SUMMARY STATEMENT

ITEM NO.: DRPA-19-031      SUBJECT: Authorization to Negotiate Agreement with Keystone Outdoor Advertising Company, Inc. for License Term Renewal and Upgrades to Existing Billboards on DRPA Property

COMMITTEE: Finance

COMMITTEE MEETING DATE: March 6, 2019

BOARD ACTION DATE: March 20, 2019

PROPOSAL: That the Board authorizes staff to negotiate a Right of Entry License and Indemnification Agreement, or similar appropriate land-use agreement(s), including the material business terms and conditions thereof, with Keystone Outdoor Advertising Company, Inc. (“Keystone”).

PURPOSE: To permit Keystone access to DRPA property near the WWB I-76 approach for the purposes of modifying, maintaining, operating (whether on-premises or via remotely changeable off-premises technology), improving, supplementing, posting, painting, illuminating, repairing, repositioning and/or removing the bridge traffic facing sides of two (2) existing outdoor advertising structures, each of which are presently located on DRPA property.

BACKGROUND: The DRPA owns a parcel of real property in Philadelphia in the vicinity of the Walt Whitman Bridge and the I-76 approach, which is generally described as being bounded by the Front Street the north, the Walt Whitman toll plaza to the south, and DRPA controlled access roads to the east and west (the “Property”). Keystone owns two (2) billboard structures that have been located on the east and west sides of the Property since 1999 pursuant to a License Agreement issued by the DRPA to Keystone and made effective March 16, 1999 (“Existing License Agreement”).

The Existing License Agreement is scheduled to expire this year, as a result, Keystone has requested the right to renew the license term for the two (2) billboards for an additional twenty (20) years and to make the requisite upgrades to the two (2) billboards such that they may each be used for digital advertising.

Staff has reviewed Keystone’s renewal request and determined that the continued operation of the two (2) billboards, as well as the maintenance and improvement work to be performed by Keystone is not likely to
adversely impact the DRPA’s operations on or near the Property. Staff has recommended breaking out the proposed renewal term into an initial ten (10) year term with two (2) five (5) year renewal periods.

Any new agreement(s) negotiated with Keystone will outline in detail the final financial terms for occupancy (including, without limitation, the right to CPI adjustments at each renewal period if exercised) which shall be subject to CEO, Chairman and Vice Chairman approval, as necessary. Any new negotiated agreement(s) shall also confirm that Keystone is fully responsible for obtaining any and all necessary permits related to its outdoor advertising activities and that it shall bear all costs associated with any maintenance, modification(s) and/or improvement(s) to the two (2) billboard that Keystone may elect, or is required, to perform including, without limitation, any utility costs related to the modifications or the continued operation of the billboards with digital components.

Finally, any such agreement(s) will contain updated liability and indemnification language that will require Keystone to defend and hold harmless the DRPA and to provide evidence of adequate insurance coverage to afford the DRPA full protection from any suits and claims for damages that may arise from Keystone’s access to, or use of, DRPA Property.

Accordingly, staff is seeking authorization to negotiate a Right of Entry License and Indemnification Agreement, or similar appropriate land-use agreement(s), including the material business terms and conditions thereof, with DRPA to permit Keystone access to DRPA Property for the purposes of modifying, maintaining, operating (whether physically on-premises or via remotely changeable off-premises technology), improving, supplementing, posting, painting, illuminating, repairing, repositioning and/or removing the existing two (2) outdoor advertising structure located thereon.
Authorization to Negotiate Agreement with Keystone Outdoor Advertising Company, Inc. for License Term Renewal and Upgrades to Existing Billboards on DRPA Property

SUMMARY:

Amount: TBD
Source of Funds: N/A
Capital Project #: N/A
Operating Budget: N/A
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: 10 year initial term, two (2) 5-year renewal terms
Other Parties Involved: N/A
RESOLUTION

RESOLVED: That the Board authorizes staff to negotiate a Right of Entry License and Indemnification Agreement, or similar appropriate land-use agreement(s), including the material business terms and conditions thereof, with Keystone, to permit Keystone access to DRPA property near the WWB I-76 approach for the purposes of modifying, maintaining, operating (whether physically on-premises or via remotely changeable off-premises technology), improving, supplementing, posting, painting, illuminating, repairing, repositioning and/or removing the two (2) existing outdoor advertising structures that are presently located on DRPA property; and be it further

RESOLVED: That the Chairman, Vice Chairman and Chief Executive Officer, with the advice and counsel of the Authority’s Chief Financial Officer/Treasurer and General Counsel/Corporate Secretary, must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chairman, Vice Chairman and Chief Executive Officer and if thereafter either the Chairman or Vice Chairman is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chairman and Vice Chairman are absent or unavailable and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

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