



4.3

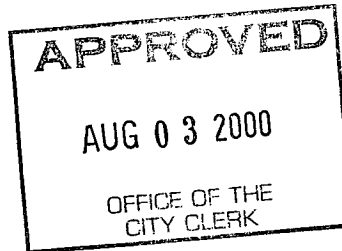
ECONOMIC DEVELOPMENT
DEPARTMENT

CITY OF SACRAMENTO
CALIFORNIA

1030 15TH STREET
SUITE 250
SACRAMENTO, CA
95814-4009

PH 916-264-7223
FAX 916-264-8161

July 24, 2000



City Council
Sacramento, California

Honorable Members in Session

**SUBJECT: POLICY FOR BILLBOARD LEASE REVENUE TO SUPPORT SUTTER
LANDING PARK**

LOCATION AND COUNCIL DISTRICT: West Side of Business 80 between E Street and
Cal Expo Exits, Council District 3

RECOMMENDATIONS:

1) Use the subject billboard lease revenue to support the development of Sutter Landing Park; 2) that the City Council authorize the city manager to negotiate and consummate new leases with a billboard company; and 3) negotiate a 10-year lease term and require the billboards be removed at the termination of the leases.

CONTACT PERSONS: Kristan Otto, Economic Development 264-7948
Micah Runner, Economic Development 264-5448

FOR THE COUNCIL MEETING OF: August 3, 2000

SUMMARY:

Currently, the City has two leases with Infinity Advertising for 4 billboards on city owned property. The property is located on the West Side of Business 80. The leases expire in September and December of this year. Staff recommends continuing to lease these structures in order to use the revenue to support the development of Sutter Landing Park. The leases should be a ten-year term, with all proceeds going to support the park development. After the ten-year term, the billboards will be removed.

COMMITTEE/COMMISSION ACTION:

None

BACKGROUND INFORMATION:

Infinity Advertising currently has two leases with the city for four billboards located on city property. The property is on the West Side of Business 80, between the E Street and Cal Expo exits. One of the leases expires on August 31, 2000. The second lease expires on December 31, 2000. The city needs to decide if it will continue leasing the property for billboard advertising. Currently, the revenue from both leases is approximately \$4,617 per month.

There is an option for the City to continue leasing the property for billboard advertising and use the revenue to support Sutter Landing Park. Sutter Landing Park has been approved by council and is listed in the CIP as LS11. The new leases will be negotiated based on market value. There are currently two large advertising firms in the area that may be interested in leasing the property, including Infinity Advertising. The General Fund receives the existing lease revenue; staff proposes to use the revenue from the new leases to fund the Sutter Landing Park improvements.

Based on a market analysis completed by an outside consultant, revenues from the new lease may be between \$75,000 – 100,000 per year.

FINANCIAL CONSIDERATIONS:

The lease currently generates revenue in the amount of \$55,000/year. The potential revenue from new leases, based on an independent consultant's analysis, is approximately \$75,000 – 100,000 per year.

Billboard lease amounts are typically based on the percentage of gross revenue obtained by the advertising firms. The current leases are at 18% of current gross revenue. According to the consultant those percentages should be closer to 45% which increases generated revenue.

POLICY CONSIDERATIONS:

Revenues: Currently the lease revenues are deposited in the General Fund account and are appropriated through the budget process. Staff believes that the circumstances of these billboards and the policy to create more parks within the City warrants designation of the revenues to fund the development of the Park:

- 1) The Billboards are located on the park site.
- 2) At the termination of the existing leases the billboards will become the property of the City.
- 3) The City does not currently have funds to develop this long planned regional park.

Billboard Policy: The billboard leases will be an agreement between the City Manager and the Advertising firm and will prevail over the sign ordinance. After the termination of the lease and Sutter Landing Park is adequately funded the billboards will be removed at the termination of the 10-year lease.

ENVIRONMENTAL CONSIDERATIONS:

The Action recommended is exempt from the CEQA review pursuant to Section 15378 (b)(3) of the California Environmental Quality Act, "general policy and procedure making".

ESBD CONSIDERATIONS:

City Council adoption of the attached resolution is not affected by the City policy related to the ESBD Program since no goods or services are being purchased with this action.

Respectively submitted,



Kristan Otto
Economic Development Manager

Approved:



Andrew J. Plescia
Economic Development Director


RECOMMENDATION APPROVED



 ROBERT P. THOMAS
City Manager

APPROVED

AUG 03 2000

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 2000-465

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION SUPPORTING THE USE OF REVENUE FROM
OUTDOOR ADVERTISING LEASES TO SUPPORT SUTTER
LANDING PARK**

BE IT HEREBY RESOLVED BY THIS CITY COUNCIL THAT:

1. The City Manager is authorized to negotiate the lease of the city property located on the West Side of Business 80 for billboard advertising.
2. The term of the lease will be no more than ten years, with the removal of the billboard structures required at the termination of the lease.
3. The revenue generated from the lease will be used to support the development of Sutter Landing Park.

MAYOR

Attest:

City Clerk

FOR CITY CLERK USE ONLY

RESOLUTION NO: _____

DATE ADOPTED: _____

4.3

CITY OF SACRAMENTO
CITY COUNCIL AGENDA ITEM - TRANSMITTAL FORM

Agenda Items are due to City Manager's Office by 3:00 PM Friday, 2 weeks (11 days) before the Council meeting

FROM

Department: Eco Dev
Contact Name / Phone #: Monica 5470
COUNCIL MEETING DATE: 7-25-00

REVIEWED BY (Initials):

- 1) Dept Fiscal Officer _____
- 2) Admin/Policy (Budget) _____
- 3) City Clerk _____

SUBJECT

Policy for billboard lease revenue to support sutter landing park

AGENDA PLACEMENT

Time Needed for Item? 15 minutes
(Factor-in Council questions and discussion)
(Not applicable to Consent Items)
Controversial? No Yes... Why?

- Afternoon Meeting
- Consent
- Public Hearing
- Staff Reports

- Evening Meeting (Controversial/Public Concern)
- Special Presentations
- Public Hearing
- Staff Reports

- Committee Agenda:
- Law & Legislative
- P & P E
- Other _____

- Votes Required for Passage:
- Majority
 - 2/3
 - Other _____

- Graphics Display System Needed
(arrange with City Clerk)

FORM COMPLETED BY:

Frank 7-18-00 5470
Name Date Phone #

FISCAL IMPACT

- Budget Change? \$ _____
- Contract Approval? \$ _____
- Change Order? \$ _____
- Change in FTE? \$ _____
- Supplemental Agreement? \$ _____

POLICY ISSUES

- MBE/WBE?
- Environmental?
- Legal?
- Other? _____

COMMENTS

8/3
Item will be resubmitted

SPECIAL INSTRUCTIONS TO CITY CLERK

>>Don't forget to review the checklist on back!

This cover sheet must be completed and attached to the front of your City Council Agenda Item.



ECONOMIC DEVELOPMENT
DEPARTMENT

CITY OF SACRAMENTO
CALIFORNIA

1030 15TH STREET
SUITE 250
SACRAMENTO, CA
95814-4009

July 18, 2000

PH 916-264-7223
FAX 916-264-8161

City Council
Sacramento, California

Honorable Members in Session

**SUBJECT: POLICY FOR BILLBOARD LEASE REVENUE TO SUPPORT SUTTER
LANDING PARK**

LOCATION AND COUNCIL DISTRICT: West Side of Business 80 between E Street and
Cal Expo Exits, Council District 1

RECOMMENDATIONS:

1) Use the subject billboard lease revenue to support the development of Sutter Landing Park; 2) if the city contracts to purchase the Centrage property for additional park land, the billboard lease revenues be made available to facilitate the financing of the purchase; 3) that the City Council authorize the city manager to negotiate and consummate new leases with a billboard company; and 4) negotiate a 10-year lease term and require the billboards be removed at the termination of the leases.

CONTACT PERSONS: Kristan Otto, Economic Development 264-7948
Micah Runner, Economic Development 264-5448

FOR THE COUNCIL MEETING OF: July 25, 2000

SUMMARY:

Currently, the City has two leases with Infinity Advertising for 4 billboards on city owned property. The property is located on the West Side of Business 80. The leases expire in September and December of this year. Staff recommends continuing to lease these structures in order to use the revenue to support the development of Sutter Landing

Park. The leases should be a ten-year term, with all proceeds going to support the park development. After the ten-year term, the billboards will be removed.

COMMITTEE/COMMISSION ACTION:

None

BACKGROUND INFORMATION:

Infinity Advertising currently has two leases with the city for four billboards located on city property. The property is on the West Side of Business 80, between the E Street and Cal Expo exits. One of the leases expires on August 31, 2000. The second lease expires on December 31, 2000. The city needs to decide if it will continue leasing the property for billboard advertising. Currently, the revenue from both leases is approximately \$4,617 per month.

There is an option for the City to continue leasing the property for billboard advertising and use the revenue to support Sutter Landing Park. The new leases will be negotiated based on market value. There are currently two large advertising firms in the area that may be interested in leasing the property, including Infinity Advertising. The General Fund receives the existing lease revenue; staff proposes to use the revenue from the new leases to fund the Sutter Landing Park improvements and the possible acquisition of the Centrage site for additional park land.

Based on a market analysis completed by an outside consultant, revenues from the new lease may be between \$75,000 – 100,000 per year.

FINANCIAL CONSIDERATIONS:

The lease currently generates revenue in the amount of \$55,000/year. The potential revenue from new leases, based on an independent consultant's analysis, is approximately \$75,000 – 100,000 per year.

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Revenues: Currently the lease revenues are deposited in the General Fund account and are appropriated through the budget process. Staff believes that the circumstances of these billboards and the policy to create more parks within the City warrants designation of the revenues to fund the development of the Park:

- 1) The Billboards are located on the park site.

- 2) At the termination of the existing leases the billboards will become the property of the City.
- 3) The City does not currently have funds to develop this long planned regional park.

Billboard Policy: The billboard leases will be an agreement between the City Manager and the Advertising firm and will prevail over the sign ordinance. After the termination of the lease and Sutter Landing Park is adequately funded the billboards will be removed at the termination of the 10-year lease.

ENVIRONMENTAL CONSIDERATIONS:

The Action recommended is exempt from the CEQA review pursuant to Section 15378 (b)(3) of the California Environmental Quality Act, "general policy and procedure making".

ESBD CONSIDERATIONS:

City Council adoption of the attached resolution is not affected by the City policy related to the ESBD Program since no goods or services are being purchased with this action.

Respectively submitted,

Approved:


Kristan Otto
Economic Development Manager


Andrew J. Plescia
Economic Development Director

RECOMMENDATION APPROVED

ROBERT P. THOMAS
City Manager

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION SUPPORTING THE USE OF REVENUE FROM OUTDOOR ADVERTISING LEASES TO SUPPORT SUTTER LANDING PARK

BE IT HEREBY RESOLVED BY THIS CITY COUNCIL THAT:

1. The City Manager is authorized to negotiate the lease of the city property located on the West Side of Business 80 for billboard advertising.
2. The term of the lease will be no more than ten years, with the removal of the billboard structures required at the termination of the lease.
3. The revenue generated from the lease will be used to support the development of Sutter Landing Park and the possible purchase of the Centrage land.

MAYOR

Attest:

City Clerk

FOR CITY CLERK USE ONLY

RESOLUTION NO: _____

DATE ADOPTED: _____

Item 4.3

Copied to Council

August 2, 2000

To: Steve Cohn (City Council, Dist. 3)
From: Mel Bisgay

Dear Steve:

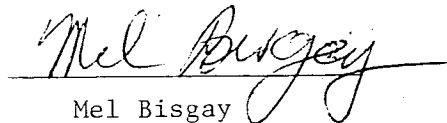
As you are aware, there is a distinct shortage of park land within Sacramento City, and as a past member of the Citizens Advisory Committee for Parks and Recreation, this was and continues to be one of my major concerns.

Consequently, I am a strong supporter of Sutters Landing Park. As a regional park within the central core of the City, this will not only serve one of the densest population areas, but will be available to an additional population through access from the I-80 freeway corridor.

Therefore, I strongly urge that revenue from billboards in this area be assigned to Sutters Landing Park.

We are looking forward to the continued development of this vitally needed park, and these assigned revenues will demonstrate the City's commitment to Sutters Landing Park.

Sincerely,



Mel Bisgay
572 38th Street
Sacramento, CA 95816

cc: Mayor
City Council Members

August 3, 2000

To: Councilman Steve Cohn

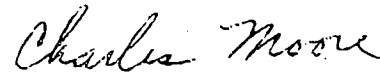
From: Charles Moore
MENA

Topic: Billboards at Sutter's Landing Park

On the evening of August 2, 2000, the MENA Board of Directors passed a unanimous resolution to support the dedication of the monies generated by the billboards in the planned Sutter's Landing Park for the development of the park itself.

We look forward to the new park with anticipation. We thank you for your work on this project.

Sincerely,



Charles Moore, President
MENA

From: REMREF <remref2@worldnet.att.net>
To: <jyee@cityofsacramento.org>, <hfargo@cityofsacramento.org>, <rkerth@cityofsacramento.org>, <scohn@cityofsacramento.org>, <jnyee@cityofsacramento.org>, <lhammond@cityofsacramento.org>, <djones@cityofsacramento.org>, <rwaters@cityofsacramento.org>, <bpannell@cityofsacramento.org>
Date: 8/3/00 5:15AM
Subject: Item 4.3

Mayor and Council Members:

I am writing to encourage approval of the resolution for Item 4.3 this afternoon, regarding the billboard lease revenue for Sutter's Landing Park.

It is my understanding that all other regional parks have their own dedicated source of revenue - except Sutter's Landing. As you well know, this will be an extremely expensive park to develop over the years. This revenue could amount to somewhere in the vicinity of \$1 million over a 10 year contract life and would be a tremendous help in implementing the previously approved park master plan. It may also facilitate acquisition of additional moneys by providing a source of matching funds for grants, etc.

As we prepare for a "ground breaking" for this long awaited park within the next year, what a wonderful boost this would be to our decades of efforts to bring this park to fruition. Your support would be greatly appreciated!

--Selby J. Fermer

From: judith anshin <penguinatlaw@netscape.net>
To: <bpannell@cityofsacramento.org>, <djones@cityofsacramento.org>, <hfargo@cityofsacramento.org>, <jyee@cityofsacramento.org>, <lhammond@cityofsacramento.org>, <rkerth@cityofsacramento.org>, <rwaters@cityofsacramento.org>, <scohn@cityofsacramento.org>
Date: 8/2/00 9:07PM
Subject: Billboard Revenue

Dear Mayor Yee and Council members: As an individual member of New Era Park Neighborhood Association, I am vitally interested in the future of the Sutter's Landing Park. Tonight at a meeting regarding the Park I learned that Councilman Cohn is proposing that the City's commission on the billboards presently in place along the Captial City Freeway be officially designated for future Park improvements. While I find billboards aesthetically offensive, they are a reality, and using the proceeds from these billboards for Park improvements is financially sound and will make these billboards more acceptable to me. I understand the City will be re-negotiating ten year leases on these boards in the near future, and I heartily support both increasing the City's portion of the commissions, as well as designating that money to be used only for Sutter's Land Park.

I urge each of you to vote for this designation of funds so that future generations may have a beautiful, well maintained Park to enjoy. Sincerely,
Judith Anshin

Get your own FREE, personal Netscape WebMail account today at <http://webmail.netscape.com>.