
Renewal of Naming and Promotional Benefits Agreement – Shaw Communications Inc.

ISSUE

The City of Saskatoon (City) has a long-term Naming and Promotional Benefits Agreement with Shaw Communications Inc. (Shaw Communications) for the Shaw Centre. The original Naming and Promotional Benefits Agreement, which expired March 31, 2022, included a renewal clause. A one-year renewal was negotiated with the same terms and conditions, which expired on March 31, 2023. The merger with Rogers Communications Inc. has impacted Shaw Communication's ability to commit to a longer-term, and there are no further renewal options in the current Naming and Promotional Benefits Agreement. This report provides details on the proposed terms and conditions and seeks approval for a renewal agreement with Shaw Communications for a term of up to one year.

RECOMMENDATION

That the Standing Policy Committee on Planning, Development and Community Services recommend to City Council:

1. That the Naming and Promotional Benefits Agreement between the City and Shaw Communications Inc. as outlined in this report be renewed; and
2. That the City Solicitor be requested to prepare the appropriate agreement and that the City Manager and the City Clerk be authorized to execute the agreement under the Corporate Seal.

BACKGROUND

The City and Shaw Communications entered into a 15-year Naming and Promotional Benefits Agreement (Agreement) in April 2007, which expired on March 31, 2022. The Agreement contained a clause providing Shaw Communications with an opportunity to provide notice of their interest in renewing the Agreement. Shaw Communications expressed continued interest in a renewal.

In March 2021, the City was advised that Rogers Communications Inc. (Rogers) was in the process of purchasing Shaw Communications. Discussions regarding renewal of the Agreement paused due to ongoing implications of this transaction.

In April 2022, Shaw Communications informed the City they received approval to extend the Agreement for one year, ending March 31, 2023. They also confirmed interest in revisiting and negotiating a longer-term extension, pending completion of the Rogers and Shaw Communications merger.

A one-year renewal agreement was negotiated and executed with the same terms and conditions as the original Agreement, including the annual compensation fee payable to the City of \$86,667. This renewal Agreement expired on March 31, 2023, and no further renewal options exist.

DISCUSSION/ANALYSIS

Administration and Shaw Communications have had ongoing discussions about a longer-term renewal of the Agreement since spring/summer 2020. The merger with Rogers has impacted Shaw Communication's ability to commit to a longer-term agreement.

In advance of the renewal Agreement expiry, Administration and Shaw Communications agreed to an additional short-term renewal until the merger with Rogers is finalized and a longer-term agreement can be developed. In mid-March 2023, Shaw Communications advised Administration to proceed with the renewal of the Agreement for up to one-year under the same terms and conditions.

Rogers Communications Inc. completed the merger with Shaw Communications in April 2023. The implications of this merger are still unknown as the merger, while approved by the Federal Minister, is subject to 21 conditions imposed on Rogers. At present, Shaw Communications and Rogers are internally sorting out details of the merger and are not yet prepared to commit to a long-term renewal of naming rights. Administration will continue to have discussions with Rogers/Shaw Communications about a longer-term renewal of the Agreement throughout 2023. The proposed one-year renewal outlined in this report will serve as a bridge while a new long-term agreement is negotiated.

Proposed Terms of the Renewal Agreement

All terms and conditions from the Agreement will remain the same in the renewal agreement with the key terms as follows:

- Term of Renewal – April 1, 2023, to March 31, 2024;
- Compensation – Continuation of the previous annual fee of \$86,667, plus the applicable GST payable to the City for the one-year extension, with payment upon execution of the agreement;
- The balance of 2023 calendar year will be used to complete negotiations for a new long-term agreement. If the parties fail to reach an agreement, the City would be free to market the naming rights to other parties upon the expiration of this renewal agreement; and
- In 2023, if negotiations between both parties result in an agreed upon multi-year renewal, Administration will bring forward a further report to the Standing Policy Committee on Planning, Development and Community Services with recommendations for approval by City Council on terms and conditions.

The process for renewing this agreement is in accordance with [Council Policy C09-028, Sponsorship Policy](#). As this is an ongoing agreement, and the Shaw Centre name is not changing, the review process outlined in [Council Policy C09-008, Naming of Civic Property and Development Areas Policy](#), was not required.

It is the view of Administration that the current naming rights fee is a fair reflection of the value of naming rights for this facility.

FINANCIAL IMPLICATIONS

The financial terms of the Agreement are described above. The sponsorship revenue will continue to be reflected in the operating budget for the Shaw Centre under the Recreation and Culture Business Line – Leisure Centre Rentals.

OTHER IMPLICATIONS

There are no privacy, legal, social or environmental implications identified.

NEXT STEPS

Subject to City Council approval, the Office of the City Solicitor will be requested to develop the renewal Agreement, to be signed by the Mayor and the City Clerk. Administration will proceed to implement the Agreement based on the terms and conditions noted.

REPORT APPROVAL

Written by:	Jody Hauta, Recreation Programs and Facilities Manager
Reviewed by:	Andrew Roberts, Director of Recreation and Community Development
Approved by:	Lynne Lacroix, General Manager, Community Services Division

SP/2023/RCD/ PDCS/ Renewal of Naming and Promotional Benefits Agreement – Shaw Communications Inc/sk.