



## **STAFF REPORT TO THE CITY COUNCIL**

**DATE:** Regular Meeting of May 22, 2018

**TO:** Members of the City Council

**SUBMITTED BY:** David Biggs, City Manager

**SUBJECT:** Update and Presentation on Possible Digital Sign

**RECOMMENDATION:** Receive report, discuss, and provide direction, if any.

**COMMISSION/SUBCOMMITTEE ACTION AND RECOMMENDATION:** Not applicable

**FISCAL IMPACT OF RECOMMENDATION:** None as result of this action, though a Digital Sign on City property does have one-time and on-going revenue generation possibilities.

**DISCUSSION:** The City Council last received a presentation on a possible revenue generating digital sign on City property on March 28, 2017. A copy of the staff report from that meeting is attached (Attachment 1). The matter was deferred at that time to the Strategic Plan update. The matter was raised as a budget referral as part of the FY 2017/18 budget development process since the Strategic Plan update had not been completed. The Budget Referral is provided below:

**Budget Referral # 18-13:** Digital Display Sign – Should a possible digital display sign be pursued as a means to expand the City’s revenue base?

**Response:** On March 28, 2017, the City Council revisited possible interest in a Digital Advertising Display on City property as a possible revenue generator. At that time, the Council deferred the discussion to the upcoming Strategic Plan session. The Strategic Plan update has not yet been finalized and consideration of the idea is timely as part of the budget discussion. The one proposal received would generate \$200,000 as an up-front payment (one-time funding) and annual base rent of \$144,000 per year (on-going) increasing by the annual CPI and 20% of the revenues generated from the sign above the base rent threshold.

This Budget Referral was not incorporated in the Budget as adopted and eventually the Council indicated that the matter would be discussed at a future City Council meeting. As such, the topic of a revenue generating Digital Sign was listed on the Upcoming Agenda Items list. That list is reviewed quarterly, and as part of the March 27, 2018, review, the City Council confirmed interest in receiving an update on a revenue generating Digital Sign.

Mr. Mike McCoy from Mesa Outdoor has been invited to provide an updated presentation on the possibility of a revenue generating digital sign on City owned property here in Hercules.

**ATTACHMENTS:**

Attachment 1 – Staff Report from March 27, 2017