PARK CITY
1884

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
MARCH 8, 2001

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah will hold its regularly scheduled meeting at the Marsac Municipal Building City Council Chambers, 445 Marsac Avenue, Park City, Utah for the purposes and at the times as described below on Thursday, March 8, 2001.

AGENDA

Closed Session

3:30 p.m. Property disposition
4:50 p.m. Break

Work Session

5:00 p.m. Council questions/comments
5:30 p.m. 2001 Legislative session
5:50 p.m. Review of regular meeting

Regular Meeting

6:00 p.m.

I ROLL CALL

II PUBLIC INPUT

III COMMUNICATIONS FROM COUNCIL AND STAFF

IV PUBLIC HEARINGS

Master Festival License for Employee Appreciation Party to be held at Dynamite Doms, 890 Main Street on March 28, 2001

V CONSENT AGENDA

1. Master Festival License for Employee Appreciation Party to be held at Dynamite Doms, 890 Main Street on March 28, 2001

2. Award of professional services contract for GASB34 to Deloitte & Touche

3. Award of professional services contract to Freeway-Golden Standard Ventures LLC for services relating to the sale of exterior advertising space on buses during the Olympics

VI ADJOURNMENT

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
MARCH 15, 2001

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah will not be holding its regularly scheduled meeting on Thursday, March 15, 2001.

Posted: 03/05/01
See parkcity2002.org

PARK CITY 1884

CITY COUNCIL STAFF REPORT

DATE: March 8, 2001
DEPARTMENT: Facilities and Special Events
AUTHOR: Melissa Caffey
TITLE: Facilities and Special Events Manager
TYPE OF ITEM: Master Festival License approval for Park City Chamber Bureau City Wide Employee Appreciation Day at Dynamite Dom's and Lower Main Street Plaza.

SUMMARY RECOMMENDATIONS: **Discuss proposal to conduct a one-evening employee appreciation party at Dynamite Dom's and the adjacent plaza on March 28, conduct a public hearing, consider public input and approve the proposed schedule for the event on March 28, 2001 as conditioned by staff.**

DESCRIPTION:

A. Topic:

A one-evening Chamber Bureau City Wide Employee Appreciation Day party at Dynamite Dom's, 890 Main Street on March 28, 2001.

B. Background:

The Park City Chamber Bureau would like to stage a one-time event at Dynamite Dom's and the immediately adjacent surrounding plaza at 890 Main Street from 5:30 to 8:00 pm on Wednesday, March 28, 2001. The organizers do not charge admission and provide the event as a "Thank-You" to all the employees in town. The event will be located within the restaurant facility and the adjoining plaza, owned by Summit Watch Condominium Association. The organizers propose to utilize the "miner music shack" stage owned by the Park City Arts Council for a live band. Permission from both the Summit Watch Condominium Association and the Park City Arts Council has been obtained to utilize their respective properties. The band will either be the MotherLode Canyon Band or Sauteed Mushrooms. The Rolling Stones and Kiss were not available for the event.

No alcohol will be served outside the existing Master Festival licensed venue and the organizers plan to limit alcohol sales to beer. The organizer has obtained a temporary beer permit from the Park City Police for this event. Light food dishes will be provided by the restaurant. No additional or offpremise signs are requested. Area cleanup will be undertaken by Park City Chamber Bureau volunteers after the event has ended. The event is located on the City Bus line and parking in the area is controlled through the City's paid parking regulations. The organizers anticipate that many employees will either ride-share or take public transit to the event.

C. Analysis:
The event organizers have complied with the permitting requirements for Master Festival License. All affected departments have reviewed the request and are comfortable with the event as conditioned.

D. Department Review:
The Public Safety, Transportation, Building, Planning, Engineering, and Special Events Departments have all contributed to the review of the proposed event. The City Attorney's office has reviewed the conditions of approval and the City Manager's Office has approved the staff's recommendation.

ALTERNATIVES:

A. Approve the Request: Approve the proposed Master Festival License application for a one evening employee appreciation party at Dynamite Dom's, 890 Main Street on March 28, 2001.

B. Deny the Request: Deny the Master Festival License request for the one evening employee appreciation party at Dynamite Dom's, 890 Main Street on March 28, 2001.

C. Continue the Item: Continue the item to another City Council meeting for further input and discussion. City Council has one other meeting scheduled before the date of this event (3/22/01).

SIGNIFICANT IMPACTS:
A positive impact of the event is that it will demonstrates a sense of support for all employees in the Park City area. Increased level of activity in the area will be for a limited period and will conclude by 8:00 p.m. Any effects of this activity will be mitigated, similiar to prior events, to the best extent possible by the event organizers.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION:
The event would not happen at this location and may be cancelled entirely due to time constraints.

RECOMMENDATION:
Staff recommends that City Council hold a public hearing and approve the Master Festival License application for the proposed one-time event on March 28, 2001 for the Park City Employee Appreciation Day with the following Findings of Fact, Conclusions of Law and Conditions of Approval:

Findings of Facts:
1) The event will occur on March 28, 2001 from 5:30 pm to 8:00 pm.
2) The event will take place at 890 Main Street, known as Dynamite Dom's Restaurant and on an adjoining plaza owned by the Summit Watch Condominium Association. Permission to utilize the plaza has been granted by the owner.

3) A band will play during the event on an existing stage owned by the Park City Arts Council. Permission to utilize the stage has been granted by the owner.
4) Beer will be served at this event through the existing aforementioned temporary beer permit issued to the organizers by the Park City Police Department. Beer for the event will only be served within the licensed festival area (the lower portion of the plaza immediately adjacent to Dynamite Dom's and Picasso and only outside the restaurants, since the Chamber's beer permit is not to overlap with Dynamite Dom's liquor license area or constraints.
5) No temporary signs visible to public streets are proposed for the event.
6) The conduct of the event will not substantially interrupt the safe and orderly movement of public transportation or other vehicular and pedestrian traffic in the area of its venue. The location of the temporary tables for merchandise will not impede pedestrian walkways or emergency exits.
7) The conduct of the event will not require the diversion of so great a number of police, fire, or other essential public employees from their normal duties as to prevent reasonable police, fire, or other public services protection to the remainder of the City.
8) The concentration of persons, vehicles, or animals will not unduly interfere with the movement of police, fire, ambulance, and other emergency vehicles on the streets or with the provision of other public health or safety services.
9) The event will not substantially interfere with any other Special Event or Master Festival for which a license has already been granted or with the provision of City services in support of other such events or governmental functions.

<u>Conclusions of Law</u>:
1). The application is consistent with the requirements of the Park City Municipal Code, Title 4, Chapter 8.

<u>Conditions of Approval:</u>
1) The event will occur on March 28, 2001 from 5:30 pm to 8:00 pm.
2) The event will take place at 890 Main Street, known as Dynamite Dom's Restaurant and on an adjoining plaza owned by the Summit Watch Condominium Association. Permission to utilize the plaza has been granted by the owner.
3) A band will play during the event on an existing stage owned by the Park City Arts Council. Permission to utilize the stage has been granted by the owner.
4) Beer will be served at this event through the temporary beer permit issued to the organizers by the Park City Police Department.
5) The City retains the right to revoke this Master Festival License or modify these conditions of approval with no penalties, financial or otherwise, if, at its sole discretion, the City determines that a significant negative situation or incident occurs at this event or negatively impacts the Park City community. The City Council may revoke this Master Festival License held by the applicant, therefore canceling any remaining events with NO PENALTY TO PARK CITY MUNICIPAL CORPORATION WHATSOEVER.

PARK CITY 1884

COUNCIL AGENDA REPORT

DATE: March 8, 2001
DEPARTMENT: Administrative Services
AUTHOR: Lori Collett, Finance Manager
TITLE: GASB 34 Contract
TYPE OF ITEM: Legislative

SUMMARY RECOMMENDATIONS:

Authorize staff to enter into a contract with Deloitte & Touche LLP in the amount not to exceed $35,500 to provide certain services to assist the City in its implementation of the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (GASB* 34).

DESCRIPTION:

A. Topic: Contract for assistance in implementing Governmental Accounting Standards Board Statement No. 34 (GASB 34).

B. Background:

In June 1999, the Governmental Accounting Standards Board (GASB), which sets "generally accepted accounting principles" (financial reporting rules) for all state and local governments, established a new framework for the financial reports of state and local governments. The new framework or financial reporting model represents the biggest single change in the history of governmental accounting. Known as *Statement No. 34: Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, it represents a fundamental revision of the current financial reporting model, which has been in place since 1979.

With GASB 34 being such a significant change, one question is: Why implement GASB 34? The three most important reasons are:

1. It's Generally Accepted Accounting Principles (GAAP). This is probably the most compelling reason for implementing the new model. GASB is the acknowledged authoritative body in setting GAAP for local and state agencies. Maintaining citizen confidence in our stewardship of the assets entrusted to us requires credibility and integrity in our accounting and financial reporting system. And preparing audited financial statements in accordance with industry standards is an essential foundation in gaining and sustaining this trust.

2. The new model is supported by a number of users and professional associations. The National Association of State Auditors, Comptrollers and Treasurers, the credit rating agencies (who are the primary "users" of these reports), and the

Government Finance Officers Association have all recommended the implementation of GASB 34. The Utah State Auditor will also require GASB 34 implementation in order to comply with state law. There are many public works' officials who believe the new reporting model will result in a better understanding of infrastructure needs. And a number of municipal finance professionals think the new reporting model better tells a city's fiscal story, and is a significant improvement over the current model.

3. Usually required for grants and long-term financing. In most cases, grant agencies and those who review and monitor long-term financing, require the submission of audited financial statements. Those entities that do not implement GASB 34 will receive a qualified opinion (as opposed to an unqualified opinion) on their financial statements. Such opinions will have a negative impact with respect to grant compliance and long-term financing.

Deloitte's Scope of Work. Deloitte & Touche will assist the Finance staff with the conversion of the June 30, 2000, financial statements into a GASB 34 presentation. Deloitte will deliver to the City all statements and schedules required by GASB 34 and the combining and eliminating journal entries. Deloitte will also provide a summary of critical areas where the City will require additional information and resources to complete GASB 34 implementation by June 30, 2003. The CIP budget already includes $25,000 for this project, but this will not be enough to complete this phase of GASB 34 implementation. Staff is requesting an additional $10,500 which would come from the five year CIP account. These implementation costs do not include the costs that might be necessary to develop the City's infrastructure data.

Key Features of the New Model. Even though the new governmental financial reporting model has deep roots in traditional public sector accounting and financial reporting, it offers many new features. The most important of these new features are:

1. Government-wide financial reporting. For the first time, users of state and local government financial reports have access to government-wide financial statements that provide a clear picture of the government as a single, unified entity. These new government-wide financial statements complement rather than replace traditional fund-based financial statements.

2. Additional long-term focus for governmental activities. Traditional reporting for tax-supported (governmental) activities has focused on *near-term* inflows, outflows and balances of *spendable* financial resources. The new financial reporting model retains this short-term focus in the governmental fund financial statements while providing a long-term perspective on these same activities in the government-wide financial statements.

3. Narrative overview and analysis. The new governmental financial reporting model provides financial report users with a simple narrative introduction, overview and analysis of the basic financial statements in the form of management's discussion and analysis (MD&A).

4. Information on major funds. It is widely agreed that fund information is most useful when presented for *individual* funds rather than for aggregations of funds (e.g., all special revenue funds). Accordingly, the new governmental financial reporting model presents individual fund data for each of a government's major funds.

5. Expanded budgetary reporting. In the past, budgetary comparisons were based solely on the final amended budget. Under the new governmental financial reporting model, information on the original budget also is presented. In addition, the new model eliminates aggregated budget presentations (e.g., totals for all budgeted special revenue funds) in favor of comparisons for the general fund and each individual major special revenue fund.

6. Infrastructure reporting.

The new governmental financial reporting model requires that governments report their infrastructure assets on the face of the financial statements. Infrastructure assets include roads, bridges, bike paths, tunnels, drainage systems, water and sewer systems and lighting systems. Normally, capital assets including infrastructure must be depreciated. Governments, however, may replace the requirement to depreciate a given network or subsystem of infrastructure assets by promising to maintain the network or subsystem at a condition level predetermined by the government.

Dual Perspective in Presenting Financial Statements. There will be two distinct sets of financial statements:

1. Government-wide statements. These are consolidated financial statements for all of the agency's operations on a full accrual basis of accounting. They will not be presented on a fund basis; instead, fiscal operations will be organized into two major activities: governmental and business-type. These statements will have a "net asset" focus, and include a number of interfund eliminations such as internal service and fiduciary funds.

2. Fund statements. In meeting stewardship and accountability concerns, there will be another set of financial statements presented on a fund basis - but not using the same basis of accounting as the government-wide statements.

There will be significant differences between these two financial statements, but they will not be obvious. For this reason, a detailed reconciliation between the two statements will be required.

Focus on Major Funds. In the "fund section" of the report, statements will focus on major individual funds rather than on fund types.

Required Supplementary Information (RSI). There are two elements to RSI:

1. Management's discussion and analysis. For many agencies that already prepare a comprehensive annual financial report, this new requirement should not pose a significant additional work element. However, since this will now be a required part of the "basic" financial statements, this may result in increased audit costs.

2. Budget reporting. Comparisons of "budget-to-actual" results for the governmental funds will no longer be required as part of the "basic" financial statements, but this will be RSI. And there will be a new spin on these: both the original and final budget must be presented.

No Account Groups. General fixed assets and long-term debt will no longer be shown as account groups. They will now be included in the government-wide statements as fund assets and liabilities.

Depreciation for Governmental Activities. Under the current reporting model, depreciation is not recorded for "governmental" capital assets, such as those purchased through the General Fund. The traditional rationale for this is an appropriate focus on "available spendable resources" - which is based on the simple fact that programs and projects cannot be funded through the budget process based on the current net value of fixed assets. However, the new model will require depreciation of general fixed assets; and correspondingly, the "government-wide" financial statements will not show capital expenditures (nor will they show the principal component of debt service payments as expenditures), but the fund-based statements will.

Recording Infrastructure as Capital Assets - and Expensing Them Through Depreciation. Current accounting principles do not require reporting the historical cost of infrastructure such as roads, bridges and traffic signals as capital assets - not because they aren't major community investments, but because they are immovable, and only of value to the government (unless one is attempting to sell the Brooklyn Bridge). The new reporting model will require that all infrastructure be reported at its "historical" (not current) value, and then depreciated. Infrastructure assets, usually treated the same way as other capital assets, initially are capitalized at their historical cost and subsequently depreciated over the estimated useful lives of the assets. Still, governments have the *option* of replacing the requirement to report depreciation expense for networks or subsystems of infrastructure assets that meet the following requirements:

1. The government must have an up-to-date inventory of the assets of those networks and subsystems.

2. The government must perform or obtain condition assessments of those assets and summarize the results using a measurement scale. It is essential that such condition assessment be replicable; i.e., conducted using methods that would allow different measures to reach substantially similar results.

3. The government must make an annual estimate of the amount needed to maintain and preserve those assets at a condition level established and disclosed by the government.

4. The government must document that infrastructure assets are being preserved at or above the condition level established and disclosed by the government.

Governments electing this option - or *modified approach* to infrastructure reporting - for one or more networks or sub-systems of infrastructure assets are required to present two types of information regarding those assets. First, they must present the *results of the three most recently completed condition assessments* to demonstrate that infrastructure assets have been maintained at or above the condition level established by the government. Second, they must disclose both their estimates of the amount needed to maintain or preserve infrastructure assets at the level established by the government and actual amounts of expense *for each of the past five reporting periods*. The purpose of this second schedule is to allow users of the financial statements to make their own assessment of the government's long-term commitment to maintaining those infrastructure assets.

IMPLEMENTATION - New Reporting Model

The following are comments on each of the required elements of the new reporting model and the City's current status:

ELEMENT	STATUS
Management Discussion and Analysis	Some of this information is currently in the introduction section of the City's Comprehensive Annual Financial Report, but it will need to be expanded to cover all required items
Government-Wide Financial Statements	A new element
Governmental Fund Financial Statements	In current reports, but new requirement changes the format
Proprietary Fund Financial Statements	In current reports, but new requirement changes the format
Fiduciary Fund Financial Statements	In current reports. No significant changes are anticipated
Notes to the Financial Statements	In current reports, but changes and additions required under the new model
Required Supplementary Information Other Than MD&A	A new element
Infrastructure Reporting and Depreciation	Not an independent element, but a significant new requirement. The City does not have infrastructure valuations at the present time

As set forth in the following table, the effective date for the new model varies depending on the financial size of the agency and its fiscal year. (The chart assumes a fiscal year beginning July 1 and ending June 30). Also, there are different effective dates for implementing the new model and *prospective* reporting of infrastructure (assets added or deleted from the effective date of the new model) versus *retroactive* reporting of infrastructure back to at least 1980:

Total Revenues	Basic Model (Prospective Infrastructure Reporting)	Retroactive Infrastructure Reporting
$100 million or more	2001-02	2005-06
$10 to $100 million	2002-03	2006-07
Under $10 million	2003-04	Not Required

The required implementation date for Park City is the fiscal year ended June 30, 2003. Due to the impact on City staff from the Olympics in FY2002, the Finance Division strongly feels it is necessary to begin GASB 34 planning and implementation by April 2001. Finance staff will be available during April, May and June 2001, to assist Deloitte & Touche with the work. The more Finance staff can assist Deloitte, the lower their fee is due to reduced billable hours on the engagement.

C. Analysis: Deloitte & Touche LLP, the City's current auditors, submitted a proposal to provide certain services to assist the City in its implementation of GASB 34. Due to Deloitte & Touche's familiarity with the City's financial records and reports, their staff can perform the necessary services more efficiently than other consultants who are not familiar with the City's current financial records. Deloitte also has a GASB 34 specialist located in their Dallas office. Finance staff has met with this specialist and discussed GASB 34 planning and implementation. No other consultants were asked to propose on this engagement. The costs of these services is $33,000 (not to exceed) for professional services and $2,500 (not to exceed) for out-of-pocket expenses. These fees are based on actual hours spent on the engagement by Deloitte & Touche staff at a discounted standard hourly rate.

D. Department Review: This report has been reviewed by the Legal Department and the City Manager's Office.

Alternatives:

A. Approve the Request: City Council could authorize staff to enter into an agreement with Deloitte & Touche LLP for services to plan the implementation of GASB 34 for a not to exceed fee of $35,500 and to increase the CIP budget adjustment for FY2001 from $25,000 to $35,500. The funds will be taken from the five year CIP account. This is the staff recommended alternative.

B. Deny the Request: City Council could deny the request and require staff to solicit proposals from other consultants.

C. Do Nothing.

Significant Impacts:

Alternative A: Deloitte & Touche LLP has the ability to perform the work. The sum of $25,000 has already been included in the CIP budget adjustments for FY2001 which would be approved in June. Deloitte would like to begin the work in April and try to complete the project by August. Any fees paid to Deloitte for FY2001 work would be initially paid from Finance's budget, but would need to be moved to the CIP budget once it is approved. Finance does not have sufficient budgeted funds to cover the costs of these services. The CIP budget adjustment would need to be increased from $25,000 to $35,500.

Alternative B: This alternative will result in increased staff time, extend project time and decrease staff's ability to assist in the project in the future. A future RFP process will not yield a consulting firm with better or more experience. Staff is recommending against this alternative.

Alternative C: GASB 34 represents a major change in financial reporting for local and state governments. The City should implement these changes in order to prepare audited financial statements in accordance with generally accepted accounting principles. Outside consulting assistance is necessary since Finance staff does not have the staff hours or the training to implement GASB 34.

Recommendation: Authorize staff to enter into an agreement with Deloitte & Touche LLP to provide services in planning and implementing GASB 34 for an amount not to exceed $35,500. Increase the FY2001 CIP budget adjustment from $25,000 to $35,500, an increase of $10,500, which will be taken from the five year CIP account.

PARK CITY
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DATE: March 8, 2001
DEPARTMENT: Transportation
AUTHOR: Kent Cashel, Transportation Director
TITLE: Exterior Bus Advertising Contract
TYPE OF ITEM: Legislative

<u>**SUMMARY RECOMMENDATIONS:**</u> **Authorize staff to execute a contract, in a form approved by the City Attorney, with Freeway Gold Standard Ventures LLC for exterior bus advertising. Council should also authorize Staff to approve the content of the advertising through and inter-departmental approval process.**

A. <u>**Topic:**</u> Exterior Bus Advertising Contract

B. <u>Background</u>:

Park City's Event Coordination Committee has defined certain key roles and responsibilities for seven groups that will make up the City's Olympic staffing structure. One of these groups "Logistics and Transportation" has been tasked with the development and management of the City's Olympic Transportation effort. This report and the recommendations contained within are the first deliverable from the Logistics and Transportation group.

Early Olympic Budget estimates indicate that additional Olympic related City expenses could be as much as $5 million. Staff has diligently explored alternative funding options to offset these expenses. In July of 2000, the State Office of Olympic Services and the City's Transportation Division began discussing the sale of exterior advertising space with local advertising brokers, Olympic sponsors, and the Salt Lake Organizing Committee (SLOC). These discussions indicated that exterior bus advertising has the potential of generating significant revenues to offset Olympic expenditures and is acceptable to SLOC if the advertising is restricted to official Olympic sponsors.

Staff has issued a Request for Proposal (RFP) for the sale of exterior bus advertising space. This RFP contained the following requirements:

- Advertisers must be official Olympic sponsors.
- Advertising must be in the form of temporary vinyl bus wraps.
- Advertising must present a graphic theme that enhances the look and feel of the 2002 Olympics (e.g., images must depict alpine sports, Olympic athletes, or Park City images).

- All advertising content must be pre-approved by Park City Municipal Corporation.
- Commercial messages are limited to 20% of the bus surface area.
- Advertising space will be available for sale from April 15th, 2001 through June 1, 2002.

The RFP was advertised in both local and national publications. Staff sent copies of the RFP to eleven potential proposer's (six Olympic sponsors and five advertising brokers). Only one completed proposal was submitted by Freeway\Gold Standard Venture LLC.

This sole proposal has been reviewed by a selection committee consisting of staff from the OCMB, Olympic Services, Transportation and Public Works Departments. The committee unanimously recommends authorization to execute a contract with Freeway\Gold Standard Ventures L.L.C. (Utilizing "Payment Option B").

C. Analysis:
Freeway/ Gold Standard Ventures L.L.C.'s proposal requests the rights to market the exterior advertising space of the City's entire fleet of 35' busses (14 current and 3 to scheduled for delivery in November 2001). The broker will be responsible for sales, contracting, billing, client management, and for installation, maintenance and removal of vinyl wraps.

Freeway/ Gold Standard Ventures L.L.C. has thirty years of experience with transit advertising and currently holds a contract with Utah Transit Authority (UTA) for bus and TRAX advertising.

Freeway/ Gold Standard Ventures L.L.C.'s proposal indicates that the broker has established business relationships with several Olympic sponsors , has discussed this advertising opportunity with some of these clients and the broker is confident that a sales contract can be executed with an Olympic sponsor. Freeway/ Gold Standard Ventures L.L.C.'s proposal contains two payment options. These options are summarized in the table below.

	Payment Option A	**Payment Option B**
Net Sales Revenue	$1, 768,000	$1,768,000
Payment Schedule	45% of net sales revenue paid to Park City on or before Jan 18, 2002. $299,980 30 days from completed contract with advertiser.	50% of net sales revenue paid to Park City monthly beginning 30 days from installation of bus wrap.
Guaranteed Minimum Payment (payable to Park City March 31st 2002)	$0	$250,000
Total Estimated Contract Value	$795,600	$884,000

Staff recommends Payment Option B as this option provides a guaranteed minimum payment of $250,000 and an estimated contract value $888,400, higher than option A.

Staff believes that 50% of net sales revenue is consistent with industry standards for contracts of this nature (e.g., UTA's exterior bus advertising contract yields the agency 50% of net sales revenue).

It is important to understand that the actual contract value may vary depending upon Freeway/Gold Standard's success at securing advertising contracts with Olympic sponsors.

Approval of the advertising contract must be handled quickly to retain prospective clients and protect the time sensitive value of this advertising space. Much in the same way that was done with decisions relating to the Main Street Celebration, Staff is hopeful that City Council will allow Staff to make decisions regarding the design and content of the advertising. Staff plans to form a committee made up of members from the Community Development Department, the City Attorney's Office, Olympic Services, Public Works and Transportation to review all advertising content and make a recommendation to the City Manager. The City Manager would then approve or disapprove the advertising content. This multi-disciplinary review process will help ensure that advertising content is received from varying perspectives within a reasonable time frame.

D. Department Review:
The City Manager, City Attorney, Olympic Services, Community Development and the Office of Capital Management & Budget have been involved throughout the RFP process.

ALTERNATIVES:

A. Approve the Request: Council could authorize staff to enter into a contract, in a form approved by the City Attorney, with Freeway/ Gold Standard Ventures L.L.C. using "Payment Option B". This is staff's recommendation.

B. Amend & Approve the Request: Council could authorize staff to enter into a contract, in a form approved by the City Attorney, with Freeway/ Gold Standard Ventures L.L.C. using "Payment Option A".

C. Approve the Request and Require Content Approval: Council could require advertising content approval prior to entering into a contract, in a form approved by the City Attorney, with Freeway/ Gold Standard Ventures L.L.C. using "Payment Option B". This action would require Staff to return to Council and would likely delay and reduce bus advertising revenues.

D. Deny the Request: Council could deny staff's request. This is a major funding source for the Olympics. Denial of the request would either delay the receipt of bus advertising revenue or cause the City to lose this revenue source for planned Olympic services.

E. **<u>Continue the Item</u>:** This action would require further discussion at a future Council meeting. The value of this adverting space is extremely time sensitive and each week a decision is delayed will erode approximately $16,000 from the total contract value. Council does not meet again for two weeks

F. **<u>Do Nothing</u>:** The action would have the same effect as Alternative D.

<u>CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION</u>:
Olympic Budget estimates indicate that the 2002 Games could result in approximately $5,000,000 of additional Olympic related expenses for the City. Failure to authorize staff to enter into a contract with Freeway\Gold Standard will jeopardize one of the single largest revenue sources available to offset Olympic expenditures. Lack of adequate funding will affect the City's ability to provide adequate transportation and other services during the Games.

<u>RECOMMENDATION</u>:
Authorize staff to execute a contract, in a form approved by the City Attorney, with Freeway Gold Standard Ventures LLC for exterior bus advertising utilizing payment option B. Council should also authorize Staff to approve the content of the advertising through and inter-departmental approval process.