

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

From: Anna Lisa Barbon,
Deputy City Manager, Finance Supports

Subject: Downtown London Entertainment and Sports Centre Naming Rights

Date: September 16, 2024

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the name change for the downtown London entertainment and sports centre **BE APPROVED** from Budweiser Gardens to Canada Life Place.

Executive Summary

The existing naming rights agreement for the Downtown London Entertainment and Sports Centre (Budweiser Gardens) is set to expire October 2024. In accordance with the Participatory Occupancy Lease Agreement, OVG360 has undertaken the necessary steps to arrive at a new naming rights deal. Based on the new naming rights agreement, the name of the arena will change from Budweiser Gardens to Canada Life Place, noting that Labatt will retain the pouring rights.

Linkage to the Corporate Strategic Plan

Economic Growth, Culture, and Prosperity

- Foster and leverage strategic partnerships that promote collaboration, innovation, and investment in business and employment.

Analysis

1.0 Background Information

1.1 Background

The Participatory Occupancy Lease Agreement between the London Arena Trust and the London Civic Centre Limited Partnership sets out how the public private partnership is structured. Article 27.3 lays out the responsibilities for the “name of the building”.

“27.3 Name of Building. The City acknowledges that the Tenant may include in the name of the Building the name of a person or company sponsoring the Building. The name of the Building shall be subject to the City’s approval, which approval shall not be unreasonably withheld.”

In their role as manager of the building, Oak View Group (“OVG”), on behalf of the partnership, through its OVG360 division, provides industry-proven resources to enhance the environment for guests, as well as attract top-notch entertainers and athletes, show producers, and promoters. OVG is an expert in facility management and a definite asset to Budweiser Gardens and the City of London. OVG is exclusively contracted to market and sell, at the best possible price, the suites, the club seats, naming rights, sponsorship, and advertising opportunities in respect of the downtown London entertainment and sports centre (“the London Venue”).

1.2 Previous Reports Related to this Matter

Corporate Services Committee, October 3, 2023, Budweiser Gardens Proposed Expansion – Additional Information and Proposed Amending Agreement, Agenda Item # 4.1

Investment and Economic Prosperity Committee, June 26, 2012, Naming Rights Downtown Entertainment and Sports Centre, Agenda Item # 3

2.0 Discussion and Considerations

2.1 The Current Naming Rights Agreement

The current agreement gives Labatt the first right of negotiations for subsequent naming rights and the right to change the name of the London Venue, with proper approvals. The current agreement expires October 2024.

Labatt has agreed to allow their naming rights agreement to expire October 2024. At the same time, they have decided to stay on as the official Malt-Based Beverage, Seltzer, Cooler, Hard Tea and Cider Sponsor of the London Venue and Team going forward for the next ten years, demonstrating a continued commitment and partnership to the City of London.

2.2 Highlights of the New Naming Rights Agreement

Under the proposed arrangement, Canada Life will have exclusive naming rights for the London Venue for the term of this agreement. Subject to one pre-existing commitment, the new arrangement provides full exclusivity within the life and health insurance, group benefits, and wealth categories on all channels owned and operated by the London Venue.

The new agreement has a ten-year term, expiring October 10, 2034.

2.3 Negotiation Process & Comparisons of Value from Analysis

OVG has been leading the process of identifying and analyzing potential naming rights partners. OVG is in the business of venue naming rights, having brokered 30+ naming rights agreements globally over the past five years.

Utilizing OVG's vast industry knowledge and experience with naming rights agreements, the London Venue was benchmarked against other "like" venues in "like" markets, to derive an accurate total market value of the naming rights opportunity. The analysis concluded that the London Venue ranked very highly within the subset of comparable North American venues.

Upon the decision for Labatt not to renew their current London Venue naming rights agreement, OVG leveraged internal data as well as the valuation benchmarking analysis to begin formal outreach with prospective naming rights partners.

OVG reached out to several potential naming rights partners to gather information, data, and interest on the naming rights package. Ultimately, OVG entered negotiations with Canada Life and finalized the new agreement.

The new agreement has a ten-year term, the average from comparable venues of the last five years is less than eight years, so the commitment from Canada Life to the London community and the London Venue is substantial.

2.4 Canada Life

Canada Life has been helping improve the financial, physical, and mental well-being of Canadians for over 175 years. They are an industry leader providing Canadians options for personal insurance solutions, including life, health and dental, disability, critical illness, and creditor insurance. As a leading provider of group workplace benefit plans, Canada Life helps employers and associations provide valuable benefits to their employees and members.

In 2023, Canada Life became the largest provider of workplace benefits – currently serving more than 1 in every 3 Canadians. In addition, Canada Life offers investments, retirement and wealth management solutions including annuities and segregated funds.

- a) 14.3 million customer relationships.
- b) 13,406 employees and 19,290 advisor relationships supporting Canada Life customers.

2.4.1 Company History

Canada Life has deep roots in London, Ontario. London Life, its predecessor company, was founded in 1874 in London, at that time a thriving community with a population of 20,000.

By 1963, London Life became one of Canada's leading insurance companies.

On January 1, 2020, Great-West Life, London Life and Canada Life came together to form one company – The Canada Life Assurance Company.

Today, Canada Life continues as an integral part of the London community with its largest office in Canada residing here, home to over 3,500 Canada Life employees. This naming rights announcement demonstrates the company's long-term commitment to London and to the continued revitalization of its downtown community.

2.4.2 Community Responsibility

Canada Life strives to be a socially responsible company and have a positive impact in local communities across Canada.

Here are just a few of the ways Canada Life has contributed to the financial, physical and mental well-being of Canadians in the past year:

- In April 2024, Canada Life participated in a \$500,000 donation to London's Health & Homelessness Fund for Change. This donation marked the retirement of Jeff Macoun, former President & COO of Canadian Operations, and honoured his 40 years of service with the company.
- In January 2024, Canada Life committed a total of \$1 million in support of Kids Help Phone's Feel Out Loud Movement, to help strengthen their crisis texting service across Canada. This builds on their impact as a long-time supporter and one of the texting service's founding donors.
- Since 1985, Canada Life has supported London's Grand Theatre. In October 2023, to help enhance accessibility to the arts, Canada Life helped create the Canada Life Pay-What-You-Can program. The program is open to all.
- From Oct. 16 to Nov. 6, 2023, employees created a lasting impact by raising more than \$1.9 million for United Way Centraide. Each year, Canada Life also proudly makes corporate donations to various United Way locations across the country. In 2023, Canada Life donated more than \$1.8 million. That means, by working together, more than \$3.7 million was donated to United Ways across Canada in 2023.

3.0 Financial Impact/Considerations

Consistent with the Participatory Occupancy Lease Agreement, proceeds from 'naming rights' are incorporated into cashflow distributions. Based on the cash flow model, the City receives 70%^a of the available cash flow. The proceeds from the naming rights agreement with Canada Life along with the pouring rights with Labatt are in alignment with the cash flow pro forma used to assess the viability of the downtown arena expansion currently underway. Separating out the naming rights and the pouring rights into two separate agreements has resulted in a positive financial impact of a 49.5% increase of revenue related to naming and pouring of the venue over the term of both contracts.

Conclusion

The Naming Rights Agreement with Canada Life has been agreed upon in formal written notice, and the agreement will be signed by Canada Life and OVG representatives in the coming weeks.

Based upon the information provided above, Civic Administration believes this agreement represents a good value for the naming rights for the downtown entertainment and sports centre.

The only remaining item is for the City to approve the new name in accordance with the Participatory Occupancy Lease Agreement.

Submitted by: Ian Collins, Director, Financial Services
Recommended by: Anna Lisa Barbon, Deputy City Manager, Finance Supports

cc. Cheryl Finn, Tourism London

^a In accordance with the amended Participatory Occupancy Lease Agreement (October 2023), where 70% of available cash flow (proceeds) will go to the City between 2025 to 2029, which will then be reduced to 60% for the years thereafter.