



GM Outdoor

AUG 22 2011

August 22, 2011

Councilmember Gary DeLong
City of Long Beach
333 West Ocean Blvd 14th Fl
Long Beach CA 90802

RE: City of Long Beach Revenue Program

Dear Councilmember DeLong:

We are pleased to be submitting you this proposal involving the Freeway Digital Display program; GM Outdoor will offer the following:

The Long Beach Freeway Message Center Revenue Program would consist of a total of two (2) Redevelopment freeway displays:

1. Privately funded and no City funds would be required.
2. 10 year program
3. Located on Industrial Zoned properties. Not located in residential neighborhoods.
4. Total projected revenue fees to the City of Long Beach are \$440,000 for 2012.
5. Total revenue to the City over 10 years will be \$5.6 Million dollars.
6. Public Service Announcement time to the City will be 10% of all advertising time.

Payment to the City:

The offer will include a minimum annual guarantee revenue payment to the City and increased revenue projections to the City over the life of the Agreement.

Payment to City: MMSI will pay the City a Minimum Annual Guarantee Payment (MAGP) as listed on the following page:



GM Outdoor, 1170 Bryant Rd, Long Beach CA 90815

Yr1 \$300,000

Yr2 \$309,000

Yr3 \$318,000

The total MAG payment to the City through year 10 will be \$3,439,164.

Site locations:

1. 405 Freeway – 2400 Spring St. (City of Long Beach / Long Beach Energy Site.
(1 structure, 1 digital face) on Industrial zoned property.
2. 405 Freeway – 3310 E. Airport Way. (West of Redondo Ave.)
(1 structure, 2 digital faces) on Industrial zoned property.

City / State Process:

MMSI anticipates receiving regulatory approvals from both City and State and contract arrangements from the City within sixty (60) days. The construction phase is projected to take two (2) months after City and State approval. State legislative amendment is beneficial for this Program. Regulatory approval process to be determined by the City. RDA concurrence is required for State application process. (City and State approvals processed simultaneously)

Letter of Credit:

A letter of credit will be supplied to insure the MAGP and City Revenue.

Content:

The Digital Display content design will comply with Long Beach Municipal Code Section 16.55 which prohibits any reference to adult content and prohibits the sale or use of alcohol or tobacco products or illegal drugs, and all other applicable local, state and federal laws.

DDA:

We are seeking for an agreement similar to a Development Agreement prior to moving forward through the process.

If you should have any questions, please do not hesitate to contact me at (714) 381-0881.

Sincerely,



Michael Pauls

