

ITEM #:	<u>12</u>
DATE:	<u>09-09-25</u>
DEPT:	<u>ADMIN</u>

COUNCIL ACTION FORM

SUBJECT: SETTING DATE OF PUBLIC HEARING FOR DIGITAL BILLBOARD LEASE

BACKGROUND:

On February 11, 2025, the City Council discussed issues related to a proposed digital billboard on City property along U.S. Hwy. 30 near the Hunziker Youth Sports Complex. The proposed billboard would replace two standard billboards located on the Linc development site on Lincoln Way near downtown.

During that meeting, the City Council reviewed key terms of the proposed lease, as well as aspects of the Zoning Ordinance that would require revision to accommodate a digital billboard per the requests of the billboard company, Lamar Advertising Company. On May 13, the City Council held a hearing on a Zoning Text Amendment to revise the billboard standards, and the ordinance adopting the text amendment was adopted on June 10, 2025.

Staff has continued to work with Lamar to finalize the terms of the lease agreement. A key issue related to this was the completion of a survey of the City property on Billy Sunday Road. The survey has been completed and a Minor Final Plat for the subdivision of the property into three lots is anticipated to be on the September 23 City Council agenda for approval. The property to be leased to Lamar is a portion of Lot 3 of the planned Billy Sunday Subdivision.

The lease is being prepared to include a 20-year initial term, in addition to two optional ten-year renewal terms. Under state law, a lease of City property for a period exceeding three years requires the City Council to hold a public hearing prior to approval.

ALTERNATIVES:

1. Set September 23, 2025, as the date of public hearing for a lease of City property to Lamar Advertising Company for the installation of a digital billboard.
2. Do not set a date of public hearing, and do not proceed with the potential lease.
3. Refer this item back to staff for further information.

CITY MANAGER'S RECOMMENDED ACTION:

The City Council has previously discussed the prospect of a digital billboard on City property adjacent U.S. Hwy. 30. A zoning text amendment to facilitate a digital billboard has been adopted. Subdivision of City property to facilitate future commercial development is anticipated to be considered at the September 23, 2025, City Council meeting. The billboard lease location is for lot 3 of the planned subdivision.

A public hearing must be set in order to consider the approval of a lease for the property at that same meeting. The lease is in the process of being finalized and will be

presented to the City Council at that time. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.