



# REPORT TO COUNCIL

## City of Sacramento

# 19

915 I Street, Sacramento, CA 95814-2671  
www. CityofSacramento.org

**Consent**  
**July 18, 2006**

Honorable Mayor and  
Members of the City Council

**Subject:** Extend an Interim Lease with CBS Outdoor (formerly Viacom Outdoor) for Three City-owned Billboard Structures adjacent to Business 80 at Sutter's Landing Regional Park and Approve a Solicitation for Proposals or Bids for a New Lease

**Location/Council District:** Northwest Side of Business 80 at Sutter's Landing Regional Park (Council District 3)

**Recommendation:** Adopt a **Resolution** 1) finding that it is in the best interest of the City to extend an interim lease with CBS Outdoor (formerly Viacom Outdoor) for the three City-owned billboard structures adjacent to Business 80 through December 31, 2006, without bidding because special circumstances make the use of the bid procedures inappropriate; 2) authorizing the City Manager to execute an amendment extending the interim lease through December 31, 2006; 3) directing staff to solicit proposals or bids for a new lease of the three City-owned billboard structures adjacent to Business 80 benefiting development of Sutter's Landing Regional Park.

**Contact:** Lori Harder, Support Services Manager, 808-5172

**Presenters:** Not applicable

**Department:** Parks and Recreation

**Division:** Administration

**Organization No:** 4511

### **Summary:**

On January 30, 2003, the City Council approved a three-year lease with Viacom Outdoor (now CBS Outdoor) with lease revenue benefiting the development of Sutter's Landing Regional Park. The original lease term expired on January 31, 2006, and a six-month interim lease expires July 31, 2006. Staff recommends City Council approve the solicitation of proposals or bids for a new lease with revenues continuing to benefit Sutter's Landing Regional Park, and approve the extension of the interim lease to December 31, 2006, to ensure adequate time for a new lease to be negotiated and brought to Council for approval.



It is in the best interest of the City to extend the interim lease without bidding because CBS Outdoor, the current lessee, is willing to enter into a short-term extension of the interim lease to provide the City adequate time for a new lease to be negotiated and brought to Council for approval, and the interim lease will expire and the City will lose significant lease revenue if the City follows the bid procedures.

**Committee/Commission Action:** None with this item. On several occasions the Parks and Recreation Commission has discussed and made recommendations on the need to secure funding to help develop the City's regional park system.

**Background Information:**

For many years the City of Sacramento has owned three billboard structures adjacent to Business 80 along the southeast border of Sutter's Landing Regional Park (see map attached as Exhibit A, Page 5). On January 30, 2003, the City Council approved a three year lease with lease revenues benefiting the development of Sutter's Landing Regional Park. The lease provided \$557,000 in revenues towards the development of Sutter's Landing Regional Park, and contributed to Phase I development including: bikeway trailhead with shade structure and information signage, fencing, plantings, and an amphitheater with a shade structure.

Staff recommends the Council approve the continuation of lease revenues be dedicated to develop the park. The City of Sacramento currently has no dedicated or consistent funding to develop the regional park system. Dedicated lease revenues will help develop the park and provide funding to acquire adjacent properties. As well, staff recommends the continuation of donated billboard space for public education and announcements as directed by the City.

Key points in the Request for Proposals will include the following:

1. The lease is for the three City-owned billboards in their current size and location;
2. The City is seeking to maximize total lease revenue to develop Sutter's Landing Regional Park;
3. Proposals are to be for lease terms of three years;
4. Proposals are to include two lease payment options – one lump sum to be paid in full at the beginning of the lease term, and monthly lease payments through the length of the lease term;
5. The City desires to continue to utilize half of one side of a billboard for public announcements and public education at no charge;
6. Advertisements for alcohol and tobacco products will not be permitted, and
7. The lessee is to maintain the billboard structures and pay all related utilities, taxes and assessments.

With City Council support, staff will solicit proposals or bids for a new lease and return to Council with a negotiated lease for approval.

**Financial Considerations:** None with this item. CBS Outdoor is currently paying a monthly lease amount of \$15,472. With a new lease, revenues are estimated to be between \$600,000 and \$1,000,000 towards the development of Sutter's Landing Regional Park.

**Environmental Considerations:**

The proposed action is exempt from environmental review pursuant to the CEQA Guidelines Section 15378, "general policy and procedure making."

**Policy Considerations:**

Continuing the dedication of lease revenues to develop Sutter's Landing Regional Park is consistent with the Council's goal to achieve sustainability and livability.

The recommended action is consistent with policies contained in the Council approved *Parks and Recreation Master Plan 2005 – 2010* including: Pursue dedicated and consistent funding for regionally serving parks and amenities. Develop an expanded vision and plan for a system of regional parks including destination attractions or facilities such as large parks, unique venues, parkways, and river/creek corridors.

**M/WBE Considerations:** None with this item. City policy will be followed in the proposal process.

Approved By:   
Robert G. Overstreet II  
Director of Parks and Recreation

  
for Ray Kerridge  
City Manager

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## **RESOLUTION NO.**

Adopted by the Sacramento City Council

### **AUTHORIZING THE CITY MANAGER TO EXECUTE AN EXTENSION OF AN INTERIM LEASE WITH CBS OUTDOOR (FORMERLY VIACOM OUTDOOR) FOR THREE CITY-OWNED BILLBOARD STRUCTURES ADJACENT TO BUSINESS 80 BENEFITTING DEVELOPMENT OF SUTTER'S LANDING REGIONAL PARK AND AUTHORIZING THE SOLICITATION OF PROPOSALS OR BIDS FOR A NEW LEASE OF THE BILLBOARDS**

#### **BACKGROUND**

1. In January 2003, the City Council approved a three-year lease with Viacom Outdoor (now CBS Outdoor) for three City-owned billboard structures on Business 80 at Sutter's Landing Regional Park with lease revenue benefiting the development of the park. The lease expired on January 31, 2006.
2. The lease provided \$557,000 in revenues towards the development of Sutter's Landing Regional Park.
3. A six-month interim lease with CBS Outdoor expires on July 31, 2006. Extension of the interim lease requires City Council approval.
4. CBS Outdoor is willing to enter into a short-term extension of the interim lease to provide the City adequate time for a new lease to be negotiated and brought to Council for approval. The interim lease will expire and the City will lose significant lease revenue if the City follows the bid procedures.

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

Section 1. It is in the best interest of the City to extend an interim lease with CBS Outdoor (formerly Viacom Outdoor) for the three City-owned billboard structures adjacent to Business 80 through December 31, 2006, without bidding because special circumstances make the use of the bid procedures inappropriate.

Section 2. The City Manager is authorized to execute an amendment extending the interim lease with CBS Outdoor through December 31, 2006.

Section 3. Staff is directed to solicit proposals or bids for a new lease of the three City-owned billboard structures adjacent to Business 80 benefiting development of Sutter's Landing Regional Park.

Exhibit A  
Map of Three City Owned Billboard Structures on Business 80  
at Sutter's Landing Regional Park



