

DATE: June 24, 1996

SUBJECT: CORPORATE SPONSORSHIP - FILM CATEGORY

RECOMMENDATION

- 1) THAT the Board award a 5 year contract to Kodak Canada Inc. for the exclusive supply of film and other related products;
- 2) THAT Kodak Canada Inc. pay the Board an annual rights fee of \$50,000 in 1997, \$50,000 in 1998, \$55,000 in 1999, \$65,000 in 2000 and \$75,000 in 2001 for a total of \$295,000;
- 3) THAT no legal rights shall be created by passage of these resolutions and none shall arise hereafter except by the signing of the contemplated document.

POLICY

The Board's strategic plan "Vision for the Future" states that corporate sponsorship and advertising will be sought consistent with other Board aims, objectives and policies.

DISCUSSION

Proposals have been received from Kodak and Fuji and evaluated by staff and our corporate sponsorship agent, Spectrum Marketing Corporation. Agfa were also approached by Spectrum but declined to submit a proposal.

In the proposal call it was identified that the sale of film would be possible from all 24 concession and clubhouse locations as well as Van Dusen and Bloedel Conservatory gift shops. At present film is sold at only 11 locations. There is also the potential to increase the amount of film/disposable camera vending machines at agreed upon locations.

The recommendation of Kodak as our exclusive supplier of film and other related products such as disposable cameras (Funsavers) and tape for video cameras is based on the following criteria:

1. Annual Rights Fee

The 5 year guaranteed payment of \$295,000 was offered by both Kodak and Fuji.

2. Additional Support

Kodak have stated that they will annually match the sponsoring fee with promotional delivery of Kodak programs in the marketplace, third party promotions, marketplace advertising and special event support.

Some initial ideas forwarded to the Board by Kodak are attached in Appendix I (Vancouver Park Board Preliminary Program concepts).

Third Party promotions might include a promotion with a prominent retail chain or wholesale photofinisher.

Special event support could consist of promotion for events such as the Polar Bear Swim or Xmas Train when Kodak would be asked to assume a share of the operational costs, thereby realising direct savings to the Board.

It should be emphasized that the additional support program would be agreed upon annually between both parties before any final plan was implemented.

### 3. Photo Spot Program

The photo spot program was offered to all film companies in the terms of reference for sponsorship. As identified in Appendix 1 Kodak's objective is to enhance the visitor's experience in Stanley Park with small "monuments" that will provide information as to the significance of the location and tastefully identify it as an ideal photo opportunity.

There will be up to 12 photo spots at locations to be agreed upon but Kodak have already identified the Totem Poles, Brockton Point, Siwash Rock, the Rose Gardens, Lost Lagoon and Lumberman's Arch as possible sites.

In keeping with the Board's policy of not permitting any fixed signs in parks, Kodak have agreed that there will be no corporate identification at their proposed photo spot locations.

Promotional materials such as Park brochures or maps, however, could include the photo spots and identify Kodak as the sponsor of these locations. They would be available at Park Board as well as other tourist outlets. The cost of these brochures would be borne by Kodak as part of their additional support program, thereby saving the Board existing printing costs.

### 4. Training

Kodak will provide an ongoing training program for Park Board sales employees which will include aspects of selling skills, product knowledge and seminars with trained speakers. Emphasis will be on general sales and customer service techniques and not solely selling Kodak products. Cost sharing of the training sessions with Kodak with regard to the attendance of our staff will be discussed with the company.

### 5. Ability to Increase Revenues

The marketing and promotion programs outlined by Kodak will potentially generate significant increased revenues for the Board.

Spectrum have estimated that our gross retail sales of film and

single use cameras could increase from \$129,825 (1995) to \$283,000 under the new corporate sponsorship agreement.

6. Annual tender pricing to continue

Since Kodak is firstly a photographic manufacturer, the Company has stated that it would prefer the Board to continue the existing annual tender process. This will enable the Board to get the best possible pricing on Kodak film products each year through the authorized agents of Kodak products.

7. Signage at the concessions

Similarly to the Coca Cola contract, Kodak will be allowed to have their logos identified on the exterior of any renovated concession. The size would be of a modest nature and have to be agreed to by the General Manager.

JUSTIFICATION

Kodak's proposal for the supply of film products offers the greatest financial return and the probability of significantly increased concession and gift shop revenues.

There will be no corporate identification on signs and all other conditions in the Board's corporate sponsorship guidelines will be met.

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