

STRATEGY – NON TAXATION REVENUES

Recommendation

The City Manager and Deputy City Manager/Commissioner of Finance & Corporate Services in consultation with the Senior Management Team and the Manager of Economic Development recommends:

That the Economic Development Department issue an Request for Proposal (RFP) to retain appropriate expertise to identify and assess advertising, promotion and marketing revenue opportunities by utilizing corporate assets throughout the municipality and develop a strategy.

Contribution to Sustainability

Not applicable.

Economic Impact

The net impact is uncertain at this time.

Communications Plan

The Purchasing Department will advertise this RFP on its electronic tendering networks, in accordance with corporate policies.

Purpose

To seek Budget Committee approval to proceed with issuing an RFP to retain appropriate expertise.

Background - Analysis and Options

Traditionally municipalities in Canada have relied on taxation to fund the majority of their programs and services. As we move forward and particularly in these current economic times, municipalities must increasingly seek out other sources of revenue.

To date, staff has extensively utilized user fees associated with services, programs and facilities. In addition, Departments have utilized sponsorships to fund City events, e.g. Concerts in the Park, the Tourism program and the sale of advertising space.

Some private, institutional and public sectors have employed a diverse set of revenue-generating opportunities with significant results. These opportunities include naming rights, signage, product placements, advertising on vehicular assets, website, co-branding, exclusivity agreements, supplier agreements, loyalty programs, event sponsorship, etc. These opportunities should be fully explored as potential revenue opportunities for the City.

The shifting of the burden from tax support to other revenues requires a comprehensive approach. An assessment and strategy needs to be prepared that explores opportunities and proposes a comprehensive strategy to secure appropriate revenues that can provide for ongoing, multi-year funding to the municipality. The project would also include developing criteria around the appropriateness and sensitivities of various types of advertising and promotion in the City (i.e. subject matter, location, appearance, etc.).

Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Regional Implications

Not applicable.

Conclusion

Advertising and corporate sponsorship has the potential to represent a significant source of additional revenue for the City of Vaughan. The City has a large amount of building infrastructure, parkland, and other assets that could be of interest to advertisers and in turn generate revenue for the City. Approval of a study on revenue generating opportunities would be a prudent and proactive approach to lessening the tax burden on Vaughan citizens.

Attachments

None

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Respectfully submitted,

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