

TO: Meg Williamson, Acting City Manager

FROM: Shonna Howenstine, Tourism Coordinator

SUBJECT: Billboard Lease for Tourism Promotions

DATE: January 5, 2016

---

NEEDS: For the City Council to consider extending a Billboard lease on behalf of the Travel Paso Robles Alliance (TPRA) for tourism promotion purposes.

FACTS:

1. The City of Paso Robles currently leases a billboard located at 25 Villa Lots Road, at the north end of Paso Robles with Highway 101 visibility. The billboard is used to promote tourism into the city.
2. The Travel Paso Robles Alliance has been funding tourism billboard operations, including annual lease and advertising costs, since 2011 with plans to continue that support through the current budget cycle.
3. On November 11, 2014 the City Council adopted a new tourism logo and branding concept as recommended by the TPRA's FY15/16 marketing plan.
4. In May of 2015 new billboard wraps were installed on the City's tourism billboards reflecting the new logo and branding.
5. In June 2015 the City Council approved the TPRA's FY15/16 marketing plan and budget that includes billboard lease and advertising costs.
6. The current four-year billboard lease expires on December 31, 2015.
7. The owner, Mr. Paul O. Smith, is willing to renew for another four-year term, through December 31, 2019, with identical terms.
8. The current marketing plans of the TPRA would require the City to extend the billboard lease contract. A four year extension is requested in keeping with previous practice.

#### ANALYSIS &

CONCLUSION: The City's tourism and marketing program has historically utilized the Highway 101 billboard in achieving branding and visitor support service goals. The opportunity to continue using the billboard supports current tourism marketing goals without impact to the City's general fund.

**POLICY**

**REFERENCE:** Economic Strategy; 2015-16 TPRA Marketing Plan and Budget;

**FISCAL**

**IMPACT:** The four year (2016 through 2019) billboard lease rate would start at \$8,700/year with an annual escalation of \$350/year. The annual cost of the lease through 2019 would be charged to the TPRA's marketing budget.

In the event that the TPRA ceased to exist (e.g. non-renewal) the City would retain the fiscal responsibility for the contract. In that unlikely case, the City could implement a cost recovery program that would allow the use of the billboard for tourism serving marketing goals without impact to the general fund.

- OPTIONS:**
- a. For the City Council to adopt Resolution 16-XXX authorizing the City Manager to enter into a four year billboard lease with Mr. Paul O. Smith on behalf of the TPRA for the continued goal of its use in tourism promotion purposes.
  - b. Amend, modify or reject above option.

**Attachment:**

- 1. Resolution 16-XXX authorizing a billboard contract with Mr. Paul O. Smith
- 2. Letter of Understanding with Mr. Paul O. Smith

RESOLUTION NO. 16-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES  
AUTHORIZING THE CITY MANAGER TO ENTER INTO A 4-YEAR LEASE  
WITH MR. PAUL O. SMITH FOR USE OF A BILLBOARD  
FOR TOURISM PROMOTION PURPOSES

---

WHEREAS, the City of Paso Robles currently leases a billboard located at 25 Villa Lots Road, at the north end of Paso Robles with Highway 101 visibility. The billboard is used to promote tourism into the city; and

WHEREAS, the billboard has routinely been used to market Paso Robles as a destination and to direct visitors to a tourism focused website; and

WHEREAS, the current four year lease is to expire on December 31, 2016 and the owner Mr. Paul O. Smith is willing to renew for another 4-year term with identical terms; and

WHEREAS, the Travel Paso Robles Alliance has been funding tourism billboard operations, including annual lease and advertising costs, since 2011 with plans to continue that support through the current budget cycle; and

WHEREAS, in November of 2014 the City Council adopted a new tourism logo and branding concept as recommended by the TPRA's FY14/15 marketing plan and in May of 2015 new billboard wraps were installed on the City's tourism billboards reflecting the new logo and branding; and

WHEREAS, in June 2015 the City Council approved the TPRA's FY15/16 marketing plan and budget that includes billboard lease and advertising costs;

WHEREAS, the recommendation of the TPRA would require that the City (on behalf of the TPRA) enter into the billboard lease contract; and

WHEREAS, the billboard lease could be entered into without impact to the City's general fund as presented by the TPRA.

THEREFORE BE IT HEREBY RESOLVED that the City Manager is authorized to enter into a lease agreement with Mr. Paul O. Smith per the attached Exhibit "A" and in accordance with the City's adopted Marketing Plan and Budget.

ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 5<sup>th</sup> day of January 2016 by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

---

Steven W. Martin, Mayor

ATTEST:

---

Kristen Buxkemper, Deputy City Clerk



# CITY OF EL PASO DE ROBLES

"The Pass of the Oaks"

## MEMORANDUM OF UNDERSTANDING

between

City of Paso Robles Tourism Promotions

and

Mr. Paul O. Smith

Smith & Smith

This memorandum of understanding entered into this day, April 22, 2015, is between the City of Paso Robles and Mr. Paul O. Smith for the lease of billboard property located north of Paso Robles on the west side of Highway 101.


Escalation to remain at the rate of \$350 per year in accordance with the previous memorandum of understanding dated December 8, 2011. The City agrees to pay Mr. Paul O. Smith according to the following schedule:

January 1 through December 31, 2016	\$8,700.00
January 1 through December 31, 2017	\$9,050.00
January 1 through December 31, 2018	\$9,400.00
January 1 through December 31, 2019	\$9,750.00

Payments are to be made annually on or after January 1<sup>st</sup>.

Mr. Smith and the City of Paso Robles will begin negotiations for 2020 in March of 2019.

Approved Agreed to by all parties:

  
Mr. Paul O. Smith  
Property Owner

  
Date

  
Mr. Jim App  
City Manager

  
Date