

# Treasury Board Submission

## Request for Decision

**Minister:** Honourable Pat Bell

**Ministry:** Jobs, Tourism and Innovation

**Date:** 04/05/2011

Ministry Document #: 03-12

**Title:** Approval of Naming Rights for BC Place

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**Background / Context:**

PavCo is midway through a renewal project for BC Place including: structural upgrades, improvements to operations infrastructure, replacement of equipment through a deferred maintenance program, and replacement of the roof. The overall renewal budget is \$563 million. BC Place will be ready to host its first event September 30, 2011.

The vision for the renewed BC Place is a facility with state of the art infrastructure that will showcase technology in British Columbia, attract new revenues to the Province, and attract new visitors through its offerings.

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Pages 3 through 13 redacted for the following reasons:

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## ADVICE TO MINISTER

### CONFIDENTIAL ISSUES NOTE

Ministry of Jobs, Tourism and Innovation  
Updated: March 8, 2012  
Minister Responsible: Hon. Pat Bell

## BC Place – Naming Rights

### ADVICE AND RECOMMENDED RESPONSE:

#### On relationship with TELUS

- Government has, and will continue to have a very strong relationship with TELUS.
- The recent 10 year, \$1billion contract to bring High-speed connectivity to 97 per cent of the province demonstrates to confidence we have in this company.

#### On Decision

- Government has decided not to approve a naming rights agreement for BC Place following extensive discussions between the BC Pavilion Corporation and TELUS.
- This decision was made after determining that the proposed agreement did not provide best value for taxpayers and did not protect the iconic BC Place name that British Columbians enjoy.
- PavCo now has the opportunity to pursue other advertising opportunities that exist throughout BC Place - we are confident these opportunities will bring significant revenue over the long-term to PavCo .

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- The revitalized stadium provides visitors with some of the most advanced technology in any stadium in North America and helps to create a truly unique experience for guests when they attend events at BC Place.
- The video boards are part of an overall sponsorship and technology program that is currently being negotiated and, as such, I cannot comment any further on the details.

#### On PavCo forecasting the \$40 million over the 25 years

- Budget forecasts are just that – Forecasts.
- Clearly PavCo will be looking at how they find this revenue and we are confident there are significant advertising opportunities with BC Place to make up this revenue.

### KEY FACTS:

The \$563 million capital budget for the BC Place roof replacement and upgrade project included an allocation

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The capital cost of the BC Place upgrade project is being financed through various arrangements, including a \$150 million Government loan and grants provided to PAVCO. PAVCO was to use the

annual net revenue from stadium naming rights (initially forecast at \$1.35m/year) and several other own-source revenues (e.g., revenue received from development of surrounding land) to repay the Government loan.

The negotiations between PAVCO and TELUS have been complex and extensive in scope since it involved a combination of naming rights for BC Place, provision of several types of telecommunications equipment/services, and

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PavCo utilized a third party (Spectrum) marketing corporation to solicit proposals for naming rights.

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