
PotashCorp of Saskatchewan Inc. Contribution and Naming Rights Agreement

Recommendation

That the Standing Policy Committee on Planning, Development and Community Services recommend to City Council:

1. That the key terms of the Contribution and Naming Rights Agreement between the City of Saskatoon and PotashCorp of Saskatchewan Inc. be approved as noted in the report; and
2. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the appropriate agreement under the Corporate Seal.

Topic and Purpose

This report provides an overview of the terms of the Contribution and Naming Rights Agreement with PotashCorp of Saskatchewan Inc. regarding PotashCorp Playland at Kinsmen Park.

Report Highlights

1. The Contribution and Naming Rights Agreement (Agreement) was created to recognize PotashCorp of Saskatchewan Inc. (PotashCorp) for the significant financial contribution to the development and construction of PotashCorp Playland at Kinsmen Park.

Strategic Goals

The Agreement, as outlined in this report, aids in meeting the Strategic Goals of Asset and Financial Sustainability and Strategic Goal of Quality of Life. The Quality of Life begins with the vision of “Saskatoon continues to grow and prosper, working with its partners and neighbours for the benefit of all.” Creating great partnerships can create a lasting legacy for the benefit of the entire city.

The City of Saskatoon (City) has increased its revenue sources for the Kinsmen Park project through partnerships with the private sector. Citizens have access to facilities and programs that promote active living, while enjoying the natural beauty and benefits of parks, trails, and the river valley, which bring people together. The revitalized Kinsmen Park will continue to connect people in this fun and exciting environment.

Background

In October 2010, PotashCorp announced a significant sponsorship to revitalize Kinsmen Park.

The Kinsmen Park and Area Master Plan, which was approved by City Council in December of 2011, set forth a 25-year improvement process for the rejuvenation and redesign of the park.

In January 2014, City Council awarded the contract for the Kinsmen Park Phase One Construction to PCL Construction Management Inc.

PotashCorp Playland at Kinsmen Park (Facility) opened to the public on August 5, 2015. In 2016, the Facility opened for the season at the beginning of May, and during the 120-day operating season, approximately 210,800 ride tickets were used, averaging 1,750 ride tickets per day. In addition, thousands of citizens and visitors enjoy the extensive park play features each month, which are free to users.

Report

Key Terms of the Agreement

Key terms and conditions reflect the City's standard agreement, with the addition of the following:

1. PotashCorp, or any successor company or affiliate corporation, is recognized as the primary sponsor and shall have exclusive naming rights with respect to the Facility.
2. PotashCorp will contribute \$7,500,000, plus all interest earned, to the development and construction of the Facility.
3. The term of the Agreement is 25 years, commencing August 1, 2015, and expiring December 31, 2040.
4. PotashCorp, or any successor company or affiliate corporation, shall have the right to change the name of the Facility and all related signage, subject to PotashCorp, or the successor or affiliate corporation, paying all costs associated with such a name change.
5. PotashCorp, or any successor company or affiliate corporation, shall have the right to have signage attached to the Facility, using the Facility name and logo.
6. In addition, PotashCorp shall have the right to use any displays to place advertising, signs, and other marketing materials.
7. PotashCorp acknowledges and agrees that third parties, or licensees, of the City may hold events at the Facility. PotashCorp agrees that the City and its licensees are permitted to hold such an event and post temporary signage, acknowledging the third party as a sponsor of the event.
8. PotashCorp acknowledges and agrees that its exclusivity is limited to naming the Facility and assorted marketing and advertising rights, as set out in the Agreement.
9. PotashCorp acknowledges and agrees that the City may accept or seek donations to facilitate the operation of the Facility or purchase pieces of

equipment from the Facility, and such donations would be recognized at the Facility.

10. The parties agree the various forms of signage, including any entrance, way finding, and/or interpretative signage, shall be designed and produced by the City and/or its vendors, and indicating the major sponsorship role of PotashCorp, or any successor company or affiliate corporation, and that the design, size, and location of such signage shall be agreed to by the parties.

On June 21, 2017, PotashCorp and Agrium Inc. announced that once the anticipated merger transaction closes, the new company will be named Nutrien. The regulatory review and approval process for the merger transaction continues, and the parties expect closure of the transaction to take place late in the third quarter of 2017. After the transaction closes, the Administration will continue to work with the new company, Nutrien, to rebrand the Facility and replace signage as necessary.

Options to the Recommendation

There are no options. This agreement allows a business relationship between the public sector and the private sector (PotashCorp), based on a significant financial contribution that is of mutual benefit to both parties. The Facility will provide PotashCorp a unique opportunity to increase community presence within Saskatoon. In turn, PotashCorp's contribution will provide enjoyment to many children and families as they play at the Facility.

Public and/or Stakeholder Involvement

PotashCorp has been involved in the process of drafting the terms and conditions of the Agreement. Due to the sponsorship amount and the longevity of the project, both parties have invested considerable time and due diligence in drafting the terms and conditions. As a result, the time necessary to finalize the terms of the Agreement has taken longer than expected.

Financial Implications

The contribution and naming rights sponsorship of \$7,500,000 is a substantial contribution that was used to off-set capital expenditures of the Facility.

The operating costs associated with the Facility have been accounted for within the City's operating budget, with the ride features within the Facility achieving 100% cost recovery.

Other Considerations/Implications

There are no policy, environmental, privacy, or CPTED implications or considerations; a communication plan is not required at this time.

Due Date for Follow-up and/or Project Completion

No follow-up is required at this time.

Public Notice

Public notice, pursuant to Section 3 of Public Notice Policy No. C01-021, is not required.

Report Approval

Written by: Brad Babyak, Section Manager, Open Space Programming and
Development, Recreation and Community Development

Reviewed by: Lynne Lacroix, Director of Recreation and Community Development

Approved by: Randy Grauer, General Manager, Community Services Department

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