

To: Economic and Development Services Committee

From: Warren Munro, HBA, MCIP, RPP, Commissioner,
Economic and Development Services Department

Report Number: ED-23-126

Date of Report: May 31, 2023

Date of Meeting: June 5, 2023

Subject: Update on Landmark Oshawa Sign Project

Ward: Ward 4

File: 03-05

1.0 Purpose

On December 12, 2022, City Council considered Item ED-22-220 concerning a community funded landmark Oshawa sign and passed the following resolutions:

- “1. That, pursuant to Report ED-22-220 dated November 23, 2022, the North Parkette, in the vicinity of the intersection of King Street West and Centre Street South be endorsed as the location of a Landmark Oshawa Sign; and,
2. That pursuant to Report ED-22-220 dated November 23, 2022, Attachment 1, listing the features and minimum requirements of a Landmark Oshawa Sign, be endorsed for the purposes of issuing a Request for Quotes following public consultation and in the event the project is funded; and,
3. That, pursuant to Report ED-22-220, dated November 23, 2022, City staff be directed to develop an Agreement with the Oshawa Sign Team, outlining a partnership which enables them to begin soliciting donations to fund a Landmark Oshawa sign with support from the City to receive donations, subject to any conditions considered appropriate by the Commissioner of Economic and Development Services, including roles and responsibilities, financial management processes, minimum requirements for a sign, approval of marketing materials, and deadlines by which at least \$500,000 of funding must be secured for the project to proceed; and,
4. That the amount of \$85,000 receive pre-budget approval for the 2024 Budget to fund annual costs associated with maintenance and activation of the sign.”

The purpose of this Report is to provide an update to the Economic and Development Services Committee regarding the status of community funding received to date towards the Landmark Oshawa Sign.

2.0 Recommendation

That the Economic and Development Services Committee recommend to City Council:

That, pursuant to report ED-23-126 dated May 31, 2023, the Economic and Development Services Committee select an option as detailed in Section 5.4.

3.0 Executive Summary

Not applicable.

4.0 Input From Other Sources

The following have been consulted in preparation of this Report:

- Chief Administrative Officer
- Commissioner, Corporate and Finance Services
- Oshawa Sign Team

5.0 Analysis

5.1 Background and Agreement Development

Following the direction to staff from City Council in Item 3 of Report ED-22-220, Business and Economic Development Services staff worked with Finance, Corporate, Communications and Legal Services staff to develop agreements with members of the Oshawa Sign Team.

The agreement with the Oshawa Sign Team laid out terms regarding the roles and responsibilities, marketing material approvals, deadlines and various processes related to the project. This agreement also guides the principles under which the Oshawa Sign Team is operating and designates them as volunteers of the City of Oshawa to allow for liability coverage because the Oshawa Sign Team is not an incorporated entity with insurance or governing terms. Additionally, the Oshawa Sign Donation Agreement was developed for all prospective donors, to clearly outline the use of funds, what qualifies the donor to receive a tax receipt and how donations would be refunded in the instance that the project did not move to completion for any reason.

Business and Economic Development Services staff worked closely with members of the Oshawa Sign Team to develop the above noted agreements, webpage information, a donation platform and expedited reviews of any marketing collateral that were brought forth to enable their ability to quickly move forward in their fundraising efforts.

5.2 Funding Status

Report ED-22-220 recommended that 75% of the \$500,000 target for donations be received by June 1, 2023, and 100% by September 1, 2023, in order to allow for the procurement and installation processes to run efficiently. As of May 26, 2023, the Oshawa Sign Team has raised \$3,150 from the community.

In partnership with the Oshawa Sign Team, Business and Economic Development Services staff explored opportunities for grant applications to be made to support the funding of the Landmark Oshawa Sign. Staff closely reviewed the eligibility criteria for the Federal Government's Legacy Fund – Building Communities through Arts and Heritage grant opportunity and met with program advisors on April 4, 2023.

The grant program advisors stated that they were not confident the Landmark Sign project was a good fit for the program, and that they have not funded any similar projects in the past. Based on this feedback it was ultimately deemed that the project was not an appropriate fit for this grant.

As of the time of this Report, the recommended funding threshold for the Landmark Oshawa Sign to move forward aligned to the scope, scale and timing outlined in Report ED-22-220 has not been achieved.

Therefore, it is appropriate at this time to seek direction from council on the project.

As the Community Funded Model was the selected option by City Council at the December 12, 2022 meeting, no funds were allocated to this project through the 2023 Budget deliberations.

5.3 Community Perception of Oshawa Landmark Sign Project

There appears to be a level of misunderstanding regarding the funding source of the project, as various news and media outlets coverage regarding the project often receive a significant level of engagement, with many opposing comments.

The opposing comments generally surrounded the overall financial investment of the proposed sign and perceptions that the funding could be targeted towards more pressing social or infrastructure needs throughout the City.

5.4 Options

5.4.1 Option 1 – Extend Fundraising Timeframe

Through ongoing consultation and collaboration with members of the Oshawa Sign Team, it has been determined that fundraising efforts of the Oshawa Sign Team are moving away from a focus on broader public donations and are now being focused on companies and corporations within the City.

As the donation requests from the Oshawa Sign Team came to these corporations in the middle of fiscal cycles, it has been difficult to receive immediate contributions based on

pre-committed community funds. However, there is general interest in support during the next fiscal year.

Additionally, the Oshawa Sign Team has been seeking a variety of grant opportunities through the Ontario Trillium Foundation. However, potential funding outcomes will not be known by the current June 1, 2023 deadline as outlined in Report ED-22-220.

It should also be noted that City Staff have worked closely with the Oshawa Sign Team following the adoption of Report ED-22-220 to develop agreements, procedures, website, review eligibility for various grants and review all marketing collateral related to the project.

Considering this information, Council could contemplate this option to extend the window for fundraising efforts to January 31, 2024 to allow the Oshawa Sign Team to solicit donations from corporations that are interested in contributing to the project in the upcoming fiscal year.

Recommendation Number 1 represents the staff recommended option.

If Option 1 is selected, then the Economic and Development Services Committee should adopt the following resolution:

“It is recommended to Council:

1. That, pursuant to Report ED-23-126, dated May 31, 2023, the Oshawa Sign Team continue to solicit community donations with the following new targets:
 - 75% of the \$500,000 target by January 31, 2024; and,
 - 100% of the \$500,000 target by March 8, 2024, representing the City’s 100th anniversary as a City.”

It should be understood that extending the fundraising period will delay the proposed installation of the project to Q4 2024 or beyond dependent on responses from a City-issued Request for Quotation. The suggested time for sourcing and installation of the Landmark Oshawa Sign as indicated by the successful proponent may also affect timing. Providing this extension would require the Oshawa Sign Team to achieve the between \$400,000 to \$500,000 donation threshold by January 31, 2024. City Staff would report back to the Economic and Development Services Committee at the February 2024 meeting.

5.4.2 Option 2 – Terminate Project and Return Donations

Considering that the funding threshold has not been met as outlined in Section 5.2, the option exists at present to terminate the Landmark Oshawa Sign project and return any collected funds back to the originating donor. Additionally, some minor costs were incurred by the Oshawa Sign Team related to printing and website licensing that were not contemplated within Report ED-22-220. Should Council choose to terminate the Landmark Oshawa sign project, consideration could be given to reimburse the Oshawa Sign Team for these costs which are expected to be in the range of \$1,000.

Within the Landmark Oshawa Sign Donation Agreement, the following statement is included:

“If the Landmark Oshawa Sign project does not proceed, donations will be returned to the donor with no interest owing.”

If this option is selected, then the Economic and Development Services Committee should adopt the following resolution:

“It is recommended to Council:

1. That, pursuant to Report ED-23-126, dated May 31, 2023, City staff be directed to return collected funds to the originating donors as per the Landmark Oshawa Sign Donation Agreement with an accompanying letter to advise that the project would not be moving forward.
2. That the amount of \$85,000 that received pre-budget approval for the 2024 Budget to fund annual costs associated with maintenance and activation of the sign be referred to 2024 Budget.
3. That any websites and marketing material developed to solicit donations for the Landmark Oshawa Sign be deactivated and disposed of.
4. That the Oshawa Sign Team be reimbursed up to a maximum of \$1,000 for their direct expenditures related to the fundraising efforts for matters such as website licences and print publications for the Landmark Oshawa Sign from the 2023 Business and Economic Development Services Operating Budget upon receipt of confirmation and proof of eligible expenditures.”

5.4.3 Option 3 – Primarily City-Funded Model

In Report ED-22-220, Committee and Council were provided with an option to fully fund the Landmark Oshawa Sign project. Understanding that community raised funds have totaled \$3,150 as of the date of this Report, Council could consider the position to fund the remainder of the cost of the sign to allow the project to continue.

If this option is selected, then the Economic and Development Services Committee should adopt the following resolution:

“It is recommended to Council:

1. That, pursuant to Report ED-23-126, dated May 31, 2023, that Council refer a \$500,000 capital project to fund the purchase of the sign to the 2024 Budget with funds directed from the Downtown Revitalization Reserve.”

Should this option be considered, staff would recommend a review of the perspective shared in Section 5.3 of this Report.

6.0 Financial Implications

The financial implications as it relates to this Report are contingent on the option selected in Section 5.4.

If the recommendation within Section 5.4.1 is selected, the financial implication is contingent on the continued fundraising efforts of the Oshawa Sign Team. This would be included in the Report back to Committee in February of 2024.

If the recommendation within Section 5.4.2 is selected, the financial implication would be minimal other than the cost of reimbursing the material investment absorbed by the Oshawa Sign Team.

If the recommendation within Section 5.4.3 is selected an estimated \$500,000.00 would be required to account for acquisition in 2023 with maintenance and activation costs beginning in 2024. Operating costs have already received pre-budget approval and are estimated at \$85,000.00 annually.

Based on research from other municipalities the estimated cost of designing and fabricating a sign with features as outlined in Attachment 1 of Report ED-22-220 is estimated at a range of \$400,000 and \$500,000.

Ongoing maintenance for the sign will be required, repairs to letters, replacement of lights, replacement of anti-slip mats, and annual cleaning. The total cost of annual maintenance and activation (which include the application of vinyl wrap artwork and control/administration of the lights) is estimated at \$85,000/year for 10 years.

At the end of the sign's life cycle there will be an additional cost for removing and disposing of the sign.

7.0 Relationship to the Oshawa Strategic Plan

The Recommendations in this Report advance the Accountable Leadership, Social Equity and Cultural Vitality goals of the Oshawa Strategic Plan.



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