

BUDGET & FINANCE

MOTION

The Pipeline Franchise Revenue portion of the Real Property Trust Fund provides funding for public right-of-way infrastructure improvements within each Council District. In an effort to improve the visibility and public access to San Pedro Welcome Park and Bandini Canyon Park in San Pedro, Council District 15 provided funding from their Pipeline Franchise Revenue for the acquisition and development of the property located at 427 N. Gaffey Street (Property) (C.F. 15-0052). The Property is going to be converted and dedicated for public right-of-way purposes, including access to the adjacent public park spaces.

A billboard is currently located on the Property that is leased to Regency Outdoor Advertising, Inc. (Regency Outdoor). The lease with Regency Outdoor was originally entered into by the previous Property owner in 2008 (Billboard Space Lease). The Purchase and Sale Agreement requires that the previous owner assign the Billboard Space Lease dated January 1, 2008 to the City. The Billboard Space Lease was for a term of 10 years and will expire on December 31, 2017. The City received \$5,539 in lease revenue in 2015 and \$13,985 in 2016. The annual lease rate is \$13,000 and adjusted annually based on the Consumer Price Index for the Los Angeles-Long Beach Urban Area, but does not exceed 3.5% annually. The revenue is currently deposited into the City's General Fund.

Since funds from the Pipeline Franchise Revenue portion of Council District 15's Real Property Trust Fund was used to purchase the property and the lease will expire in approximately one year, the revenues from the billboard should be reinvested during that time in Council District 15 to provide community benefits such as ongoing improvements within the community, mitigation of existing blight, or for improvements and maintenance of the nearby parks. The community surrounding the billboard and park patrons will receive the greatest benefit from the revenues generated on a temporary basis.

I THEREFORE MOVE that the City Council authorize the City Administrative Officer (CAO), with the assistance of the General Services Department (GSD), to transfer the income that was received by the City from the lease with Regency Outdoor Advertising, Inc. for the billboard located at 427 N. Gaffey Street (Billboard Lease), which totals approximately \$19,524 for 2015 and 2016, from the General Services Department Fund 100, Dept. 40, Account No. 4931 to the Council District 15 Real Property Trust Fund No. 697 for the benefit of the surrounding communities and nearby parks.

I FURTHER MOVE that the City Council instruct the CAO and GSD to report with the necessary instructions to transfer all the future revenues from the Billboard Lease to the Council District 15 Real Property Trust Fund No. 697 until the Billboard Lease expires.

I FURTHER MOVE that the City Council authorize the CAO and/or GSD to make any technical amendments and prepare the necessary instructions to effectuate the transfer of the previously received and future revenues to be received from the Billboard Lease to the Council District 15 Real Property Trust Fund No. 697 and to authorize the Controller to implement these instructions.

PRESENTED BY:

JOE BUSCAINO

Councilmember, 15th District

SECONDED BY:

NOV 8 2016

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