



**Request for City Council Committee Action
From the Department of Community Planning & Economic Development**

Date: June 22, 2004

To: Council Member Lisa Goodman, Community Development Cmte

Prepared by: George Kissinger, Senior Project Coordinator,
phone 612-673-5014

**Presenter in
Committee:** George Kissinger

Approved by: Chuck Lutz, Deputy CPED Director _____

Subject: Roof-top signage lease,
ClearChannel Outdoor, Inc. (Stimson Building)

RECOMMENDATION: Amend approved term of the subject lease with provision that the City of Minneapolis will not terminate the agreement during the initial term (seven years) or during the two five year renewal terms (5 years each) unless there is a commission of a material breach of the agreement by the tenant.

Previous Directives: December 15, 2003, the MCDA Board of Commissioners approved terms of a lease with ClearChannel Outdoor, Inc. for placement of outdoor advertising atop the Stimson Building at 7th and Hennepin.

Financial Impact (Check those that apply)

- X** No financial impact - or - Action is within current department budget.
(If checked, go directly to next box)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (Summarize below)

Ward: 5.

Neighborhood Notification: Not Applicable.

City Goals: Create an Environment that maximizes economic development opportunities within Minneapolis by focusing on the City's physical and human assets.

Comprehensive Plan: Not Applicable.

Zoning Code: This outdoor advertising is required to be in conformance with applicable sections of the Zoning Code. A conditional Use Permit may be required.

Living Wage/Job Linkage: Not Applicable.

Background/Supporting Information

The RFP soliciting for an outdoor advertiser atop the Stimson Building called for an initial 7 year term, with two 5 year extensions, subject to mutual agreement among the parties. In response to this requirement, the ClearChannel Outdoor, Inc. proposal stated that this was acceptable. This was an approved term in the December, 2003 MCDA Board approval.

Upon further review, and in consideration of the initial capital cost of the proposed sign, ClearChannel has asked that the lease can only be terminated if they are in material breach of the lease. This modification to the original approval seems reasonable and is recommended.

Subject to this action, the lease between ClearChannel Outdoor, Inc. and the City of Minneapolis is otherwise ready for execution. (The Stimson Building was a property acquired and financed by revenue bonds and ownership was authorized for transfer from the MCDA to the City of Minneapolis by a previous action.)