



CONDITIONAL USE PERMIT AND OPERATING AGREEMENT FOR DIGITAL FREEWAY BILLBOARD 2024 W. ORANGEBURG AVENUE

Jessica Hill, Director of Community
and Economic Development

City Council
March 11, 2025



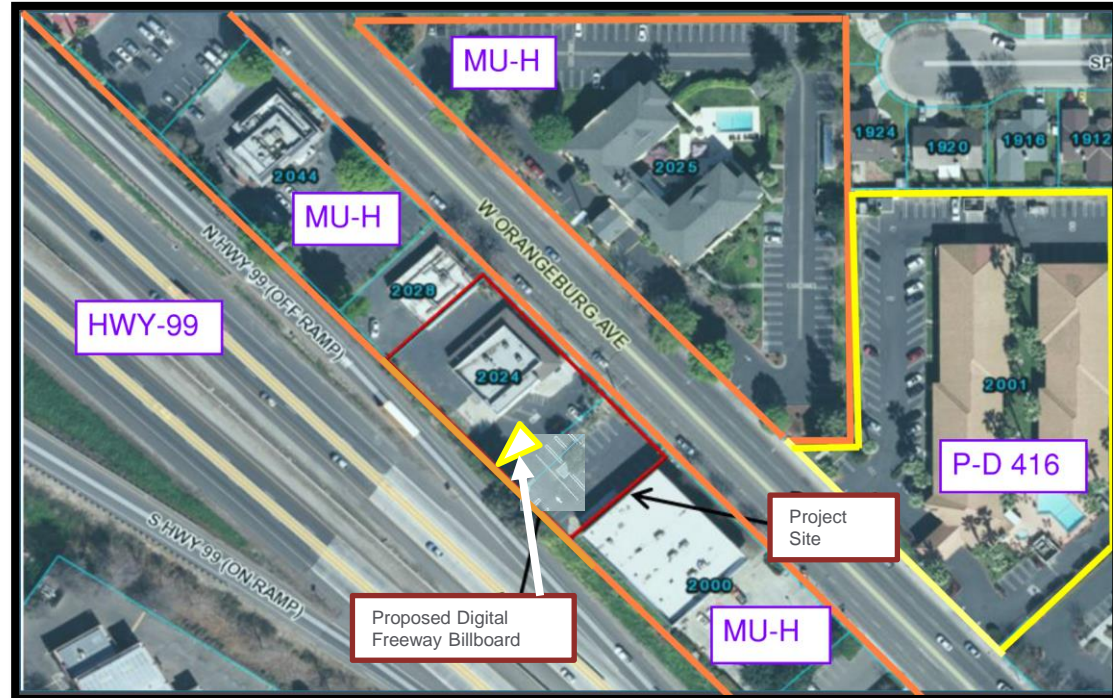
Background

- In 2017, the Zoning Code was amended to allow digital freeway billboards along State Highway 99.
 - In 2018, the first digital freeway billboard was approved in the City of Modesto for Outfront Media, at 4000 Salida Boulevard.
 - Digital billboards require a conditional use permit and operating agreement with the City, with recommendation by Planning Commission and final approval by City Council.
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Project Overview

- Proposed digital freeway billboard at 2024 W. Orangeburg Avenue.
- APN: 029-036-013
- Site zoned for Mixed Use Highway (MU-H), allowing Commercial uses and multi-family residential uses.





Surrounding Area

Northeast (MU-H)



South (MU-H)



East (PD-416)



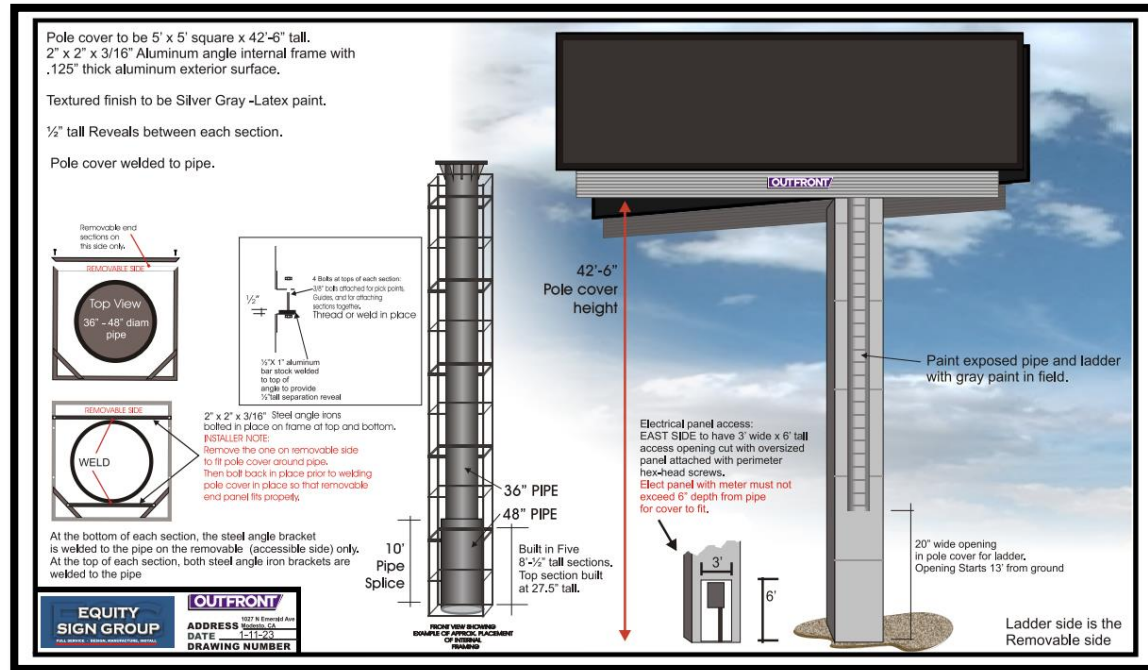
West (Hwy-99)





Project Description

- The proposed digital freeway billboard 60 feet in height.
- 672 square feet- Double sided.
- Both dimensions are in accordance with our Municipal Code





Community Benefit

- Removal of four existing billboards in exchange for development of new digital freeway billboard.
 - Terms for community messaging including “Amber Alert” messages and emergency-disaster communications.
 - City will be able to utilize 10% of the time for City Sponsored Events and Activities
 - 1% revenue for community benefit/beautification.
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Proposed Billboards to be Removed

Proposed Billboards to be Removed

Location	Size
1448 Lone Palm Avenue	12' x 25'
9 th Street and Coldwell Avenue	12' x 25'
573 Crows landing Road	14' x 48'
547 Crows Landing Road	12' x 40'





Analysis

- The proposed project is consistent with City of Modesto's Urban Area General Plan, III.B, Quality of Life. Policy III.B.2, Existing City. Promotes maximizing economic and social benefits of new development within existing City limits.
 - Project has been referred to the local utility companies, Caltrans, the City Engineering and Transportation Department, Economic Development, the Fire Department, and Parks Planning Division.
 - Standard Conditions of Approval have been applied to the project.
 - If relocation of the Digital Freeway Billboard is required within five years the City agrees to reimburse Outfront Media up to \$100,000 of the actual costs. If relocation is required more than five years Outfront Media will bear the costs of relocating the Digital Freeway Billboard.
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Planning Commission

The Planning Commission considered this project at its January 27, 2025 meeting, and recommended approval to the Council on a 5-2 vote.



Staff Recommendation

- Resolution approving an Operating Agreement between the City of Modesto and Outfront Media LLC, for the installation of a digital freeway billboard on property located at 2024 W. Orangeburg Avenue and authorizing the City Manager or his designee to execute the agreement
 - Resolution approving a Conditional Use Permit for a digital freeway billboard located at 2024 W. Orangeburg Avenue (Outfront Media)
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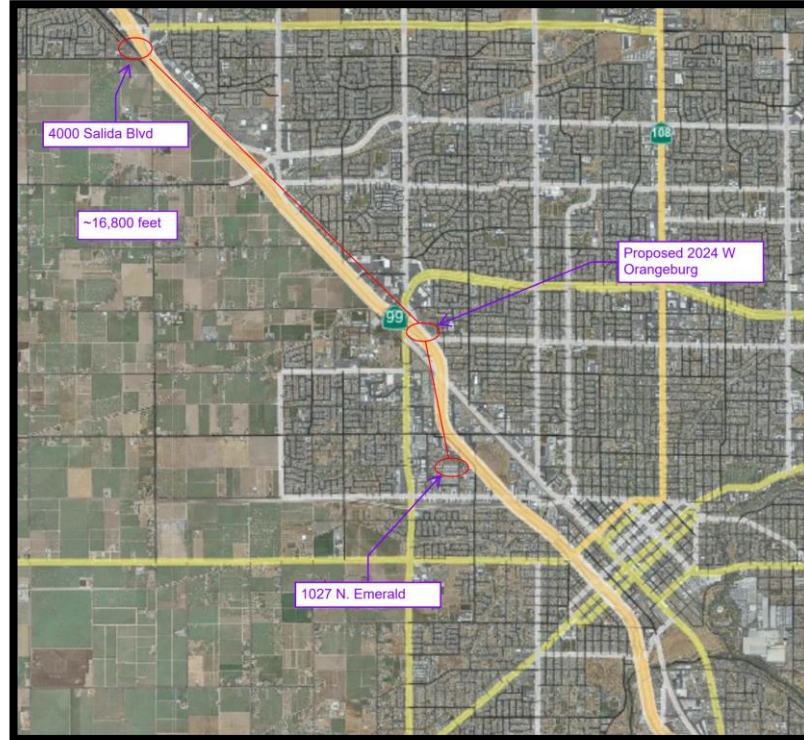
Questions?



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LOCATION OF EXISTING BILLBOARDS IN CITY AND SPHERE OF INFLUENCE





**FORMATION OF CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT
NO. 2025-1
(KIERNAN BUSINESS PARK
SOUTH#2)**

Jessica Hill

Community and Economic Development Director

March 11, 2025



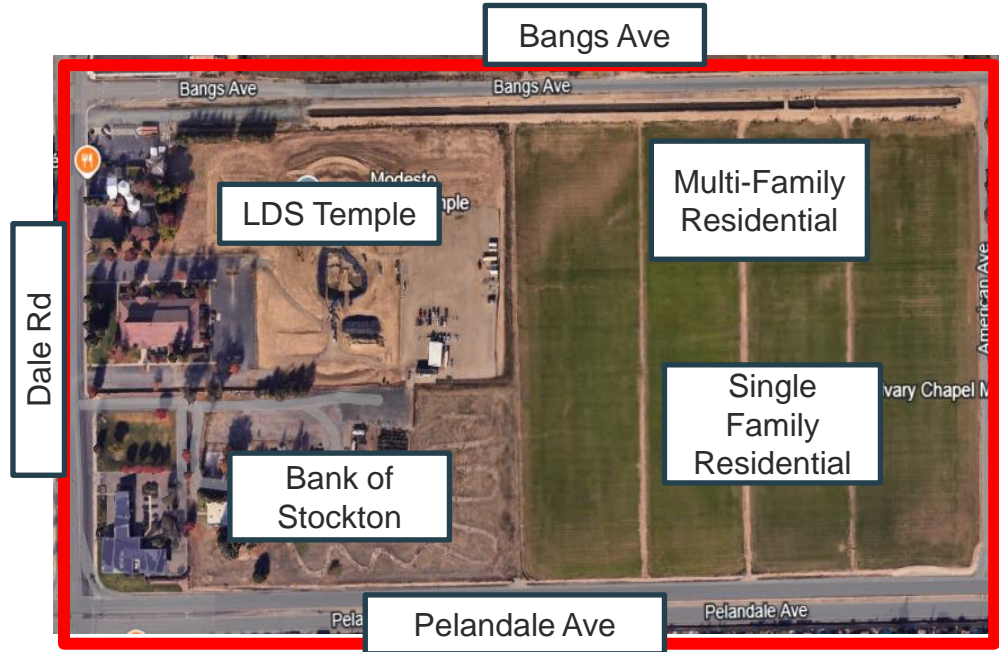
MELLO-ROOS DISTRICT

- The Mello-Roos Community Facilities Act of 1982 was enacted by the CA State Legislature to provide a flexible funding mechanism to local governments.
 - Raises money through special taxes that must be approved by 2/3rds vote within the district.
 - A Community Facilities District (CFD), is formed to finance major improvements and services within the district which might include roadways, storm drain facilities, pump stations, parks, median/roundabout landscaping, or bike trails.
 - A CFD can chose to seek public financing through the sale of bonds for the purpose of financing certain public improvements and services.
 - Bonds are secured by special taxes levied on property owners and billed on property tax bills.
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KIERNAN BUSINESS PARK SOUTH LOCATION

- The Kiernan Business Park South (KBP South) is bounded by American Avenue to the east, Dale Road to the west, Pelandale Avenue to the south, and Bangs Avenue to the north and consists of approximately sixty-eight (68) acres
- CFD No. 2012-1 (KBP South was formed in 2012, will be dissolved and replaced with a new CFD No. 2025-1 (Kiernan Business Park South #2)





PROJECT DETAILS

- The formation of the new CFD requires the dissolution of the existing CFD 2012-1 with the identical boundaries which was formed with the intent of developing a business park.
 - The plans for this area have changed from entirely business park to include multi-family and single-family housing which has prompted changes to the required facilities and maintenance for the area.
 - The boundaries of CFD No. 2025-1 will encompass the entire sub-area of KBP South, the replacement CFD formation will include all seven (7) parcels.
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FACILITIES AND SERVICES

- The Facilities and Services proposed to be financed by Community Facilities District No. 2025-1 are as follows:

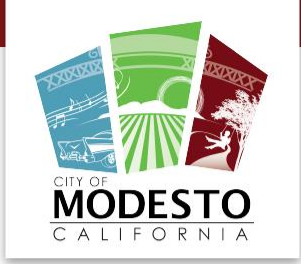
Facilities	Services
<ul style="list-style-type: none">• Bangs Avenue improvements from Dale Road to American Avenue (including two round a bouts).• Cost of land acquisition and right of way• Cost of design, engineering and planning• Cost of environmental or traffic studies• Landscaping and Irrigation	<ul style="list-style-type: none">• Maintenance, repair and replacement of parkways• Tree Pruning• Landscaped medians• Storm Drain maintenance• Debris & Litter Removal• Care & Maintenance of CFD Trees & Plants• Fire & Weed Control



MAXIMUM SPECIAL TAX RATES

Assessor's Parcel Number	Acreage	Maximum One-Time Facilities Special Tax Fiscal Year 2024-25	Maximum Annual Maintenance Special Tax Fiscal Year 2024-25
078-018-018	1.22	\$91,059	\$2,323
078-018-031	17.63	\$1,315,865	\$33,567
078-018-036	2.62	\$0	\$5,084
078-018-035	11.37	\$843,408	\$21,515
Resultant Parcel #1 078-018-053	12.44	\$929,241	\$23,705
Resultant Parcel #2 078-018-054	14.04	\$1,047,916	\$26,732
Resultant Parcel #3 078-018-055	8.76	\$653,828	\$16,679

- One-Time Facilities Tax per acre is \$71,021.64
- Annual Maintenance Tax per acre is \$1,885.71
- On July 1, 2025, and on each July 1 thereafter, all figures shown in the table above shall be increased by the annual Escalation Factor. In any Fiscal Year, the annual Escalation Factor will be the greater of either, the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or four percent (4.0%).



Questions?



RECOMMENDED ACTIONS

- Resolution declaring the formation of City of Modesto Community Facilities District No. 2025-1 (Kiernan Business Park South #2), conditionally authorizing the levy of special taxes therein.
 - Resolution of the City Council of the City of Modesto, California, acting as the legislative body of the City of Modesto Community Facilities District No. 2025-1 (Kiernan Business Park South #2), calling for a special election.
 - Resolution declaring the results of March 11, 2025, special election and approving certain related actions pertaining to City of Modesto Community Facilities District No. 2025-1 (Kiernan Business Park South #2).
 - Motion introducing an ordinance authorizing the levy of special taxes within the City of Modesto held within City of Modesto Community Facilities District No. 2025-1 (Kiernan Business Park South #2).
 - Motion introducing an ordinance in connection with City of Modesto Community Facilities District No. 2012-1 (Kiernan Business Park South), authorizing the cessation of the levy of related special taxes and the extinguishment and cancellation of all related liens, and dissolving said Community Facilities District.
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PURCHASE OF RENEWABLE DIESEL AND BULK FUELS

City Council, March 11, 2025

Bill Sandhu, Public Works Director

Patrick Crowley, Senior Public Works Manager



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BACKGROUND



Renewable Diesel and Bulk Fuels

- City manages various on-site bulk storage tanks for diesel and unleaded fuels used in buses, on-street fleet vehicles and non-public roadway powered equipment
- On-site fueling operations throughout the City
 - 15 Fire Stations (City of Modesto, Oakdale, and Ceres)
 - Jefferson Corporation Yard; including Bus Maintenance Facility
 - StanRTA reimburses the City for diesel used in the transit buses
 - Utilities
 - Sutter; Primary Treatment Plant
 - Jennings; Secondary Treatment Plant
 - Well and Tank sites
- Approximately 1339 pieces of equipment are fueled at these locations



Renewable Diesel and Bulk Fuels

- Invitation for Bids (IFB) 2324-94
 - Issued on August 27, 2024
- Prospective bidders were notified online and via email
- Ten companies downloaded the IFB document from PlanetBids
- Bids formally opened
 - October 1, 2024
 - Two companies responded
 - Both companies are local firms
- Finance Committee
 - Accepted forwarding to Council for Approval



Renewable Diesel and Bulk Fuels

- Lowest Responsive and Responsible Bidder Determination
 - Based off Mark-Up or Mark-Down per gallon – OPIS¹ Stockton Daily UBD² Low Rack
 - UBD Low Rack price changes daily
 - 50 sites (-\$0.12 per gallon off OPIS Bulk Pricing)
 - Approximately 127,000 gallons annually
 - 3 sites (\$0.06 per gallon above OPIS Bulk Pricing)
 - Approximately 18,500 gallons annually
 - 1 site (-\$0.20 per gallon off OPIS Bulk Pricing)
 - Approximately 676,591 gallons annually

1. OPIS, A Subsidiary of Dow Jones Company that provides pricing benchmarks for wholesale fuel
2. UBD, is the industry abbreviation for “unbranded” fuel



Renewable Diesel and Bulk Fuels - Previous Spending Activity

- Past five years activity

Fiscal Year	Annual Cost
FY 20/21	\$ 1,311,588
FY 21/22	\$ 2,518,331
FY 22/23	\$ 2,822,062
FY 23/24	\$ 2,949,471
FY 24/25 (YTD – January 2025)	\$ 1,685,098
Five Year Total	\$11,286,550



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FUTURE NEEDS AND FUNDING



Renewable Diesel and Bulk Fuels – Future Pricing Expectations

- January 1, 2025
 - Fuel costs incurred a \$0.65 per gallon price increase
 - Approximately 30% in tax base
- State Proposed Additional Tax Increase
 - Additional increase up to \$0.85 per gallon later in calendar year 2025
- Anticipated fuel consumption
 - Annual Total Not to Exceed: \$3,750,000
 - Five Year Not-to-Exceed: \$18,750,000



Renewable Diesel and Bulk Fuels - Anticipated Spending Activity

- Anticipated five years activity

Fund	Account Number	Annual Budgeted Amount
Fleet Services	5400-53255-52220	\$ 3,138,366
Water Fund	4100-45050-53100	\$ 11,604
Wastewater Fund	4210-44313-52220 4210-44314-52220	\$ 133,474
Oakdale Fire Department	0100-18212-52220	\$ 67,456
Ceres Fire Department	0100-18213-52220	\$ 67,155
Modesto Fire Department	0100-18610-52220	\$ 324,343
Modesto Police Department	0100-19430-52220	\$ 7,602
Annual Total Not to Exceed		\$ 3,750,000
Five Year Total Not to Exceed		\$18,750,000



STAFF RECOMMENDATION

- Resolution approving the Purchasing Agreement for Renewable Diesel and Bulk Fuels to Hunt & Sons, LLC, Sacramento, CA, for a total amount not to exceed \$18,750,000 over five years; and authorizing the Director of Finance, or her designee, to execute the Agreement.



QUESTIONS?



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