

## **RESOLUTION NO. 2012-405**

Adopted by the Sacramento City Council

December 4, 2012

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

- 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. On November 16, 2010, the City Council adopted Resolution 2010-649 extending the lease term until December 31, 2012.
- D. 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.
- E. CBS Outdoor, Inc. is willing to enter into a third lease amendment extending the termination date of the lease by one year to December 31, 2013. A one-year extension will provide the City additional time to explore all options for lease renewal or replacement of one or more of the three billboards with a digital display to maximize revenue opportunities.
- F. The lease revenue is designated to the Sutter's Landing Regional Park Project (L19167001). 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.
- G. Lease revenues of \$375,000 during the one 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:**

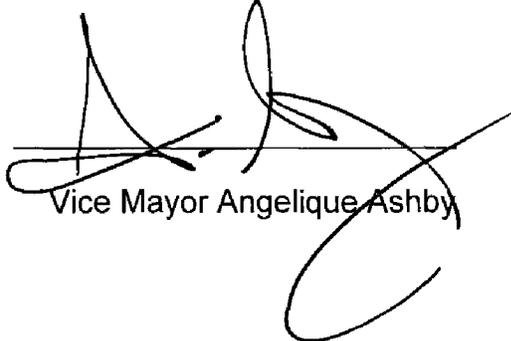
- Section 1. The City Council finds and determines that it is in the best interest of the City to extend the term of the lease with CBS Outdoor, Inc. for the three City-owned billboard structures adjacent to Business 80 (City Agreement No. 2006-1404) to December 31, 2013, without bidding because special circumstances make use of the bid procedures inappropriate.
- Section 2. The City Manager or his designee is authorized to execute the Third Amendment to Lease for Operation and Maintenance of Three Outdoor Advertising Structures on Business Route 80 to extend the termination date to December 31, 2013.
- Section 3. The lease revenue is designated to the Sutter's Landing Regional Park Project (L19167001).
- 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 (L19167001) for the lease revenue.
- Section 5. The Third Amendment to the Lease described in Section 2 is attached as Exhibit A and is made a part of this Resolution.

Table of Contents:

Exhibit A — Third Amendment to Lease for Operation and Maintenance of Three Outdoor Advertising Structures on Business Route 80

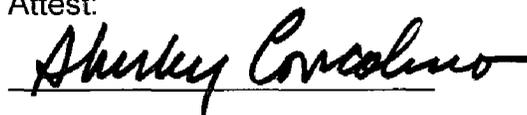
Adopted by the City of Sacramento City Council on December 4, 2012 by the following vote:

- Ayes: Councilmembers Ashby, Cohn, R Fong, McCarty, Pannell, Schenirer, Sheedy, and Mayor Johnson.
- Noes: None.
- Abstain: None.
- Absent: Councilmember D. Fong



Vice Mayor Angelique Ashby

Attest:



Shirley Concolino, City Clerk

**THIRD AMENDMENT TO LEASE  
FOR OPERATION AND MAINTENANCE OF  
THREE OUTDOOR ADVERTISING STRUCTURES ON BUSINESS ROUTE 80**

THIS THIRD AMENDMENT (the "Amendment") is made as of October 29<sup>th</sup>, 2012, by and between the **CITY OF SACRAMENTO**, a municipal corporation, ("Lessor") and **CBS OUTDOOR INC.**, a Delaware Corporation ("Lessee").

**RECITALS**

- A. The above-named parties entered into a lease agreement dated January 1, 2007, City Agreement No. 2006-1404, ("Lease") for use by Lessee of three existing billboards owned by Lessor located along Business Route 80 in the City of Sacramento. The billboards are located on property previously used as a landfill and planned for development of Sutters Landing Regional Park. The Lease revenues are pledged to fund capital improvement projects at this park.
- B. The Lease was amended on December 9, 2009 (the "First Amendment") to extend the term, set a monthly lease rate of \$31,250 for Lessee's right to place advertisements on the three billboards, and change Lessee's mailing address.
- C. The Lease was further amended on November 17, 2010 (the "Second Amendment") to extend the Lease term though December 31, 2012.
- D. Lessor desires to evaluate whether to issue a new solicitation for the placement of advertising on the three existing billboards and/or to replace some or all of the existing billboards with a digital message center display as permitted under the Outdoor Advertising Act and pursuant to a relocation agreement under City Code Section 15.148.815.

**AGREEMENT**

NOW THEREFORE, 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, 2012 to December 31, 2013 ("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 CA 95184.
3. All other terms of the Lease remain unchanged.

IN WITNESS WHEREOF, this Third Amendment has been executed by Lessor and Lessee as of the day and year first stated above.

**CITY OF SACRAMENTO,**  
a municipal corporation

By: \_\_\_\_\_  
Jim Combs  
Director Parks and Recreation Department

For: John F. Shirey, City Manager

Approved as to form:

By: \_\_\_\_\_  
Senior Deputy City Attorney

Attest:

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

**CBS OUTDOOR INC.,**  
a Delaware Corporation

By:   
Name: **CHRIS STEINBACHER**  
Title: **V.P. REAL ESTATE  
WEST COAST**