

**PROPOSED ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO
AUTHORIZING A LIMITED EXCEPTION TO THE SIGNAGE AND OFF-PREMISES
MESSAGING REGULATIONS CONTAINED IN CHAPTER 14, ARTICLE 2, DIVISION
12 OF THE SAN DIEGO MUNICIPAL CODE AND AUTHORIZING A LIMITED
EXCEPTION TO AUTOMATIC CHANGING COPY REGULATIONS CONTAINED IN
CHAPTER 14, ARTICLE 1, DIVISION 11 OF THE SAN DIEGO MUNICIPAL CODE
AS PROVIDED AND LIMITED TO THE TERMS AND CONDITIONS SET FORTH IN
THAT CERTAIN TEN-YEAR MARKETING PARTNERSHIP AGREEMENT AMONG
THE CITY OF SAN DIEGO, IKE SMART CITY, LLC, AND DOWNTOWN SAN DIEGO
PARTNERSHIP FOR THE FINANCING, IMPLEMENTATION, MANAGEMENT, AND
OPERATION OF A DIGITAL WAYFINDING SYSTEM WITH CITY MARKETING
RIGHTS AND BENEFITS.**

WHEREAS, the City of San Diego (City) has developed a Corporate Partnership Program to generate revenue to fund existing and additional facilities, projects, programs and activities through the development of mutually beneficial marketing partnerships between the City and a corporation or other business entity, where the corporation provides cash and in-kind goods and services to the City in exchange for access to the commercial marketing potential associated with the City; and

WHEREAS, the City's mobility, sustainability, health, economic, and social goals reflected in the City's 2008 San Diego General Plan support goals and policies that will help develop a city where walking is a viable travel choice, particularly for trips of less than one-half

mile, foster a safe and comfortable pedestrian environment, creating a complete, functional, and interconnected pedestrian network, that is accessible to pedestrians of all abilities, and achieve greater walkability through pedestrian friendly street, site and building design (City of San Diego General Plan (2008), Mobility Element, Policy ME-F.4); and

WHEREAS, pedestrian improvements in areas with land uses that promote pedestrian activities can help to increase walking as a means of transportation and recreation and also help promote use of alternatives to automobile travel and contribute to the overall quality, vitality, and sense of community of our neighborhoods (City of San Diego General Plan (2008), Mobility Element, Policy ME-7); and

WHEREAS, the City issued a Request for Sponsorships (RFS) under the Corporate Partnership Program to identify a corporate partner interested in working with the City to develop a wayfinding program based upon the following goals: providing information to the public regarding wayfinding, storm warnings, emergency updates, information on homeless services, and bus schedules; improving navigation solutions for a range of modalities of travel; guiding residents and visitors to destinations, retailers, restaurants, hotels, parks, facilities, services and other businesses and attractions; promoting diverse mobility solutions (walking, bicycling, use of mass transit and other non-vehicular modes of transportation); providing helpful context and useful information while adhering to principles of environmental sustainability and equitable access; and

WHEREAS, due to a lack of funding, the City requested proposals for a wayfinding program that would operate without financial support from the City and provide revenue sharing to the City; and

WHEREAS, Downtown San Diego Partnership (DSDP) is a nonprofit organization that serves as the principal voice and driving force behind the economic prosperity and cultural vitality of Downtown San Diego through membership, advocacy, public services, and community investment, and also serves as the managing organization for several special districts and programs including the Clean & Safe program which provides essential public services in the 275 blocks of Downtown San Diego; and

WHEREAS, Ike Smart City, LLC is an Ohio limited liability company that specializes in the design, development, and manufacture of innovative kiosks that activate the pedestrian experience with interactive touchscreens, an engaging suite of applications, and integrated features that support placemaking and wayfinding; and

WHEREAS, Ike Smart City and DSDP (collectively "IKE") jointly proposed a wayfinding program that will result in the installation, maintenance, and operation of a wayfinding system and that includes the sale of advertising displayed at the wayfinding kiosks to generate funding to support the program; and

WHEREAS, the City and IKE have negotiated that certain Marketing Partnership Agreement Between the City of San Diego and IKE for the Financing, Implementation, Management, and Operation of up to 50 wayfinding kiosks in a portion of Downtown San Diego with City Marketing Rights and Benefits ("Agreement") on file in the Office of the City Clerk as Document No. OO-_____; and

WHEREAS, the Agreement contains provisions to limit and control the size, amount, and type of advertising at each wayfinding kiosk to promote the City's important interests while preserving and improving the City's safety and aesthetics; and

WHEREAS, as part of the Agreement, the City would grant to IKE the right to install wayfinding kiosks in the public right-of-way after outreach to the public and subject to the City's approval of site locations and the City's encroachment removal conditions, all as set forth in the Agreement; and

WHEREAS, the proposed wayfinding kiosks further the City's interest in safety by promoting awareness and vibrancy through incorporation of kinetic lighting on the pedestrian side of the kiosks, having an emergency call button to access DSDP's 24-hour Clean and Safe hotline, providing real-time emergency alerts, and providing public access to a wide range of topics, in a number of languages, including information on how to access social services and public safety resources; and

WHEREAS, the wayfinding program furthers the City's stated interest in the Downtown Community Plan to make downtown more visitor-friendly by providing detailed maps in strategic locations and furthers the City's stated interest in promoting a safe, well-maintained, and attractive City by controlling the size, quantity, and type of allowed signage, which also furthers the City's interest in aesthetics; and

WHEREAS, the wayfinding program would provide a significant benefit to the public without expenditure of City funds; and

WHEREAS, the City has determined that IKE's proposal meets the objectives of the Corporate Partnership Program and is otherwise in the best interests of the City; and

WHEREAS, under San Diego Charter section 99, a supermajority vote of the City Council is required for passage of this ordinance; and

WHEREAS, a notice of a public hearing concerning the adoption of this Ordinance was duly published at least 10 days prior to such hearing in a newspaper of general circulation in the City; and

WHEREAS, the Office of the City Attorney has drafted this ordinance based on the information provided by City staff, with the understanding that this information is complete, true, and accurate; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego (Council), as follows:

Section 1. That the Mayor, or designee, is hereby authorized and directed to execute the Marketing Partnership Agreement Among the City of San Diego and Ike Smart City, LLC and Downtown San Diego Partnership for the Financing, Implementation, Management and Operation of a wayfinding program consisting of up to 50 wayfinding kiosks within the public right-of-way in a portion of Downtown San Diego with City Marketing Rights and Benefits ("Agreement") for an operational term of ten years with one five-year extension option, all on the terms and conditions as set forth in the Agreement on file in the Office of the City Clerk as Document No. OO- _____, among the City of San Diego Ike Smart City, LLC and Downtown San Diego Partnership.

Section 2. That the Chief Financial Officer is authorized to accept the greater of a minimum annual guarantee of \$16,000.00 per commissioned kiosk, \$18,000 in year two, \$20,000 in years three through ten, and \$22,000 in optional extension term of years 11-15, or 45% of annual Net Revenue (as defined in the Agreement) earned with respect to the operational wayfinding kiosks (Public Benefit Revenue). IKE shall pay 35% of the total annual Public Benefit Revenue to Downtown San Diego Partnership and the other 65% of the total annual

Public Benefit Revenue to the City. The Public Benefit Revenue will be deposited into the General Fund.

Section 3. That, notwithstanding San Diego Municipal Code section 141.1105(c) and 141.1105(d), which limit information that signs with automatic changing copy can include and methods of display, the signs proposed for use in the Agreement may include information and messages and methods of display as provided and limited to the terms and conditions set forth in the Agreement.

Section 4. That, notwithstanding San Diego Municipal Code section 142.1210(a), 142.1206(a)(1), and 142.1210(b)(5)(A), which prohibit signs in the right-of-way and off-premises messages, the signs proposed for use in the Agreement may be located in the right-of-way and carry off-premises messages as provided and limited to the terms and conditions set forth in the Agreement.

Section 5. That a full reading of this Ordinance is dispensed with prior to passage, a written copy having been made available to the Council and the public prior to the day of its passage.

Section 6. That this Ordinance shall take effect and be in force on the thirtieth day from and after its final passage.