



## Legislation Text

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**File #:** 20-0108, **Version:** 1

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Resolution Approving a Lease for 10,598 Square Feet of City Owned Land at 715 Eaton Street and 11,037 Square Feet of City Owned Land at 732 N. King Street to Adams Outdoor Advertising Limited Partnership for Two Existing Billboards and a Public Service Agreement and Authorizing Execution of Same

### **PURPOSE/BACKGROUND:**

Adams Outdoor Advertising Limited Partnership, also known as AOA Limited Partnership, a Minnesota limited partnership ("Adams"), has two existing off-premise outdoor advertising signs (billboards) on a portions of city owned property at neighboring parcels known as 715 Eaton Street and 732 N. King St.

The billboards are under lease with the City that was set to expire on April 30, 2020, but was extended 120 days to allow for the safe conduct of a public hearing during the COVID-19 pandemic. The new lease term will begin September 1, 2020, with an expiration of August 31, 2025. Beginning September 1, 2023, the City will have a right to terminate early with notice to Adams. In addition to the leased areas that house the billboards, the lease also includes a license to 27,334 additional square footage adjacent to those leased areas to facilitate clear site line views of those billboards. Annual rent for the first year is \$78,286.00 payable in advance. There is a 3% escalation of rent in each of the years 2 through 5. Adams has also agreed to a Public Service Agreement which is an exhibit attached to the Lease wherein the City will be allowed 26 weeks to advertise its sponsored events at no cost on the digital billboards located along the interstate in Hampton.

Pursuant to Code of Virginia Sections 15.2-1800 and 15.2-2100, as they may be amended from time to time, a public hearing is required for Council to properly consider this lease. City staff recommends approval of the Resolution. This matter was advertised pursuant to Va. Code §15.2-1813.

### **Discussion:**

See Purpose/Background above.

### **Impact:**

See Purpose/Background above.

### **Recommendation:**

Conduct a public hearing and approve the Resolution.

WHEREAS, the City of Hampton owns two parcels, one containing approximately 2.91 acres

located at 732 N. King Street ("King Street Parcel"), and another containing approximately 1.20 acres located at 715 Eaton Street ("Eaton Street Parcel"; the King Street Parcel and the Eaton Street parcel collectively the "Property");

WHEREAS, Adams Outdoor Advertising, Limited Partnership ("Adams") has two existing off-premise outdoor advertising signs ("billboards") on portions of the Property which are under a lease with the City, and which lease is set to expire on August 31, 2020;

WHEREAS, Adams and the City have negotiated a new five-year lease for Adam's continued use of approximately 10,598 square feet of the Eaton Street Parcel and 11,037 square feet of the King Street Parcel (collectively, the "Leased Premises") to allow the existing billboards to remain on the Property together with (1) 27,334 of additional square feet adjacent to the Leased Premises to facilitate clear site line view of the billboards; and (2) a Public Service Agreement which will allow the City 26 weeks per year to advertise its sponsored events at no cost on the digital billboards located along the interstate in the City; and

WHEREAS, the terms of the Lease and the Public Service Agreement, copies of which are attached to this Resolution, are reasonable and acceptable.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Hampton, Virginia, as follows:

1. That the lease of approximately 10,598 square feet of the Eaton Street Parcel and 11,037 square feet of the King Street Parcel to allow the existing billboards to remain on the Property together with (1) 27,334 of additional adjacent square feet to facilitate clear site line view of the billboards; and (2) a Public Service Agreement for the City's use of those billboards at no cost, subject to certain terms and conditions, are hereby approved.

2. That the City Manager or her designee is hereby authorized and directed to execute the Lease between the City of Hampton and Adams Outdoor Advertising, L.P., a Minnesota limited partnership, and the Public Service Agreement, Exhibit B to the Lease, as set forth in this Resolution.