

City of Kingston Report to Council Report Number 17-250

To: Mayor and Members of Council

From: Lanie Hurdle, Commissioner, Community Services

Resource Staff: Luke Follwell, Director, Recreation & Leisure Services

Date of Meeting: November 7, 2017

Subject: Rogers K-Rock Centre – Naming Sponsorship Agreement

Extension

Executive Summary:

In February 2008, Council approved the execution of a Naming Sponsorship Agreement that allowed the name of the Kingston Regional Sports and Entertainment Centre to be rebranded as the "K-Rock Centre". The agreement also provided for potential assignment of the agreement in the event of sponsor reorganization and/or sale of assets. The term of the naming sponsorship agreement was for a period of ten years from February 19, 2008 to February 18, 2018.

In March 2013, Council approved the name change from "K-Rock Centre" to "Rogers K-Rock Centre" as result of a request from Rogers Broadcasting Limited to incorporate the "Rogers" brand to reflect their corporate identity.

In January 2017, Council approved the extension agreement with SMG Canada ULC for the management of the Rogers K-Rock Centre. Contained within that extension was a requirement for SMG to attract and manage the naming rights company.

Through exclusive negotiations with Rogers Broadcasting Limited it was recommended that a four month extension would be beneficial to avoid any name change during the OHL Regular season in 2018. Rogers Broadcasting Limited is willing to extend the existing agreement under the same terms and conditions from February 19, 2018 to June 30, 2018.

Recommendation:

That Council endorse the agreement extension from February 19, 2018 until June 30, 2018 with Rogers Broadcasting Limited for the naming sponsorship agreement of the Kingston Regional Sports and Entertainment Centre; and

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That the Mayor and Clerk be authorized to execute the agreement extension in a form satisfactory to the Director of Legal Services.

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Authorizing Signatures:	
ORIGINAL SIGNED BY COMMISSIONER	
Lanie Hurdle, Commissioner, Community Services	
ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER	
Gerard Hunt, Chief Administrative Officer	

Consultation with the following Members of the Corporate Management Team:

Desirée Kennedy, Chief Financial Officer & City Treasurer

Not required

Denis Leger, Commissioner, Corporate & Emergency Services

Mark Van Buren, Acting Commissioner, Transportation & Infrastructure Services Not required

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Options/Discussion:

In February 2008, Council approved the execution of a Naming Sponsorship Agreement that allowed the name of the Kingston Regional Sports and Entertainment Centre to be rebranded as the "K-Rock Centre". The Agreement also provided for potential assignment of the agreement in the event of sponsor reorganization and/or sale of assets. The term of the naming sponsorship agreement was for a period of 10 years from February 19, 2008 to February 18, 2018.

In March 2013, Council approved the name change from "K-Rock Centre" to "Rogers K-Rock Centre" as result of a request from Rogers Broadcasting Limited to incorporate the "Rogers" brand to reflect their corporate identity.

In January 2017, Council approved the extension agreement with SMG Canada ULC for the management of the Rogers K-Rock Centre. Contained within that extension was a requirement for SMG to attract and manage the naming rights company.

SMG, acting on behalf of the City of Kingston, have been negotiating with Rogers Broadcasting Limited to extend the existing naming sponsorship agreement. It has been recommended that a four month extension would be beneficial to avoid any name change during the OHL Regular season in 2018. Rogers Broadcasting Limited has agreed to extend the existing agreement under the same terms and conditions from February 19, 2018 to June 30, 2018.

SMG will continue to work with Rogers Broadcasting Limited and other interested parties to ensure a naming sponsorship agreement is in place beyond the June 30, 2018 date. Staff will report back to Council in the early 2018 on next steps.

Next Steps

SMG will work to attract and manage the sponsorship opportunities with Rogers Broadcasting Limited and other interested parties to ensure continued investment. This investment is critical to help offset facility operations as the average revenue generated from the naming sponsorship agreement has been \$190,000 per year for the last ten years.

Existing Policy/By-Law:

Naming of Corporate Assets Policy

Corporate Sponsorship Policy

Notice Provisions:

Not applicable

Accessibility Considerations:

Not applicable

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Financial Considerations:

The extension fee is the pro-rated daily cost of the current sponsorship calculated from February 19, 2018 to June 30, 2018 and equal to approximately \$79,000.

Contacts:

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Luke Follwell, Director, Recreation & Leisure Services 613-546-4291 extension 1815

Other City of Kingston Staff Consulted:

Alan McLeod, Senior Legal Counsel, Legal Services

Exhibits Attached:

Not applicable