



## **Executive Summary of the Report to the Crown Investments Corporation of Saskatchewan**

### **Initial Identification, Valuation and Development of Naming, Sponsorship and Major Philanthropic Opportunities for the Planned Saskatchewan Multi-Purpose Entertainment Facility**

KCI (Ketchum Canada Inc.) was retained by the Crown Investments Corporation of Saskatchewan (CIC) in April, 2010 to provide an initial assessment of the potential for private support to assist in the funding of the planned Saskatchewan Multi-Purpose Entertainment Facility. This is an Executive Summary of that Report, with certain detail removed due to the sensitive nature of specific information related to pricing and approach to significant investment opportunities.

The CIC was interested in determining the potential for, and possible level of private support available along with the fund development approaches that would be required to meet the recommended goal.

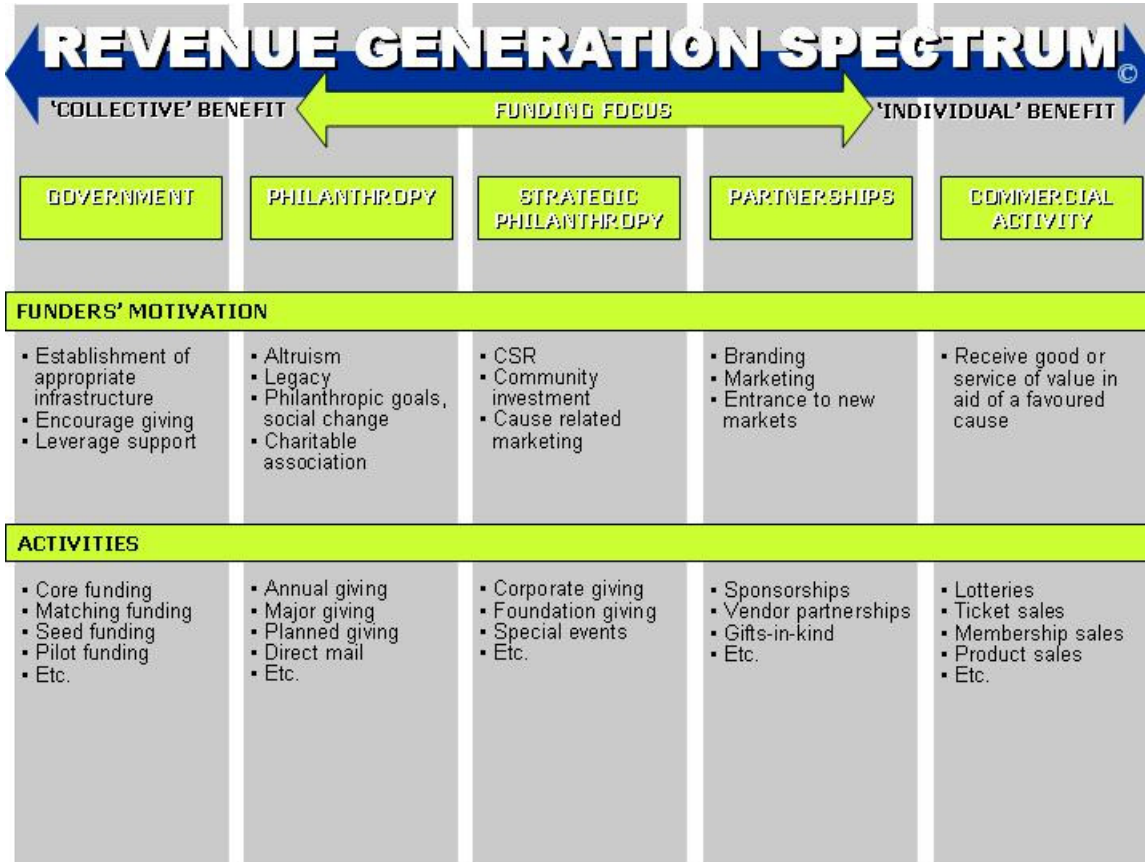
#### **Methodology**

Within the timeframe available to undertake this phase of work, KCI:

- ▶ Reviewed all available documentation on the project to identify significant naming and sponsorship opportunities
- ▶ Analyzed audience, attendance, television and print media exposure, leveraging opportunities and related sponsorship benefits to determine potential naming and sponsorship valuations
- ▶ Conducted benchmark research to assess market conditions and influences
- ▶ Developed an approach to philanthropic support
- ▶ Developed a preliminary strategy framework for feedback and validation
- ▶ Conducted confidential dialogue sessions with key representatives of the Facility 'partners' and select senior corporate and community representatives to obtain strategic input into the preliminary plan and investment opportunities.

Major capital initiatives normally require a combination of government and private support to fund the construction of the facility and business and sponsorship revenue to sustain the facility. With this in mind, KCI tested the range of revenue opportunities available to the proposed Multi-Purpose Entertainment Facility to determine receptivity to this model and the range of possible

investments that could be accessed should the facility be constructed. We specifically examined the philanthropic, strategic philanthropic and sponsorship/partnership elements within the full revenue spectrum:



Our initial work focused on the opportunities for sponsorship/partnership revenue through the identification of significant Naming opportunities. In our approach, we set aside those properties or opportunities that would, or should be available for sponsorship sale on an annual basis to support the operating requirements of the facility such as on-field signage, interior display advertising and outdoor billboard(s). A review of the plans for the facility suggested the following major Naming Opportunities:

1. Building/Facility Naming
2. Event, Main and Upper Concourse and Atrium Sponsors
3. Suite Level Sponsor
4. Premier Facility 'Partners'
5. Outdoor Plaza Sponsors

Using industry accepted pricing models for Sponsorship Valuation, benchmark analysis and IEC valuation criteria, baseline investment levels were established. An approach to soliciting philanthropic support was also created, including a leadership level giving program that would

provide both a legacy component and an element of prestige and exclusivity and a broad based community appeal. The potential philanthropic appeal is based on proven fundraising campaign methodology but influenced the belief that a small number of leadership level gifts (40) may be available along with a very large number of more modest gifts. Rather than the traditional pyramid shaped chart of standards, a flatter, two tiered initiative was envisioned.

Our strategy framework was developed for testing with a select number of knowledgeable and committed leaders and facility partners and was based on the identification and preliminary valuation of the Naming Rights for the facility, Naming Rights for select internal and external areas associated with the facility, strategic philanthropic opportunities that may appeal to corporate donors and a leadership gift program and community fundraising campaign that would provide additional funds along with encouraging the engagement of supporters throughout the Province and nationally. Input was solicited regarding the viability of the Naming Rights identified, the available pool of potential sponsors, benefits that may be expected to accompany major investments, the case for the philanthropic appeal and opportunities and differences in approach based on geography, industry sector and past practice.

## **Summary Findings and Opinion**

A number of influences were identified that should positively influence the valuation of the Facility Naming, several sub-naming opportunities and the philanthropic appeal. These include:

- ▶ strong provincial and national appeal of the Saskatchewan Roughriders in terms of sales, viewership, loyalty and media coverage
  - ▶ early indications of commitment to the project from private stakeholders (such as the \$10 million commitment from the Regina Hotel Association)
- ▶ a commitment from project leaders and key stakeholders to provide access to significant potential sponsors and donors
- ▶ an openness to considering strengthening the philanthropic appeal by including access for amateur sport to the facility as part of the impact of charitable giving
- ▶ the identification of 20 + potential investors at significant levels

Our research and experience, coupled with the above factors, suggests that a private sector revenue target in the range of \$70 million should be achievable given current economic conditions and subject to further refinement and testing of these assumptions. This revenue would come from a combination of Naming Rights and sponsorship opportunities (approximately \$50 million), major gift and recognition opportunities (approximately \$10 million) and a community campaign (approximately \$10 million). It should be noted that the approach chosen to secure the facility Naming Rights, the benefits that will be available to support the sponsorship program, final design of the facility and firm commitments of government support will affect the ultimate value of the Naming agreement, which is a significant element in the suggested revenue development program and target.