

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT relative to an agreement with The Lamar Companies for a single-faced junior poster sign on City-owned property.

Recommendation for Council action:

AUTHORIZE the Department of General Services (GSD) to execute a new lease agreement with The Lamar Companies to operate a single-sided advertising billboard located at 1901 North Highland Avenue, pursuant to the terms and conditions substantially outlined in the GSD report dated December 21, 2017 (attached to the Council file).

Fiscal Impact Statement: The GSD reports that the annual base revenue generated to the General Fund from this billboard will be \$2,520, an increase of \$2,160 over the current lease.

Community Impact Statement: None submitted.

**TIME LIMIT FILE - FEBRUARY 5, 2018**

**(LAST DAY FOR COUNCIL ACTION - FEBRUARY 2, 2018)**

SUMMARY

In the report to Council dated December 21, 2017, GSD requests authority to negotiate and execute a new lease with The Lamar Companies for a single-faced junior poster sign located on City-owned vacant property at the intersection of Highland and Franklin Avenues. The property is located outside of the Hollywood Signage Supplemental Use District and the Community Redevelopment Agency Hollywood Redevelopment Area. Therefore, the use of the signs for off-premise advertising is considered to be a legal non-conforming use. GSD has determined that the standard advertising industry ground lease rate is 30 percent of the three year average revenue generated by each billboard face. Applying the 30 percent rate to LAMAR's three year average advertising revenue of \$8,367 resulted in an annual lease income of \$2,520.

GSD reports that the proposed agreement is for a month-to-month rolling renewable lease with a termination clause of not more than 30 days available to both the City of Los Angeles and Lamar. The lease contains a provision requiring Lamar to vacate and remove the billboard structure at their cost upon termination of the lease. Renewing the lease will allow the City to continue to generate revenue and establish a provision that ensures the City captures site remediation costs specifically related to the billboard structure.

On December 21, 2017, the Municipal Facilities Committee (MFC) approved GSD's request.

At its meeting held January 23, 2018, the Information, Technology, and General Services Committee discussed this matter with representatives of GSD and the City Administrative Officer (CAO). GSD and CAO staff indicated that approximately 60 contracts for the use of City property await review and renewal. Several of the properties are used by non-profit organizations. Staff will contact local Council Offices to verify uses are consistent with community needs. The CAO and GSD are developing an asset management database to track the expiration of such

contracts. Committee recommended that Council authorize GSD to execute the proposed lease with Lamar, as recommended by the MFC.

Respectfully Submitted,

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE

A handwritten signature in black ink that reads "Monica Rodriguez". The signature is written in a cursive style with a large initial "M" and a decorative flourish at the end.

<u>MEMBER</u>	<u>VOTE</u>
RODRIGUEZ:	YES
BLUMENFIELD:	YES
O'FARRELL:	ABSENT

jaw

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**