

ITEM #: 24
DATE: 01-13-26
DEPT: ADMIN

COUNCIL ACTION FORM

SUBJECT: DIGITAL BILLBOARD LEASE ON PORTION OF 731 BILLY SUNDAY ROAD

BACKGROUND:

City Council first considered the concept of leasing land for a digital billboard along Highway 30 as part of the update on the Linc Project located along Lincoln Way in October 2022. At that time, the developer noted that for the Linc to proceed, the two billboards located on the site would need to be removed and that the billboard owner, Lamar Advertising, would consider ending their leases early if a suitable alternative could be found.

Lamar representatives indicated that a digital billboard--which does not currently exist within Ames-- would be a desirable alternative along the HWY 30 corridor. **Staff provided an overview to City Council of the lease concept on City property along Highway 30 by the Hunziker Youth Sports Complex in February 2025. At that time Council, directed staff to proceed with preparing a zoning text amendment to allow for digital billboards and to finalize a lease.**

In June 2025, the City Council adopted revisions to the Zoning Ordinance to modify billboard standards and create new digital display standards. The City also recently completed the final plat of Billy Sunday Road subdivision to create City lots for leasing and future sale. The lease area is within Lot 3 of the subdivision.

Throughout 2025, City staff worked with representatives of Lamar to finalize the terms of a lease agreement. A lease has been prepared and is attached for the City Council's consideration. The following are highlights of the proposed terms:

- Initial term of 20 years, with two 10-year renewal options
- Initial rent of \$25,000, with rent escalation every 5 years by 15% or CPI, whichever is greater
- Permission for Lamar to remove trees and prohibition of obstructions on the premises, including along the access drive parallel to Highway 30, within the viewable area directed to Highway 30
- At the end of the lease, Lamar removes all materials and restores the site within 90 days
- Indemnification for the City
- Prohibits advertising of certain products, such as tobacco, vaping, and adult entertainment
- Limits on advertising that stigmatizes or taints the reputation of businesses, entities, products, services, or activities taking place or having a presence in the City of Ames

- The City receives public service announcement advertising at no cost when space is available, with a minimum of four two-week periods per year

The lease area of the City property is approximately 320 feet west of the parking lot on the Youth Sports site (see attached site location exhibit). The sign will be set back 10 feet from the private drive and have two angled display boards facing towards Highway 30. The southern edge of the billboard will overhang part of the recently constructed trail in this area. Final details of the billboard design are subject to staff review for conformance to zoning standards as part of a Minor Site Development Plan process.

The approval of this lease agreement was originally anticipated in fall 2025. However, more work was needed to address removal of some additional obstructing trees along Highway 30. These trees have been evaluated by the City Forester and they are undesirable volunteer trees in the fence line. The lease agreement now incorporates language requiring Lamar to pay for the removal of these trees and to further pay for installation of replacement trees in a more appropriate location. Staff has obtained a quote for removal and has developed a planting plan for replacement trees. With these issues resolved, the lease agreement may now be considered for approval.

ALTERNATIVES:

1. Approve the attached lease agreement with Lamar Advertising to place a digital billboard on City of Ames property known as Lot 3 of the Billy Sunday Subdivision generally addressed as 731 Billy Sunday Road.
2. Direct staff to modify the lease agreement.
3. Do not approve the agreement.

CITY MANAGER'S RECOMMENDED ACTION:

The proposed digital billboard lease allows for the construction and operation of a digital billboard on City property. In exchange, the City receives three direct benefits: 1) rent payments for the use of the property, 2) the ability to use advertising space on the billboard at no cost for periodic public service advertisements, and 3) the removal of two non-conforming double-sided billboards on Lincoln Way near downtown.

The two non-conforming billboards that will be removed will resolve one key barrier to moving forward with the Linc project. City staff believes the proposed lease terms are fair in comparison with terms for other long-term leases of City property. The attached lease has been provided to Lamar representatives and will be signed and returned to the City prior to City Council approval. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

ATTACHMENT(S):

Location

[City of Ames Lease - Final.pdf](#)