



ECONOMIC DEVELOPMENT DEPARTMENT
CITY OF SACRAMENTO

2.14

January 17, 2003

APPROVED
JAN 30 2003
OFFICE OF THE
CITY CLERK

City Council
Sacramento, California

062003 - 008

Honorable Members in Session

SUBJECT: LEASE OF THREE BILLBOARD STRUCTURES

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

RECOMMENDATIONS:

The Economic Development Department recommends adoption of the attached resolution that approves the following actions:

1. Approves the execution of a three year billboard lease agreement (On file with the City Clerk), between the City of Sacramento and Viacom Outdoor (Viacom), and
2. Authorizes an annual allocation of interest to the Sutter Landing Park Development Capital Improvement Project (PN: LS11) earned from the advance deposit of \$557,000 from Viacom. The interest allocation will be based upon the unspent balance of the Viacom funds in the project until such time the lease is expired.

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

FOR THE COUNCIL MEETING OF: January 30, 2003

SUMMARY:

On December 10, 2002 the City Council authorized the City Manager to draft a lease with Viacom based on the terms provided by City Council direction and in the Viacom response to the Request for Proposals (RFP). The terms of the lease agreement with Viacom include:

Building on Our History ~ Creating The Place to Be.

- 1) \$557,000 in prepaid rent for a three-year lease term.
- 2) One of the billboard structures will be removed one-year from the beginning of the lease term.
- 3) The City of Sacramento will refund a portion of the prepaid rent for the early removal of the billboard structure.
- 4) The City of Sacramento will have exclusive use of one poster face space. (City process for department use is attached as Exhibit 1)
- 5) The remaining billboards may be removed at anytime with the refunding of any pre-paid rent.
- 6) At no cost to the City, Viacom will remove the billboard structures at the end of the lease term.
- 7) Viacom will pay all insurance, taxes, and maintenance in connection with the advertising structures.

COMMITTEE/COMMISSION ACTION:

None

BACKGROUND INFORMATION:

The City of Sacramento owns three billboard structures on city property on the west side of Business 80, between the E Street and Cal Expo exits. The City Council has continued to direct staff to negotiate an agreement that is consistent with City goals by: (1) The removal of billboards and (2) maximizing revenues for the development of Sutter Landing Park. The current one-year lease has expired as of December 31, 2002

On December 10, 2002 the City Council accepted a bid from Viacom Outdoor and authorized the City Manager to draft the lease based upon the terms provided in response to the RFP approved on October 8, 2002.

Additional direction was given to staff at the December 10, 2002 Council Meeting. This additional direction included: (1) Exercise the option provided by Viacom to remove any of the signs at anytime by removing one structure after one year; (2) Research and implement a method to generate interest on the pre-paid rent and use that interest for the development of Sutter Landing Park; and (3) Establish a clear process for the use of the free City advertising space.

FINANCIAL CONSIDERATIONS:

According to the terms of the proposed agreement with Viacom, the total revenue of \$557,000 will be deposited into the Sutter Landing Park Development CIP (PN: LS11) for future development. Per Council direction, the Sutter Landing Park Development CIP is to earn interest on an annual basis on the funds deposited by Viacom, until such time as the lease is expired. The interest allocation will be based on the unspent

balance of the Viacom funds in the project. The interest rate to be used will be the interest rate earned by the City's Investment Pool "A" for that fiscal year.

POLICY CONSIDERATIONS:

City policy requires that interest earned be appropriated to specific funds, not to individual capital improvement projects (CIP's). Interest earnings are fund resources and are allocated as part of the overall budget process. However, CIP's are not typically funded with cash deposits. Consistent with Council direction provided at the December 10, 2002 meeting, interest earnings will be added to the Sutter's Landing CIP (LS11) for the unspent cash funds from the Viacom contract at the end of each fiscal year.

After Sutter Landing Park is adequately funded, the billboards will be removed at the termination of the lease period.

In addition, the recommendations in this staff report are consistent with the following goals outlined in the City's 2001-2004 Strategic Plan.

1. Preserve and expand the arts and culture, open space, urban forest, parks, and recreation opportunities.
2. Promote and support economic vitality.
3. Enhance and preserve the neighborhood.

ENVIRONMENTAL CONSIDERATIONS:

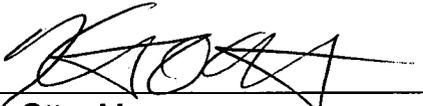
The Action recommended is exempt from the CEQA review pursuant to Section 15378 (b)(3) of the California Environmental Quality Act, "general policy and procedure making".

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.

Respectfully submitted,

Approved:



Kristan Otto, Manager
Economic Development Department



BETTY MASUOKA
Assistant City Manager

RECOMMENDATION APPROVED



 Robert P. Thomas
City Manager

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RESOLUTION NO. 2003 - 038

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**A RESOLUTION OF THE CITY COUNCIL OF SACRAMENTO
REGARDING A THREE YEAR LEASE WITH VIACOM OUTDOOR
FOR THREE OUTDOOR ADVERTISING STRUCTURES**

WHEREAS, on October 8, 2002, the City Council authorized the City Manager to issue a Request for Proposals (RFP) to lease or relocate three city owned billboard structures,

WHEREAS, on December 10, 2002, the City Council accepted Viacom Outdoor as the successful bid and authorized the City Manager to generate a lease with Viacom Outdoor based on the three-year term.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sacramento:

- 1) Approves the execution of a three year billboard lease agreement between the City of Sacramento and Viacom Outdoor, and
- 2) Authorizes an annual interest allocation to the Sutter Landing Park Development CIP (PN: LS11) earned from the advance deposit of \$557,000 from Viacom Outdoor. The interest allocation will be based upon the unspent balance of the Viacom funds in the project until such time the lease is expired. The interest rate to be used will be the interest rate earned by the City's Investment Pool "A" for that fiscal year.

APPROVED:

Mayor

ATTEST:

City Clerk

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

City Billboard Scheduling Process

1. Each October, a memorandum is distributed to Department Heads and Division Managers with a notification that reservations for use of billboard space are being accepted for the following calendar year.
2. A request form (Exhibit A) is attached to the memo and is due to the billboard coordinator in November. Billboard display conditions and requirements accompany the memo.
3. All requests are reviewed and accommodated based on the following priority order:
 - a. City department programs
 - b. City supported services and programs
 - c. Other governmental agency programs
 - d. Non-profit organization programs that serve City residents
4. A draft schedule is developed and submitted to the City Manager's Office for approval. A final schedule is distributed in late November. Displays are usually scheduled for a 30-day period beginning the 15th of each month.
5. Billboard copy is due to the coordinator the first of the month prior to the month it is scheduled for display. The copy is reviewed and if the content is questionable and/or includes a product logo or name the requestor is asked to change and/or correct the message.
6. The requesting department is charged for the cost to produce the billboard display posters, approximately \$200.

2003 BILLBOARD DISPLAY SCHEDULE

MONTH	TOPIC
January	Recruitment for Police Department
February	Recruitment for Police Department
March	Water Quality Protection
April	Water Conservation Awareness
May	Haggin Oaks Voted #1 Golf Course
June	Zoo Ice Cream Safari/King of Feasts
July	Water Conservation/Environmental
August	4 th R After School Child Care
September	Metropolitan Arts Partnership
October	Fire Prevention/Safety
November	Storm Drain Clog Prevention
December	Downtown Ice Rink

**CITY BILLBOARD SPACE
REQUEST FORM**

Date of request:	
Department:	Org. Number:
Name of requestor:	Title:
Telephone:	e-mail:
Responsible person:	Title:
Telephone:	e-mail:

Non-City Organizations only
Name of Organization:
Address:

Topic:			
Month Selection:	1 st choice:	2 nd choice:	3 rd choice:

NOTICE:

- The City of Sacramento will not accept any billboard message that contains solicitations or commercial product endorsements. The City has no control over billboard messages that will be posted to the right or adjacent to, the City's billboard message. The City reserves the right to reject, before or during display, any message, pictorial or otherwise, which is considered to be in violation of existing laws or offensive to the moral standard of the community, or which is false, misleading or deceptive, or in any way reflects upon the character, integrity or standing of any organization or individual.
- Approved and scheduled billboard messages may be cancelled at any time. The City of Sacramento will not be responsible for any costs or other liability resulting from the cancellation of approved and scheduled billboard messages.
- After confirmations are sent out, it is your responsibility to submit the required drafts and final artwork as scheduled. If you do not meet the schedule requirements, your reserved slot will be forfeited.
- Billboard artwork will not be returned.

*I understand and agree to comply with all of the City Billboard Space – Conditions & Requirements.
In addition, I am authorized by my organization to agree that we will pay all charges associated with the use of the City Billboard space.*

Signature: _____ Title: _____ Date: _____

For office use only	
Draft Due:	COMMENTS:
Draft Received:	
Date Approved:	

CITY BILLBOARD SPACE – CONDITIONS & REQUIREMENTS

GENERAL INFORMATION:

- The billboard is located next to the Capital City Freeway near Cal Expo.
- The framed message area is 9'7" high by 21'7" wide.
- Billboard messages are schedule for 30 days beginning the 15th of a month through the 14th of the next month.
- Priority scheduling of messages for the billboard will proceed as follows:
 - 1-City departments
 - 2-City supported services and programs
 - 3-Other governmental agencies
 - 4-Non-profit organizations that serve City residents and which are exempted from the Bank and Corporation Tax by Section 23701d of the California Revenue and Taxation Code

COST:

- The fee for art services, painting and installation of billboard messages is \$200.

REQUIREMENTS:

- A draft copy of the scheduled billboard message must be submitted to Business Services (m/c 3350) **by the first business day of the month prior to the message scheduled to be included on the billboard.** For example, if a billboard message is scheduled to be displayed March 15, 2003, the draft copy must be submitted no later than Monday, February 3, 2003.
- All billboard messages must be reviewed and approved prior to being displayed.
- Timing of billboard installation and removal cannot be guaranteed therefore, billboard messages must not be date or event specific.

RECOMMENDATIONS:

- Define the purpose of the billboard message. To ensure the billboard will successfully communicate your message keep the purpose of the billboard in mind as you work on the design.
- Design the billboard message for the audience:
 - Sacramento metropolitan area residents and visitors;
 - Constantly in motion while viewing the message;
 - Able to see message for less than 30 seconds from a distance of 400 to 1000 feet; and
 - Unable to stop, turn around and re-read the message or write down phone numbers, addresses or other detailed information.
- Keep the message simple and readable. There is little time to communicate a message that will inform, motivate, and be memorable. Use large, simple, bold illustrations. Fine details will not be seen.
- Use of large bold letters is recommended. Use of thin or ornate lettering is discouraged. Keep use of capital letters to a minimum.
- Try to use no more than five (5) words. Try to use short words.
- Try to use bold colors with strong contrast (e.g. black and white). Simple primary and secondary colors are recommended.
- No cutouts or extensions.
- No dated messages (such as for a specific event).