

AGENDA ITEM #: \_\_\_\_\_

DATE: April 27, 2020

CAR #: 2020-6938



## CITY COUNCIL ACTION REPORT

**SUBJECT:** Approve the First Amendment to Digital Marquee Placement License Agreement.

**STAFF PRESENTER(S):** Roric Massey, City Attorney

**OTHER PRESENTER(S):** Diane Veres, Regional President Southwest, Clear Channel Outdoors

**Summary:** This is an amendment to the 25 year license agreement allowing Clear Channel Outdoors, LLC to operate two digital marquees on city owned properties adjacent to the I-10. This amendment allows for a temporary reduction in the monthly license fee and makes permanent modifications to sections of the agreement for city advertising on the marquees.

**Recommendation:**

Approve the First Amendment to the Digital Marquee Placement License Agreement with Clear Channel Outdoors, LLC.

**Fiscal Impact:** The Amendment would reduce the monthly license fee by 50% for three months beginning May 1, 2020. The total amount of the reduction would be \$25,700. The Park and Ride Digital Marquee and General funds would have revenue losses of \$12,400 and \$13,300 respectively.

### Background and Previous Actions

Clear Channel Outdoors approached the city with this request for a temporary license fee reduction due to a significant reduction in advertising on their marquees due to the current national economic conditions. During discussions regarding a proposed amendment to accommodate their request, the parties agreed to further amendments to the agreement to ensure better access to the marquees for the placement of city advertising for the remainder of the agreement term (17 years).

### Staff Analysis

This Amendment seeks to be responsive to a company doing business within the city due to significant changes to market conditions because of the current economic downturn. The license

fee reduction is fairly short in duration and the city will receive a long term benefit from the language modification to the city advertising placement sections of the agreement.

## **Attachments**

First Amendment to the Digital Marquee Placement License.