

**COUNTY OF SONOMA
AGENDA ITEM
SUMMARY REPORT**

Clerk of the Board Use Only
 Meeting Date: ___/___/___ Held Until: ___/___/___
 Agenda Item No: _____ Agenda Item No: _____

Department: Transportation and Public Works

[] **4/5 Vote Required**

Contact:
Jon Stout

Phone:
(707) 565-7243

Board Date:
05/05/09

Deadline for Board Action:

Agenda Short Title:

Airport Marketing Program

Requested Board Action:

Approve the 36-month rental of a 12' x 40' illuminated billboard and authorize the Airport Manager to enter into an agreement with The Walker Group for the advertising of the Charles M. Schulz-Sonoma County Airport and Horizon Air on the billboard.

CURRENT FISCAL YEAR FINANCIAL IMPACT

EXPENDITURES

ADD'L FUNDS REQUIRING BOARD APPROVAL

Estimated Cost \$ 10,906.00

Contingencies \$
(Fund Name:)

Amount Budgeted \$ 10,906.00
291013-6785

Unanticipated Revenue \$
(Source:)

Other Avail. Approp
(Explain below) \$

Other Transfer(s) \$ _____
\$

Additional Requested \$ -0-

Add'l Funds Requested:

Explanation (if required): Subsequent rental costs will be included in the Proposed Budgets for FY09/10, FY 10/11 and FY 11/12.

Prior Board Action(s): 5/16/06: Board authorized 36 month billboard contract for \$217,148.

Alternatives - Results of Non-Approval: Loss of a valuable marketing tool to promote both airline and airport business to the community.

Background:

The Charles M. Schulz-Sonoma County Airport has rented this billboard from The Walker Group since March 2003. The billboard was used as an incentive for start-up marketing to Horizon Air to start service in Sonoma County and has continued as a major marketing promotion to the community.

This is a renewal agreement for an additional 36-month rental of the Hwy. 101 billboard. The current agreement is for 36 months and expires on April 30, 2009. The proposed term under the renewal would be from May 1, 2009, through April 30, 2012.

This agreement includes advertising space on a 12' x 40' illuminated billboard located on the east side of Hwy. 101, 690 feet south of Bellevue Avenue. The amount of this agreement is \$234,264, for a 36-month term. The total annual rental payments for each fiscal year are as follows: \$10,906 for FY 08/09 (May and June only), \$65,872 for FY 09/10, \$68,506 for FY 10/11 and \$58,980 for FY 11/12 (July through April only). The agreement also includes an allowance of \$30,000 to pay for creating and installing new vinyl signs on the billboard for a total contract amount of \$234,264.

The contract may be terminated upon the discontinuance of scheduled air passenger service by Horizon Air. In such event, a termination fee based on the time of termination will apply. Although not specifically stated in the contract, in the past the Walker group has allowed sub-lease of the billboard space when the County has not needed it, which, if allowed, would prevent the imposition or reduce the amount of a termination fee. The County may also assign the contract with the Walker Group's permission, which could prevent the imposition of a termination fee. Currently there are no other billboards of this quality that are available for lease on Hwy. 101, and they are very desirable because of the high visibility to a high volume of travelers.

The Walker Group is the broker for the owner of the billboard and there are no other billboards available. Without the agreement the Airport will lose the opportunity to offer this valuable marketing tool as an incentive to airlines and the Airport would lose this form of marketing for future opportunities to market and promote Airport-based businesses, such as the flight schools, restaurants and future-based airline services.

This agreement has been reviewed and approved as to form by County Counsel.

Recommendation:

Approve the 36-month rental of a 12' x 40' illuminated billboard and authorize the Airport Manager to enter into an agreement with The Walker Group for the advertising of the Charles M. Schulz-Sonoma County Airport and Horizon Air on the billboard.

Attachments:

On File With Clerk: Proposed Outdoor Bulletin Agreement

CLERK OF THE BOARD USE ONLY

Board Action (If other than "Requested")

Vote: