request from a for-profit corporation for financial assistance to cover the cost of Regional Services provided for the 2011 and 2012 Waterloo Air Shows.

Corporate Strategic Plan:

This report does not directly align with the Corporate Strategic Plan.

Financial Implications:

The owner of SPI has requested in-kind services or a sponsorship to cover EMS in the amount of \$25,000 and WRPS in the amount of \$35,000 for the 2014 Manulife LPGA Classic. Aside from the conflict with Regional policy and the potential conflict with the "Municipal Act," if the Region was to provide the requested assistance, there would need to be discussions with WRPS relative to the funding for their share of the cost. While the 2014 budget for EDP grants is \$154,000, that amount is generally fully expended on the annual requests for funding that are addressed each spring.

Other Department Consultations/Concurrence:

Legal Services staff was consulted in the preparation of this report.

Attachments:

Appendix 1 – Policy on Financial Assistance for Events providing an Economic Benefit to the Region

Prepared By: Angela Hinchberger, Director of Treasury Services and Tax Policy
Approved By: Craig Dyer, Chief Financial Officer

THE REGIONAL MUNICIPALITY OF WATERLOO
POLICY ON FINANCIAL ASSISTANCE FOR EVENTS PROVIDING
AN ECONOMIC BENEFIT TO THE REGION

POLICY OBJECTIVE

The Regional Municipality of Waterloo recognizes that certain events held in the Region of Waterloo may provide an economic benefit to the Region and the area municipalities. As such, Regional Council has adopted a policy, as recommended by the Economic Development and Promotion Committee, with respect to providing financial assistance for these events. Financial assistance provided under this policy may be in the form of cash grants, transit services or other in-kind services.

The objective of the policy is to ensure that funding assistance is provided in accordance with an established set of criteria and processes. In addition, the policy recognizes that the economic benefits to the community may change over time and the financial assistance provided to events should reflect the changes.

This policy is specific to financial assistance for events having an economic benefit to the Region. Grants for voluntary organizations; capital grants for hospitals; grants for disaster relief activities; and grants for events taking place at the invitation of Regional Council are covered under separate policies of Regional Council.

LEGISLATIVE AUTHORITY

Section 107(1) of the Municipal Act:

Despite any provision of this or any other Act relating to the giving of grants or aid by a municipality, subject to section 106, a municipality may make grants, on such terms as to security and otherwise as the council considers appropriate, to any person, group or body of any kind, including a fund, within or outside the boundaries of the municipality for any purpose that council considers to be in the interest of the municipality.

APPROVAL

This policy was approved by Regional Council on September 24th, 2003.

1) CRITERIA

The following criteria will be considered when reviewing requests for financial assistance for events having an economic benefit:

- events are to be one-time events or special events being held in the Region;
- objectives and values of the event are to be consistent with those of the Region;
- events are to be non religious / non–denominational;
- events should provide a quantifiable economic benefit to the region;
- sponsorship of the event by charitable or non-profit organizations which does not in-turn provide grants to other organizations;
- use of the proceeds from the event;
- planned use of financial assistance requested from the Region (assistance not provided to cover deficits);
- the appeal of the event to a broad sector of persons;
- the accessibility of the event for spectators;
- the ability of the event to bring people into the Region;
- the ability of the event to result in repeat visits by those attending;
- the ability of the event to enhance the Region’s image;
- the ability of the event to promote the Region within and beyond its boundaries;
- media coverage for the event (including television, newspaper and radio);
- how the Region’s support would be recognized;
- the heritage, cultural or recreational significance of the event;
- overlap with other Regionally funded programs (e.g. Grants to Voluntary Organizations);
- other sources of funding for the event;

It is recognized that some of the above criteria will be difficult to quantify or measure and there will need to be some reliance on the organization making the request to provide such information.

For specific requests for Transit Services or for opportunities to provide transit services in lieu of a cash grant, consideration will also be given to the ability of the event to create additional riders for Grand River Transit.

2) AMOUNT OF FINANCIAL / IN-KIND ASSISTANCE

Unless otherwise approved, \$5,000 is the maximum financial assistance to be provided as either cash or services in-kind for events having an economic benefit.

In-kind assistance in the form of advertising on the Region’s buses may be available subject to certain limitations. Use of exterior space for advertising is a contracted service and while the contractor has the exclusive right to handle the lease of exterior space for advertising, some advertising space may be available at discounted rates. In addition, the Region will provide some of its own exterior advertising space, if available, to a maximum of one community event per area municipality per year. The Region has some rights over the use of interior space for advertising and may provide the use of such space as an in-kind service subject to availability.

3) LOCAL / COMMUNITY REQUESTS FOR TRANSIT SERVICES

Grand River Transit will accommodate “smaller” local or community requests for service or charters within the Transit budget. Generally such requests are from charitable, non-profit and community organizations linked to a fund raising campaign or community event.

In reviewing these requests, consideration will be given to the following:

- the nature of the organization as a registered local charitable or non-profit organization;
- the nature of the event as a charitable fund raiser with all funds raised donated to the local organization or a subsidized or “no fee” community event;
- the marketing value of the event;
- the extent of Regional involvement and Regional presence at the event;
- other Regional funding for the group or the event; particularly funding provided through the Grants to Voluntary Organizations program.

Grand River Transit will accommodate “smaller” local and community requests subject to the following limitations:

- for charitable fund raising events, up to 5 hours free service; services in excess of 5 hours provided at 50% of the full charter rate;
- for non-profit community events, services provided at 50% of the full charter rate for a maximum of 5 hours per event;
- existing annual subsidized services for Oktoberfest, New Years Eve and Seniors Christmas Lights Tour will continue to be provided as per previous arrangements.

Requests for such services under Section 3 are to be provided at least 30 days in advance and the provision of services is subject to the availability of resources (including funds within the transit budget) and shall not impact on the delivery of regularly scheduled service.

4) PROCESS FOR REQUESTING FINANCIAL ASSISTANCE

- a) Requests for financial assistance for events are to be submitted to the Chief Financial Officer by March 1st in the year in which the event is to be held. Finance staff will prepare a report on the requests for consideration by the Economic Development and Promotion Committee with recommendations going forward to Regional Council. Requests for financial assistance received after March 1st will be considered at the discretion of the Committee. In either case, requests for financial assistance must be submitted no later than 60 days prior to the event. Committee will not consider requests for financial assistance that are received after the event has occurred.
- b) Requests for transit services for local or community events (per Section 3) are to be submitted to the Director of Transit Services. Requests for services received by Grand River Transit that do not fall under Section 3 will be forwarded to the Chief Financial Officer for review by the Economic Development and Promotion Committee per Section 4 a) above.

5) PAYMENT OF FUNDS

Cash grants may be provided prior to the event or at the completion of the event as recommended by the Economic Development and Promotion Committee and approved by Regional Council and payment is subject to any reporting conditions established by Regional Council.

6) GRANTS IN-KIND

The awarding of a grant in-kind is subject to any conditions that Regional Council may impose such as insurance, safety of regional employees and participants in the activity and indemnification of the Regional Municipality of Waterloo.

In-kind services will be accounted for once the event has been completed and the final costs for the in-kind services are known.

7) USE OF FUNDS

Any financial assistance provided by the Region of Waterloo must be used for the purposes approved by Regional Council unless subsequent approval is given by Regional Council to change the purpose of the assistance.

8) RECOGNITION OF THE REGION'S CONTRIBUTION

Organizations receiving financial assistance for an event from the Region of Waterloo will recognize the Region's contribution in promotional literature prepared for the event or other agreeable advertising. Use of the Region's logo in advertising and promotional literature will be coordinated through the Region's Communications Department.

(Original Policy – 58116)