



TO: FRUITA CITY COUNCIL AND MAYOR

FROM: CITY MANAGER'S OFFICE

DATE: MARCH 4, 2025

AGENDA TEXT: ORDINANCE 2025-07 – FIRST READING – An Introduction of an Ordinance Approving a Lease of the Billboard Located Adjacent To I-70 to the Lower Valley Hospital Association For A Two-Year Term For Public Hearing On March 18, 2025.

BACKGROUND

The City owns a billboard with Interstate visibility just east of Fruita I-70 Exit 19 that the Lower Valley Hospital Association (Family Health West) has been leasing for the past eight years as per a lease agreement with the City of Fruita that was executed in March of 2017, renewed in March 2019, leased again in March 2021, and renewed in March 2023.

The Lower Valley Hospital Association has expressed interest in renewing the lease agreement of the billboard without any changes to the agreement. Attached is an Ordinance authorizing the lease of the billboard for an additional two-year term and authorizing the City Manager to execute the lease.

The terms the contract addresses include:

- A two-year contract with renewal options.
- Family Health West will pay the City \$12,000 per year in lump sums no later than April 1, 2025 and April 1, 2026.
- Family Health West will assume all expenses related to production and installation of the display.
- The City will maintain insurance of the structure.
- The City will maintain structural integrity, lighting and braces of the billboard, including maintaining the grounds around the billboard.
- Neither party can sublease during the rental term.
- The contract may be terminated with 60 days' notice only after completion of the first year of the lease that will merit applicable prorated reimbursements.

FISCAL IMPACT

This lease would continue a revenue stream of \$12,000 per year, which will be transferred to the Marketing and Promotions Fund for marketing-related needs.

APPLICABILITY TO CITY GOALS AND OBJECTIVES

This lease agreement supports the City's goals of fostering community partnerships and showcasing activities and brands that attract tourists to our city. It enhances the quality of life for residents while generating ongoing revenue that can be reinvested into marketing and promotion efforts.

OPTIONS AVAILABLE TO THE COUNCIL

1. Authorize the City manager to sign the attached lease agreement with Family Health West.
2. Direct staff to evaluate other options for leasing the billboard and have a discussion at a future meeting or workshop.

RECOMMENDATION

It is the recommendation of staff that the Council by motion:

MOVE TO PUBLISH A SYNOPSIS OF ORDINANCE 2025-07 – SECOND READING - AN INTRODUCTION OF AN ORDINANCE APPROVING THE LEASE OF THE BILLBOARD LOCATED ADJACENT TO I-70 TO THE LOWER VALLEY HOSPITAL ASSOCIATION FOR A TWO-YEAR TERM FOR PUBLIC HEARING ON MARCH 18, 2025.