

## **RESOLUTION NO. 2010-649**

Adopted by the Sacramento City Council

November 23, 2010

### **SECOND AMENDMENT TO LEASE WITH CBS OUTDOOR, INC. FOR THREE CITY-OWNED BILLBOARD STRUCTURES ADJACENT TO BUSINESS 80 AT SUTTER'S LANDING REGIONAL PARK**

#### **BACKGROUND**

- A. On December 12, 2006, following the completion of a competitive bid process that identified CBS Outdoor, Inc. as the highest responsible bidder, the City Council awarded a three-year lease to CBS Outdoor, Inc. (City Agreement No. 2006-1404) for the three City-owned billboards located adjacent to Business 80 at Sutter's Landing Regional Park.
- B. On December 8, 2009, the City Council adopted Resolution 2009-743 extending the lease term until December 31, 2010.
- C. Given the short time before the lease termination date, the lease could expire and the City could lose significant lease revenue if the City follows the bid procedures in City Code Chapter 3.68.
- D. CBS Outdoor, Inc. is willing to enter into a second lease amendment extending the termination date of the lease by two years. A two-year extension will provide the City additional time to explore all options for the billboard site to maximize revenue opportunities.
- E. The lease revenue is designated to the Sutter's Landing Regional Park Project (L19167000). There are no dedicated funding sources for regional park development; therefore, securing unique funding opportunities such as this is critical to develop Sacramento's regional park system.
- F. Lease revenues of \$750,000 during the two-year extended term of the lease would be dedicated to the development of Sutter's Landing Regional Park.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City Council finds and determines that it is in the best interest of the City to extend the termination date of the lease with CBS Outdoor, Inc. for the three City-owned billboard structures adjacent to Business 80 (City Agreement No. 2006-1404) to December 31, 2012, without bidding because special circumstances make use of the bid procedures inappropriate.
- Section 2. The City Manager is authorized to execute a second amendment extending the termination date of the lease to December 31, 2012.
- Section 3. The lease revenue is designated to the Sutter's Landing Regional Park Project (L19167000).
- Section 4. The City Manager or his designee is authorized to adjust revenue and expenditure budgets for the Sutter's Landing Regional Park Capital Improvement Program (19167000) for the lease revenue in the amount of \$750,000.
- Section 5. The second amendment to the lease described in Section 2 is attached as Exhibit A and is made a part of this Resolution.

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Exhibit A – Second Amendment to Lease

Adopted by the City of Sacramento City Council on November 23, 2010 by the following vote:

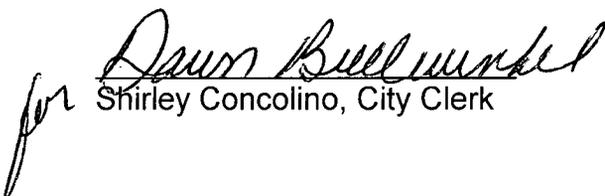
Ayes: Councilmembers Cohn, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Johnson.

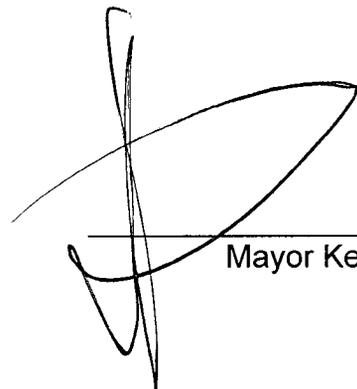
Noes: None.

Abstain: Councilmember Fong (Recused).

Absent: None.

Attest:

  
Shirley Concolino, City Clerk

  
\_\_\_\_\_  
Mayor Kevin Johnson

**SECOND AMENDMENT TO LEASE BETWEEN THE CITY OF SACRAMENTO AND CBS OUTDOOR INC. FOR THE OPERATION AND MAINTENANCE OF THREE OUTDOOR ADVERTISING STRUCTURES ON BUSINESS ROUTE 80**

This lease extension, executed in Sacramento, California, is made on \_\_\_\_\_, between the City of Sacramento, a municipal corporation, ("Lessor") and CBS Outdoor, Inc., a division of the CBS Corporation, ("Lessee").

Lessor and Lessee agree as follows:

1. The termination date of the lease between Lessor and Lessee, City Agreement #2006- 1404, ("Lease") is extended from December 31, 2010 to December 31, 2012 ("Extended Term").
2. Lessee agrees to and shall pay to Lessor monthly rent of \$31,250 (thirty-one thousand two hundred fifty dollars) for the advertising structures during the Extended Term. The monthly rent shall be due and payable on the tenth (10<sup>th</sup>) day of each month in advance at the Revenue Division of the City of Sacramento, 915 I Street, 1<sup>st</sup> Floor, Sacramento, California 95814.
3. All other terms of the Lease remain unchanged.

LESSOR: CITY OF SACRAMENTO

LESSEE: CBS OUTDOOR

By: \_\_\_\_\_  
Cassandra Jennings, Assistant City Mgr.  
for Gus Vina, Interim City Manager

By: \_\_\_\_\_  
John R. Clements  
Executive Vice-President

Approved as to form:

By: \_\_\_\_\_  
Michael T. Sparks,  
Senior Deputy City Attorney

Attest:

By: \_\_\_\_\_  
City Clerk