



Council Report

Report Number:	RS2022-015
Meeting Date:	June 21, 2022
Title:	Proposed License Agreements between the City of Kawartha Lakes and Terrance Seal
Description:	License Agreements to Allow for the Construction of Two Billboard Advertising Signs at the Kawartha Lakes Municipal Airport (3187 Highway 35 North, Lindsay)
Author and Title:	Christine Oliver, Law Clerk – Realty Services

Recommendations:

That Report RS2022-015, **Proposed License Agreements between the City of Kawartha Lakes and Terrance Seal**, be received;

That the By-Law attached as Appendix F, required to authorize the execution of two License Agreements, be adopted by Council and executed by the Mayor and Clerk; and

That the Mayor and Clerk be authorized to execute the License Agreements attached as Appendix D and Appendix E, being License Agreements to allow Terrance Seal to erect two privately owned advertising signs on the City-owned property located at 3187 Highway 35 North, Lindsay (Kawartha Lakes Municipal Airport).

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

On April 29, 2021, Realty Services received an application from Terrance Seal requesting that he be allowed to construct and erect two privately owned billboard advertising signs on City-owned land municipally known as 3187 Highway 35 North, Lindsay (the Kawartha Lakes Municipal Airport). The purpose of the advertising signs is to sell advertising space to third parties.

Staff have negotiated two License Agreements with Mr. Seal. While Staff initially proposed a five-year term (which would not have required Council approval), Mr. Seal has requested 10-year terms in order to justify the costs associated with the installation of the signs.

The License Agreements were reviewed by the Airport Manager and it was recommended that the City proceed with the Agreements. Mr. Seal is agreeable to the proposed terms and has executed both License Agreements (attached as Appendix D and Appendix E).

The purpose of this report is to provide Council with an opportunity to consider the terms of the proposed License Agreements and for Council to provide direction required to execute these Agreements.

Rationale:

The Land Management Team reviewed the application at its meeting on May 13, 2021. The Team, Airport Manager and Director of Engineering were all supportive of entering into the License Agreements.

The License Agreements are split into two agreements to account for the two separate signs. Mr. Seal has requested a longer term commitment from the City to justify the financial burden associated with installation of the signs and to ensure the revenue from the advertising provides a profit for the investment. Mr. Seal requested an additional condition which would require the City to reimburse him in the event that the City elects to terminate either of the License Agreements prior to the end of the initial term.

Mr. Seal will have all advertising content approved by the Airport Manager before proceeding to be posted on the advertising signs. Mr. Seal is obligated to ensure he is in compliance with all City by-laws.

Other Alternatives Considered:

Council could decide to enter into a shorter term Agreement with Mr. Seal. This is not recommended as the City would lose the revenue from the License Agreements. In the event Council decides to proceed with a shorter term, Mr. Seal has expressed concerns that he would not being able to cost recover the installation fees within a shorter term.

Alignment to Strategic Priorities

The recommendations set out in this Report align with the strategic priority of Good Government and more specifically, effective management of the municipal building and land portfolio.

Financial/Operation Impacts:

Each License Agreement will provide the City with a net revenue of \$800.00 per side for each of the two-sided billboard advertising signs. Between the Agreements the net annual revenue will be \$3,200.00.

Mr. Seal is agreeable to this annual rate on the condition the City of Kawartha Lakes commits to a 10-year term. In the event the City decides to terminate early, Mr. Seal has requested the City reimburse for the costs associated with construction of the signs. The rates for reimbursement are different for each advertising sign because they are difference sizes. In the License Agreement attached as Appendix D, the sign will be located on the south side of the Kawartha Lakes Municipal Airport and the reimbursements rates are as follows:

Year 1 - \$6,083.53
Year 2 - \$4,866.82
Year 3 - \$3,650.12
Year 4 - \$2,433.41
Year 5 - \$1,216.71

In the License Agreement attached as Appendix E, the sign will be located on the north side of the Kawartha Lakes Municipal Airport and the reimbursement rates are as follows:

Year 1 - \$9,003.05
Year 2 - \$7,202.44
Year 3 - \$5401.83
Year 4 - \$3601.22
Year 5 - \$1800.61

The Airport Manager and the Director of Engineering are supportive of this request. The Director of Engineering has indicated that there are no intentions to terminate either License Agreement early, but in the event of early termination, the reimbursement funds would come from the annual operating budget.

Consultations:

City Solicitor
Director of Engineering and Corporate Assets
Airport Manager

Attachments:

Appendix A – Location Map



Appendix A

Appendix B – Map



Appendix B

Appendix C – Aerial Map



Appendix C

Appendix D – Proposed License Agreement for South Side



Appendix D

Appendix E – Proposed License Agreement for North Side



Appendix E

Appendix F - Draft By-Law



Appendix F - Draft
By-law to Authorize

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Department File: L17-21-RS031