



AGENCY:	City Council
MEETING DATE:	May 13, 2019
DEPARTMENT:	City Manager
PRESENTED BY:	Tabatha Miller
EMAIL ADDRESS:	tmiller@fortbragg.com

AGENDA ITEM SUMMARY

TITLE:

Receive Report and Provide Direction to Staff on Modified Welcome to Fort Bragg Sign License Agreement

ISSUE:

On October 9, 2018, the City Council approved a License Agreement with Sabine Brunner, owner of The Little Cup store at 221 East Redwood Avenue, to allow for display of the redwood "Welcome to Fort Bragg" sign that had been stored at the Public Works Corp Yard since it was replaced with the new sign in August 2017.

The merchants on Redwood Avenue had expressed an interest in putting the Welcome to Fort Bragg sign to use in the Central Business District as a way to draw foot traffic east of Franklin Street and to spruce up the wall in front of the empty lot at the corner of Franklin Street and Redwood Avenue. The sign was installed on the outside wall of Ms. Brunner's business on December 5, 2018. Neighbors and visitors have welcomed the repurposed sign to its new location.

In mid-January, the City received a request from LandBank Properties to remove the sign because it encroaches on their property at 300 N. Franklin Street. Attempts were made to mount the sign in a manner which would avoid the encroachment, but between the old building and the warp in the old sign, this could not safely be achieved.

Staff approached LandBank Properties to inquire if there could be a deal reached that would allow the sign to stay on Ms. Brunner's property. Simon Rycroft from LandBank Properties was gracious enough to consider the request and offered to sign a License Agreement with the City, under the following terms:

1. LandBank Properties would provide the City a license to maintain the sign until Termination of License by Owner. The License would be "terminable at will" upon 30-days written notice by the Owner, which could be exercised for any reason or no reason at all. (This provision would likely only ever be used in the event of some unforeseeable change in circumstances.)
2. LandBank Properties would have no obligation or liability for inspecting or maintaining the sign. That obligation would be placed on the City, which in turn will be given reasonable access over the property to conduct reasonable maintenance and inspection as is reasonably necessary to ensure it does not become a dangerous condition or an eyesore.

3. The City would agree to keep the vacant lot free of trash and mowed. The sign may well attract additional traffic across the lot for pictures, etc., which will likely result in more trash.
4. In the event of Termination by Owner (LandBank Properties), any sale, assignment, or transfer of the property, the City agrees to promptly remove the sign and all related fasteners and footings within 30 days, at its sole cost and expense. If necessary, reasonable steps should be undertaken by the City to restore the vacant lot, in addition to removing any debris as a result of the sign removal process.
5. The license must include an express indemnity obligation from the City to LandBank Properties Inc. and LandBank Properties No. 3 LP. The City would have an obligation to defend and indemnify LandBank in case of any injury, death, property damage, or other loss or claim relating in any way to the sign. The express indemnity obligation is not negotiable since they are allowing their property to be used without any compensation other than keeping it clean; it would be unfair for them to be exposed to liability (as unlikely as it may be).
6. The City will prepare a simple license along the lines of the foregoing. For the same reasons noted above, they should not have to incur further legal expenses because of their charitable action.
7. All further review of documents by LandBank Properties' attorney on their behalf, would be at the City of Fort Bragg's expense.

ANALYSIS:

One of the reasons that the original license agreement was attractive to the City was that, excluding the drafting of the license agreement and a small amount of staff time, reviewing the proposal and executing the documents, the ongoing cost to the City was minimal, and Ms. Brunner had provided indemnification and insurance to protect the City from future liabilities. It very much seemed like a win-win.

The proposal by LandBank Properties, while generous on their part, increases the City's cost and risk.

1. The City assumes all cost and risk associated with maintaining the sign at its current location so that it remains safe and does not create any dangerous conditions.
2. The City assumes maintenance of the property at 300 N. Franklin, at its cost. This includes mowing and collecting trash. While not a significant responsibility, it is a few hours of work each month and reduces the resources available for maintaining the City's park system and the Coastal Trail. It also sets a precedent for potentially maintaining other private properties in town.
3. The City agrees to indemnify LandBank Properties, thereby absorbing all liability of the sign in its current location. Under the existing License Agreement with Ms. Brunner, she has indemnified the City and absorbed the risk.
4. The City is responsible for all of LandBank Properties' legal expenses associated with

this transaction. If the City Council is interested in entering into the License Agreement with LandBank, staff suggests capping the fees that would be reimbursed.

RECOMMENDED ACTION:

Staff is seeking direction from the City Council as to whether or not to agree to LandBank's terms and request that the City Attorney prepare a License Agreement.

ALTERNATIVE ACTION(S):

The property owners at 310 N. Franklin Street have indicated an interest in displaying the sign on the south side of their building adjacent to LandBank's property. There is sufficient access on that side to avoid encroaching onto LandBank's property.

FISCAL IMPACT:

The proposed License Agreement will have one-time expenses of several thousand dollars – depending on attorney's fees on both sides. Additionally, the cost of maintaining the 300 N. Franklin Street property is approximately \$2,850.00 per year.

ATTACHMENTS:

N/A

NOTIFICATION:

1. Monica Mankinen
2. Sabine Brunner
3. Simon Rycroft
4. Megan Caron
5. Fort Bragg Downtown Businesses Notify Me List