



Town of Arnprior Staff Report

Subject: Arena Sponsorship and Advertising Opportunities

Report Number: 24-11-12-02

Report Author and Position Title: Patrick Foley, Engineering Officer and Graeme Ivory, Director of Recreation

Department: Operations / Recreation

Meeting Date: November 12th, 2024

Recommendations:

That Council authorize the Director of Recreation to negotiate sponsorship opportunities for the Nick Smith Centre and enter into agreements for these assets; and

Further That Council enact a by-law to amend the User Fees and Charges By-Law 7463-24, Schedule E to include the sponsorship and advertising rates as outlined herein.

Background:

The Nick Smith Centre Arena Revitalization project began in 2023 with the aim of replacing the aging arena infrastructure at the Nick Smith Centre (NSC) – with many components original to the building that opened in 1977. Architecture 49 was awarded the design scope of this project in August 2023. Design opportunities were produced and reviewed with key stakeholders and user groups with decided design approved by Council in October of that same year. Following the RFP process, Frecon Construction Limited was awarded this project in July 2024 with the full scope of work of the Nick Smith Centre Arena Revitalization project approved for \$7.1 million.

There are a variety of advertising opportunities currently available at the Nick Smith Centre including wall, rinkboard and in-ice logos, with the advertiser being responsible for the cost of producing their advertisement (banner, rinkboard, graphic, etc.). NSC advertising revenues have been over \$14,000 in each of the last two years and are expected to exceed that figure in 2024.

Current advertising rates in Schedule E of the User Fees and Charges By-law No. 7463-24:

Table 1: Current Advertising Rates and Types

Advertisement Type	Cost
NSC Wall Ad – Annual	\$275.00 (one arena) \$375.00 (both arenas)
NSC Rink Board Ad – Annual – Includes sponsorship of one public skate (one ad), two public skates (two ads)	\$550.00 (one arena) \$700.00 (both arenas)
NSC Ice Surface Ad – Annual *limited availability* – Includes sponsorship of one public skate (one ad), two public skates (two ads)	\$825.00 (one arena) \$1200.00 (both arenas)

Discussion:

The scope of the Nick Smith Centre Arena Revitalization project will ensure all advertising opportunities mentioned above will continue to be available while also producing new advertising and sponsorship opportunities. Moreover, staff continue to explore additional advertising opportunities within the facility to help offset the facility's operational costs.

Additions to the branding opportunities outlined above, sponsorship and advertising options would include:

- Scoreboards (2 available)
- Changerooms (10 available)
- Newly constructed meeting rooms (3 available)
- Newly constructed mezzanine viewing area (1 available)
- Arena Seats (1070 available)

These opportunities provide various price points allowing participation from small, medium and large businesses. These opportunities are divided into two categories: sponsorship and advertising.

- Sponsorship opportunities will be a one-time fee that helps offset the cost of the asset and will remain in place for the life of the asset. (Life is defined as 10 years). Sponsorship opportunities include the two arena scoreboards and the arena seats.
- Advertising opportunities will have terms of 3-years or 5-years, and the annual fee will support the annual operating budget. Advertising opportunities would include the rinkboards, wall ads, dressing rooms, meeting rooms, viewing area and in-ice ads.

Scoreboards

New scoreboards will be erected in both the Bert Hall Arena and Glenn Arthur Arena. Scoreboard dimensions and features will vary from one rink to the other. Scoreboard pricing has been received from NEVCO through the LAS CANOE cooperative purchasing program. As a sponsorship, fees ranging from 70-77% of the cost of the capital are proposed.

Table 2: Sponsorship Opportunity - Scoreboards

Location	Estimated Cost	Sponsorship Fee	% Offset
Bert Hall Arena	\$26,100.00	\$20,000.00	77%
Glenn Arthur Arena	\$21,500.00	\$15,000.00	70%
Total	\$47,600.00	\$35,000.00	73.5%

Arena Seats

While investigating sponsorship opportunities, staff came across the “Best Seat in the House” promotion that the Town of Bracebridge did to support the construction of their new arena (Muskoka Lumber Community Centre). Town staff met with the Manager of Recreation Programs and Services at the Town of Bracebridge to discuss logistics and the results of their promotion. Currently, Bracebridge has “sold” 375 seats at \$500.00 per seat. Sponsors were a mix of businesses and individuals in the community.

If the Town was to proceed with a similar sponsorship program, seats would be sold through EventBrite’s ticket service which has been used successfully for Town events. The life of the sponsorship would be defined as 10 years. The seating vendor engaged as part of the arena revitalization project would emboss logos and wording onto the face of the seat with a durable paint. The sponsors would be able to choose what words and/or images went on the seat with the following limitations:

- Colour limited to white
- Character limit (to be determined)
- Font size limit (to be determined)
- Dimensions 7” x 12”
- All content subject to staff approval (to ensure appropriate content etc.)
- All business logos and images must be provided to the Town in a vectorized file

Town staff have verified that local businesses would be capable of producing vectorized files (for a fee) for businesses that do not already have this file type for their business logo.

The spectator stands, including fabrication, delivery and installation, carry an approximate value of \$345,000. There are 1,070 seats in the current design which means that each seat carries a cost to the Town of approximately \$325. Below is a

breakdown of costs per seat if this program was to be implemented with a sponsorship fee of \$500 per seat:

Table 3: Sponsorship Opportunity - Arena Seats

Item	Value
Cost of Spectator Seat	\$325.00
Printing Costs	\$60.00
EventBrite Commissions (4%)	\$20.00
Total Seat Cost to the Town	\$405.00
Seat Sponsorship Price	\$500.00

Initially, the 210 seats in the middle section of Bert Hall Arena, from blue line to blue line would be available for sponsorship. If these seats all become sponsored, additional seating sections will be made available. Any revenue from this seat sponsorship promotion would help offset the capital costs for the Nick Smith Centre Arena Revitalization project.

As outlined in Table 3, if the Town is successful in gaining sponsorship for 250 of the seats (\$105,000), 30% of the \$345,000 cost of spectator seating would be covered. If 825 seats are successfully sponsored, 100% of seating costs would be covered.

Table 4: Sponsorship Costs and Revenue Estimates (based on number of seats sold)

Number of Seats Sold	100 Seats	250 Seats	500 Seats	825 Seats	1070 Seats
Revenue Per Seat	\$500	\$500	\$500	\$500	\$500
Total Revenue	\$50,000	\$125,000	\$250,000	\$412,500	\$535,000
Cost of Promotion	\$8,000	\$20,000	\$40,000	\$66,000	\$85,600
Net Proceeds	\$42,000	\$105,000	\$210,000	\$346,500	\$449,400
Spectator Seating Costs	\$345,000	\$345,000	\$345,000	\$345,000	\$449,400
Total Recovered	12%	30%	61%	100%	130%

Dressing Rooms

There are eight standard dressing rooms, one alternate dressing room and one referee dressing room. This advertising opportunity would have the sponsor logo on the door, within the dressing room and all displays related to that room. The term of dressing room advertising would be 3-years.

Newly Constructed Spaces

The four newly constructed public spaces that present sponsorship opportunities include three meeting rooms (one on the ground level; two on the second level) and the viewing area located on the second storey of the mezzanine structure. This advertising opportunity would have the sponsor logo on the door, within the room, on the exterior wall visible to participants in the arena and all displays related to that space. The term of the meeting room or viewing room advertising would be 5-years.

Rinkboards, Wall Ads and In-Ice Logos

Our traditional advertising will remain, however instead of a 1-year term, staff are looking to expand to a minimum 3-year term. One of the driving factors behind this, especially where the rinkboard advertising is concerned, is it will allow a new adhesive product to wrap the boards with the advertisers branding as opposed to having the current style of advertising used that requires the rinkboards to be covered with lexan that is screwed into the boards.

Table 5: Rinkboard, Wall Ads and In-Ice Logo Sponsorships

Location	Term	Annual Cost	25% Sold	50% Sold	100% Sold
Viewing Area	5-Years	\$1,200	\$1,200	\$1,200	\$1,200
Meeting Room	5-Years	\$900	\$900 (1)	\$1,800 (2)	\$2,700
Dressing Room	3-Years	\$600	\$1,800 (3)	\$3,000 (5)	\$6,000
Rinkboard*	3-Years	\$800	\$9,600 (12)	\$20,000 (25)	\$40,000
In-Ice Logo*	3-Years	\$900	\$1,800 (2)	\$2,700 (3)	\$5,400
Arena Wall*	3-Years	\$450	\$1,800 (4)	\$4,050 (9)	\$8,100
Total	N/A	N/A	\$17,100	\$32,750	\$63,400

* This only took into account advertising on Bert Hall Arena. The same offerings are available on the Glenn Arthur Arena.

Even at 25% engagement in these advertising opportunities, this still exceeds the current budgeted value of facility advertising at the Nick Smith Centre.

Once approved, staff would engage with our existing advertisers about their interest in both the sponsorship and advertising opportunities following the Nick Smith Centre Arena Revitalization Project. In addition, a public campaign will get underway looking for support from our local business community as well as larger corporations.

Options:

Council may choose not to endorse all or parts of this advertising and sponsorship plan. This is not recommended however as advertising and sponsorships are effective avenues for business to reach their target audiences and provides opportunities to generate revenues to offset capital and operating expenses for the Nick Smith Centre.

Policy Considerations:

User Charges Bylaw

This venture aligns with the strategic priority of Financial Sustainability as outlined in the 2024-2027 Strategic Plan and also aligns with a recommendation in the 2024 Recreation and Parks Master Plan to explore opportunities for additional, reliable, and sustainable funding resources for parks and recreation programs and facilities.

Financial Considerations:

Operationally, due to closures for the capital project, the 2025 operating budget includes an approximate \$250,000 reduction in projected rental revenues which factors lost revenues for ice rentals, shinny, public skating, sports camp and rinkboard advertising during the construction period. Starting in Q4 2025, as the debenture costs of this project will be included in the recreation operating budget for the next 10-years, revenue generating opportunities such sponsorships and advertising will help provide additional revenues to support the increased costs.

Meeting Dates:

N/A

Consultation:

- Town of Bracebridge for debrief on “Best Seat in the House” Promotion

Documents:

1. Revised Schedule E – User Fees and Charges By-Law

Signatures

Reviewed by Department Head: Graeme Ivory

Reviewed by General Manager, Client Services/Treasurer: Jennifer Morawiec

CAO Concurrence: Robin Paquette

Workflow Certified by Town Clerk: Kaila Zamojski

Schedule E – Planning and Economic Development

Description	Fees
Marketing and Economic Development Fees – Nick Smith Centre Advertising	
Display Screen Ad	\$40 / month, \$400 / year
Nick Smith Centre Wall Ad – Annual *Requires a 3-Year Commitment	\$450.00
Nick Smith Centre Dressing Room Ad – Annual *Requires a 3-Year Commitment	\$600.00
Nick Smith Centre Rinkboard Ad – Annual - Includes sponsorship of one public skate per ad per year *Requires a 3-Year Commitment	\$800.00
Nick Smith Centre Ice Surface Ad – Annual - Includes sponsorship of one public skate per ad per year *limited availability* *Requires a 3-Year Commitment	\$900.00
Nick Smith Centre Arena Meeting Room – Annual - Includes sponsorship of two public skates per year per room *limited availability* *Requires a 5-Year Commitment	\$900.00
Nick Smith Centre Arena Viewing Area – Annual - Includes sponsorship of three public skates per year *limited availability* *Requires at 5-Year Commitment	\$1,200.00
Note: Advertiser is responsible for providing the physical / digital signage	
Sponsorship packages and alternate advertising fees will be determined by the Director of Recreation in consultation with the CAO to allow flexibility for other formats, opportunities and ensure cost recovery.	



Nick Smith Centre Sponsorship and Advertising

Patrick Foley, Engineering Officer,
Facilities & Assets

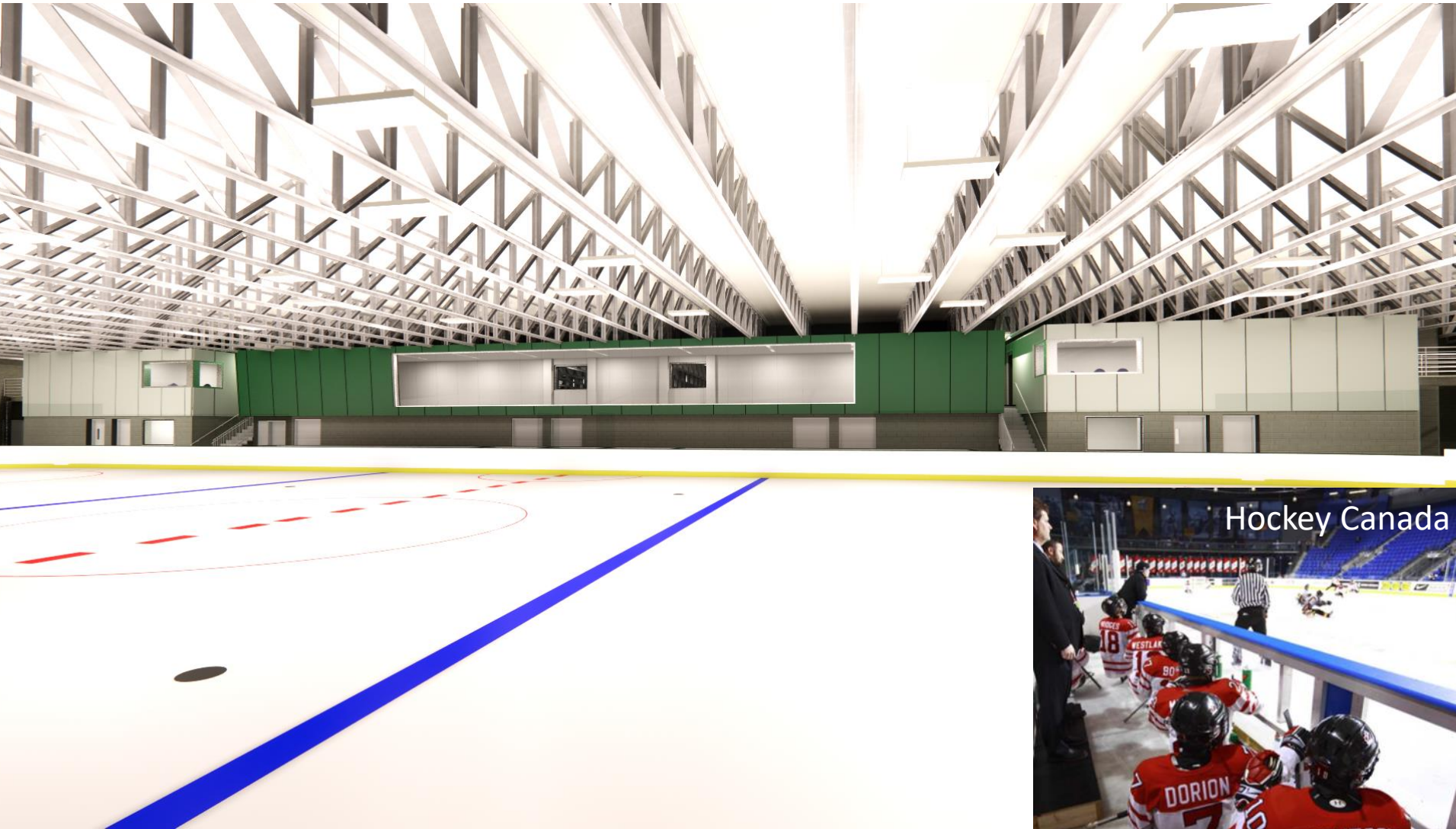
Graeme Ivory, Director of Recreation

Meeting Date: November 12, 2024

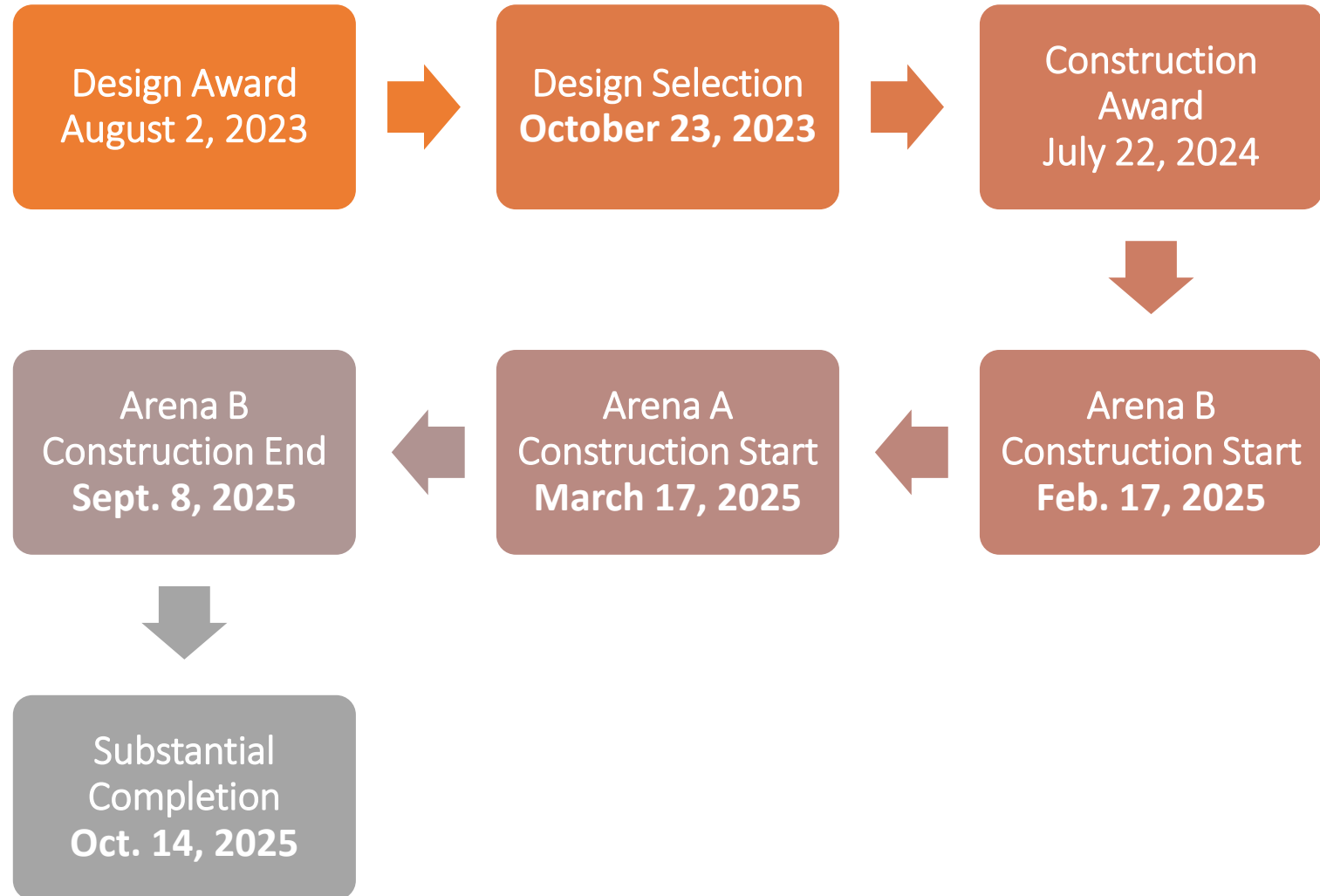
NSC Arena Revitalization



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Background

- Current advertising Rates & Types

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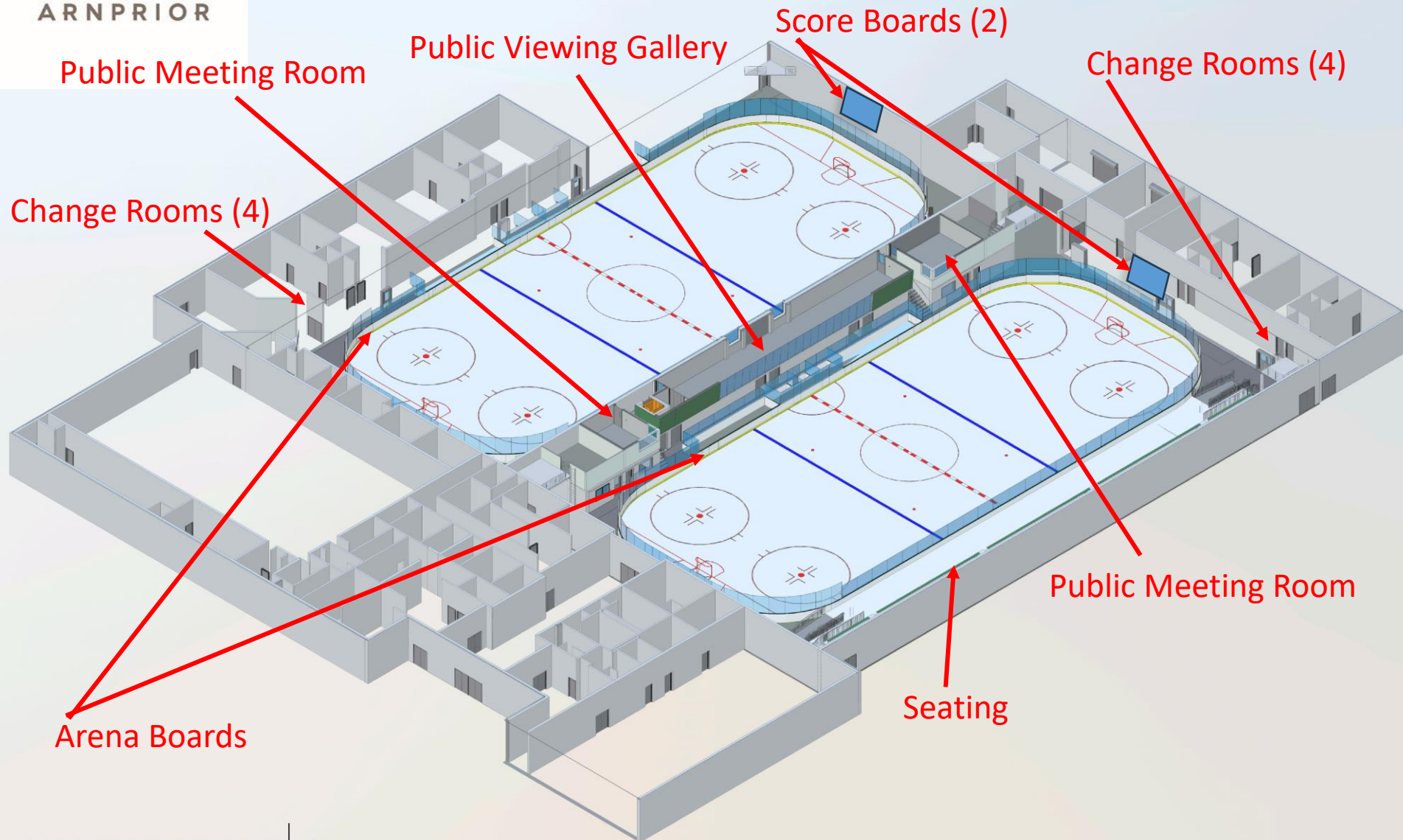
Expansion of Offerings

- Additional to the existing advertising and sponsorship opportunities, staff have investigated expanding opportunities to:
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 - Changerooms (10 available)
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Branding Locations



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Seat Sponsorship

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Questions?



• WHERE THE RIVERS MEET •