

Memorandum



Date: April 11, 2008
To: Honorable Mayor and Members of the City Council
Subject: Newsrack Program Update

Included on the agenda for April 16, 2008 is a briefing on the newsrack program with a proposed alternative from the Dallas Morning News.

Please contact Theresa O'Donnell at 214-670-4127 should you need additional information.


A. Gonzalez
Assistant City Manager

c: Mary K. Suhm, City Manager
Thomas P. Perkins, Jr., City Attorney
Deborah Watkins, City Secretary
Craig Kinton, City Auditor
Ryan S. Evans, First Assistant City Manager
David O. Brown, Interim Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Ramon F. Miguez, P.E., Assistant City Manager
David Cook, Chief Financial Officer
Judge Jay Robinson, Judiciary
Jeanne Chipperfield, Interim Budget Director, Financial Services
Theresa O'Donnell, Director of Development Services

Newsrack Program Update

City Council
April 16, 2008



Purpose of Update

- To present the current status of the newsrack program and implementation
- To review the key components of the current program/ordinance
- To present an alternative plan offered by the industry stakeholders
- To receive feedback on the alternative proposal and direction on how to proceed

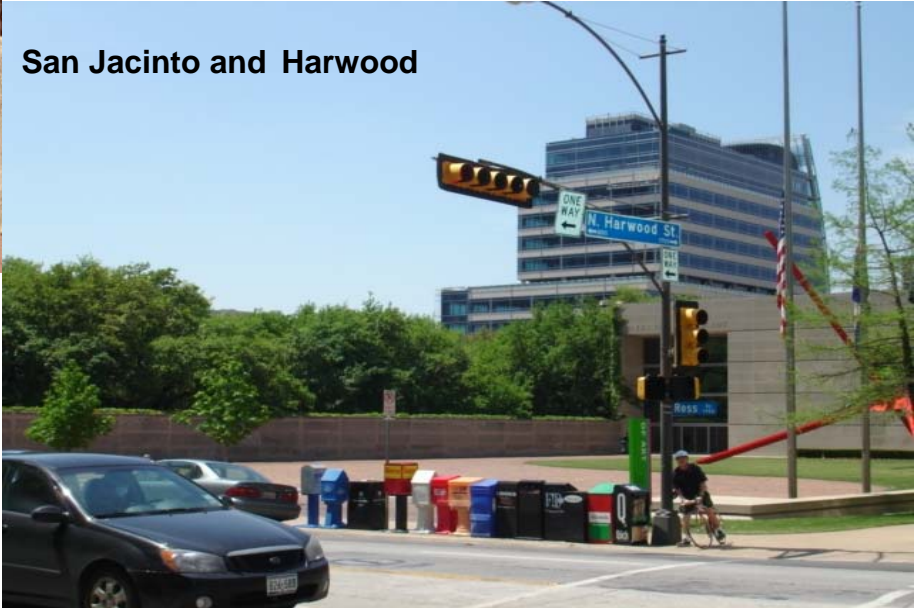
Goals of the Program

- Key focus areas of Public Safety and Quality of Life are supplemented by promoting viable and vibrant neighborhoods and improving the City's physical environment for a positive impact on safety
 - Reduction in clutter and blight
 - Uniformity of design and appearance
 - Consistency with other public improvement efforts
 - Enhance public safety
 - Ensure adequate access for pedestrians and ADA compliance
 - Ensure unobstructed access for emergency and public safety equipment and personnel

Current View of Newsracks in Dallas



Elm and Ross



San Jacinto and Harwood

Current View of Newsracks in Dallas



AT&T Plaza at Jackson



Westchester at Katie

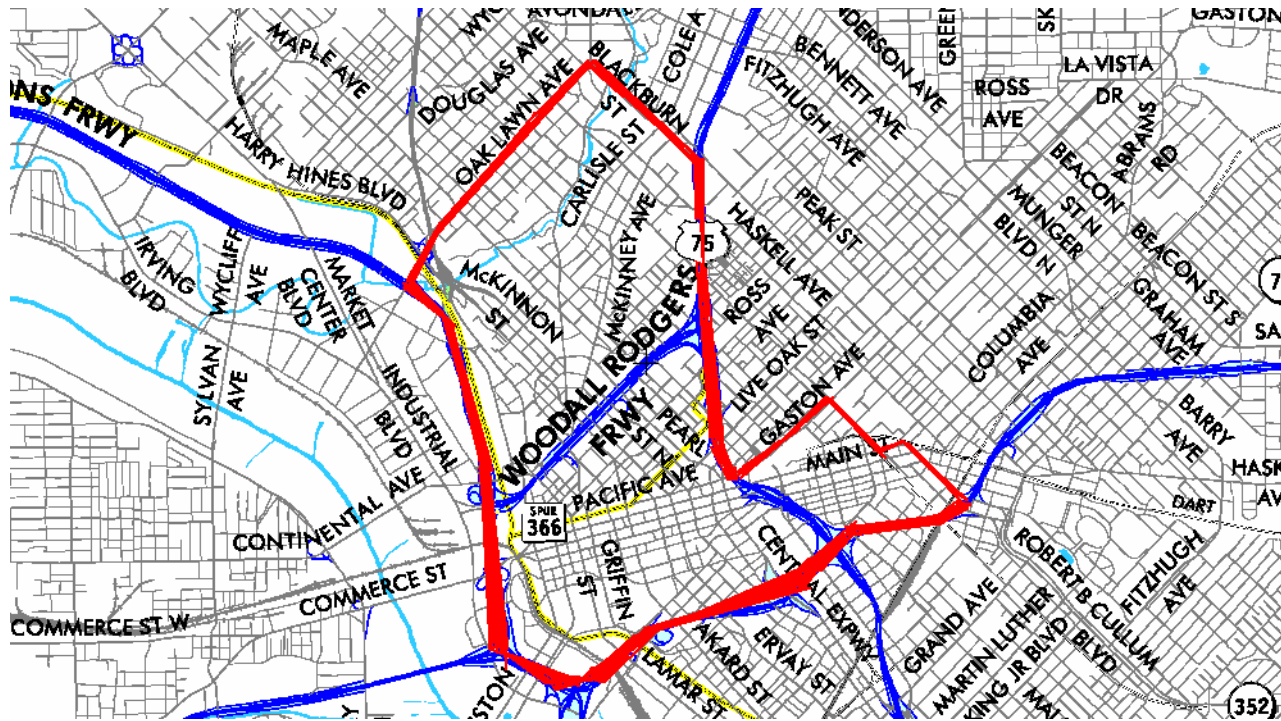
Background

- City Charter gives the City the authority to grant licenses for the use of public rights-of-way
- City has been issuing licenses for newsrack uses in the public right-of-way for over 50 years
- Some publishers have not consistently maintained updated or accurate information on their newsracks
- Enforcement, prior to passage of current ordinance, has been voluntary compliance
- Current ordinance passed on June 20, 2007

Current Program Provisions

- Establishes placement criteria for individual racks
- Distance requirement between newsrack groupings – 75'
 - Maximum group size – 8
- Establishes limited placement criteria for multi-box newsracks with specific locations and number of newsracks determined by a plan prepared by the Director and approved by the City Council
- Establishes process for creating multi-box newsrack zones
- Designates the expanded CBD area as the first multi-box newsrack zone
- Establishes design criteria for individual racks
- Establishes a lottery process
- Establishes costs of program implementation
- Provides a phased implementation plan
- Provides for proposed fee and costs to the publishers
 - See Appendix A for additional details

Expanded CBD Map



Multi-box Newsrack Selection



Multi-box Newsrack Selection



Publisher Concerns

- **Costs of new program**
 - Increase from \$5 to \$65 per box per year for individual newsracks
 - Increase from \$5 to \$179 per box per year for multi-box newsrack units (includes annual maintenance costs)
 - Amortized over a period of 5 years
 - Uniform design standard requires an entire fleet of new individual racks for the publishers
- **Setback requirements too strict**
 - Expanded CBD will see attrition for available locations
 - May cut back on circulation and distribution
 - Publications of higher frequency (daily, weekly) may lose business due to the loss of available space and an open lottery system

Additional Concerns Expressed

- Higher costs will reduce the number of newsracks which may cut back on projected revenue (license fees)
- May have negative impact on smaller/independent publications
- City's upfront costs of multi-box newsracks requires interim financing
 - Range of costs is \$877,000 to \$1.2 million

Dallas Morning News Proposal

- Publishers have raised the idea of allowing a third party contractor to administer the program that they develop and bring to the City for approval
- Dallas Morning News (DMN) worked diligently with the other publishers to develop a plan that:
 - Meets some of the City’s Public Safety and Quality of Life goals for the program
 - Reduces the costs to the publishers
 - Through reduced scope of regulation and reduction of requirements
 - Reduces the need for additional City staff and associated costs
 - Eliminates the need for City upfront financing

DMN Proposal Details

- The DMN has agreed to
 - Purchase, own, install and maintain as many multi-box units needed to meet the current demand up to 300 4-unit modules
 - Lease available units to the publishers. Bill and collect an annual fee of \$60 per year per rack
 - Cost of unit amortized over a 7-year period
 - Includes monthly maintenance costs and annual City license fee of \$5
 - Publishers may share the \$60 cost per unit, if they share a space with a split door
 - DMN stipulates this may increase each year, but will be capped at a reasonable rate

DMN Proposal Details

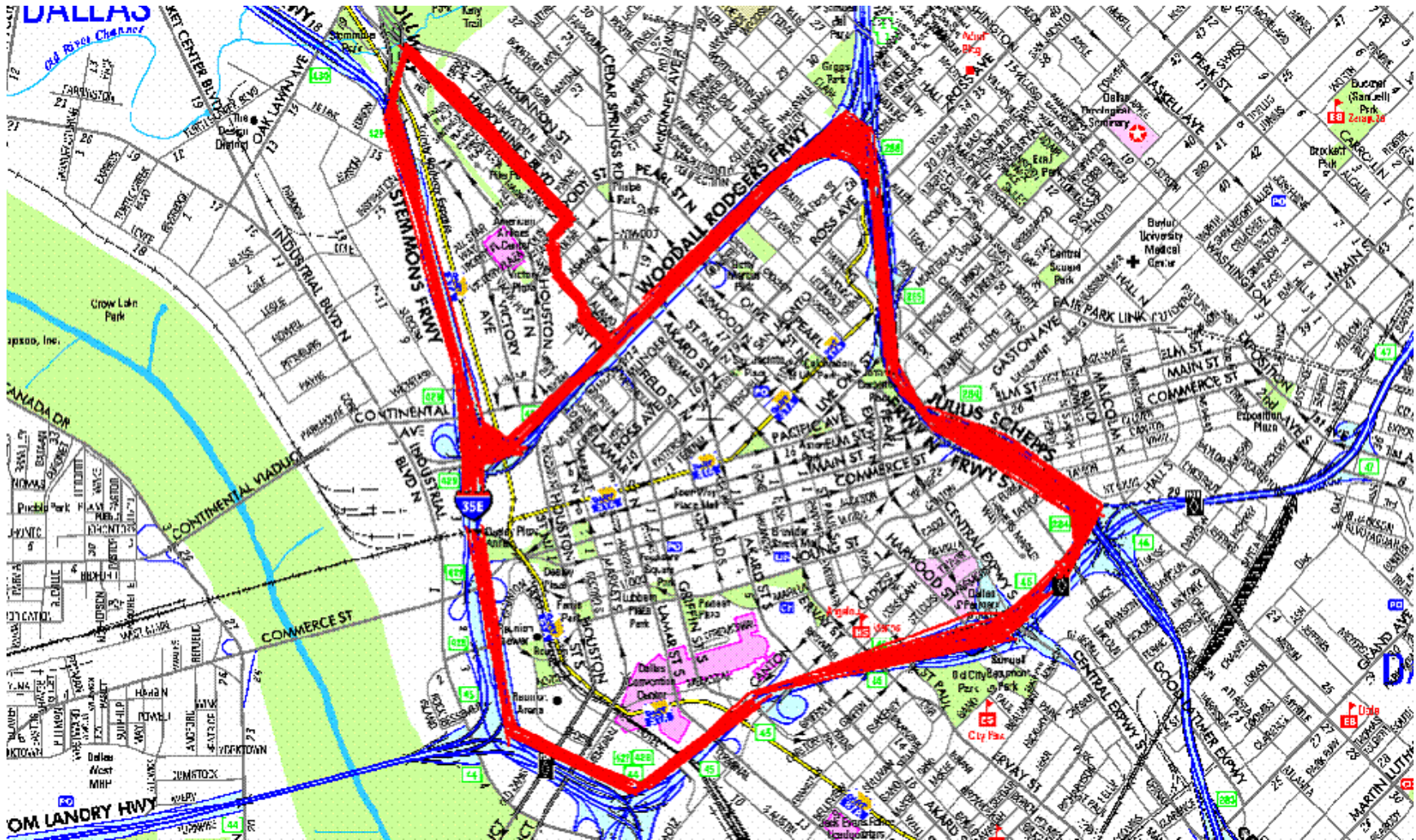
Lottery Process

- The DMN in conjunction with City staff will conduct a lottery
 - For positioning within multi-box newsracks
 - For determination of space in multi-unit newsrack, if demand exceed availability
 - Publishers with multiple publications that do not receive a spot for each at a given location can substitute publications up to a maximum number of spots the publisher wins in the lottery

DMN Proposal Details

- DMN asks that the City agree to
 - Reduce the distance between multi-box units from 75 feet to 50 feet
 - Contain the multi-box unit district to just the CBD bounded by the freeway loop and Victory Park
 - The remainder of the City be regulated and enforced only by placement and location criteria without design specifications –
 - Design specifications dictate shape, color, and size of newsrack box
 - With consent of the City, allow the DMN the option to transfer ownership and administration of the CBD modular units to a different publisher with the purchase of the units at book value
 - City will issue decals for licensed individual newsracks annually and collect annual license fee
 - Allow the group of multi-box units to increase to 16 available slots (8x8)
 - See illustration on slide 18 and 19

New Multi-Unit Zone Boundaries



Increasing Multi-Box Unit Size



The photo on the left depicts a group 24 free standing racks in front of the Dallas Morning News. There are approximately 11 locations in the CBD that have roughly the same amount in a group.

The photo on the right depicts a group of 8x8 units with both daily and split door availability. A group this size easily accommodates a grouping similar to the above, but only if the overall dimensions do not violate any of the 28 setback requirements.



Staff Concerns with DMN Proposal

- May have to competitively bid the program
- Some, but not all of City's aesthetic and public safety goals are satisfied
- City license fees must be examined in light of new reduced regulation
 - Maintain full cost recovery
- City may need to collect fees and remit payment back to DMN
- DMN must conduct lottery in accordance with City specifications
- DMN will have to submit a plan for the location and number of multi-box newsracks for review and approval₁₉ by City Council

Staff Concerns with DMN Proposal (cont)

- DMN cannot transfer without City consent or agreement
- Reduction of expanded CBD to just CBD proper and Victory Park
- Loss of aesthetic goals outside CBD

DMN Plan - Pro's

- Eliminates need for additional expenditure of public dollars
 - borrowing the initial investment
 - Additional staff for program administration
- Allows for a public/private effort to address community issue
- Captures the goals of enhanced public safety and reduced visual clutter in our downtown
- Publishers realize a smaller fee increase

DMN Plan - Con's

- Does not achieve uniformity of design outside CBD
- Less direct control of the program
- Remaining concerns need further discussion with publishers

Next Steps

- Receive Council feedback and pursue direction based on suggestions
- Meet with the publishers following City Council meeting to give an update and receive feedback
- Bring the specifics of the proposal to the Quality of Life Committee to finalize recommendations

Appendix A

- Current Program Provisions
- Individual Newsracks specified model or equivalent
- Current Setback Requirements
- Current Lottery Process

Current Program Provisions

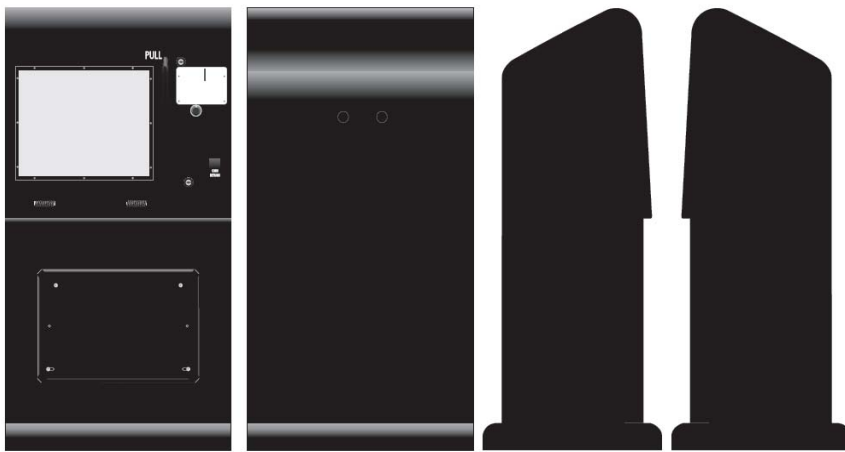
- Establishes placement criteria for individual racks
- Establishes process for creating multi-box newsrack zones
- Designates the expanded CBD area as the first multi-box newsrack zone
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Multi-Box Newsrack Zone

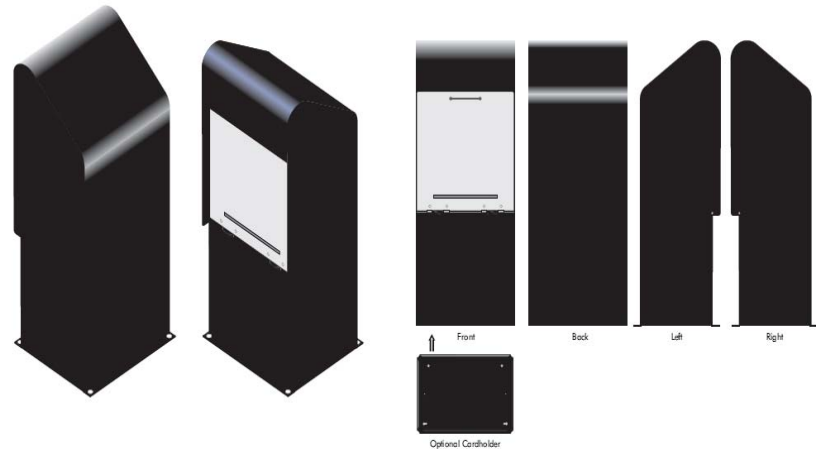
- The expanded CBD is a pre-designated Multi-box zone
 - Includes the CBD Loop, Deep Ellum, and a portion of Uptown including Victory Park
- Other multi-box zones can be established in defined areas where -
 - a proliferation and clutter of newsracks exist
 - an established urban or neighborhood character
- Only multi-box newsracks will be permitted in a multi-box zones
- No individual racks will be permitted within the multi-box zone

Individual Newsracks specified model or equivalent

TK-98



This criteria and regulation will not carry forward under the DMN proposal



Current Setback Requirements

- Staff worked closely with Public Works, Transportation, and Public Safety to incorporate distances that promote and maintain public safety and a steady flow of vehicular and pedestrian traffic
- In addition to the 75' rule between groups of individual racks there are 28 other setback requirements in which must be adhered to by any individual or group of newsracks

Current Setback Requirements

FEATURE	SETBACK (feet)
Alley	0
Art	3
Crosswalk	3
Doorway	3
Drinking Fountain	3
Fire Department Inlet Protection	3
Fire Hydrant	3
Fire Protection System Valve	3
Kiosk	3
LRT Informational Sign	3
LRT Shelter	3
LRT Ticketing Equipment	3
Mailbox	3
Monument	3
Parking Meter	3

FEATURE	SETBACK (feet)
Planter	3
Police/Fire Call Box	3
Stop Sign	3
Traffic Control Signal Box	3
Trash Receptacle	3
Water Feature	3
From Curb or Roadway if NR faces curbface or pavement edge	5
Bicycle Rack	6
Bus Shelter	7
Bus Stop Bench	7
Bus Stop Sign	7
Light Rail Centerline Track	15
Visibility Triangle	45
Visibility Triangle (CBD)	30

Current Lottery Process

- Preference will be given based on legally established grandfathered locations only for the initial lottery
 - Grandfathered locations consists of all right-of-way locations provided publisher's list prior to 6/20/07
- Secondary lotteries will be conducted 5 years after initial lottery to allow new publications or existing publications opportunity to receive prime locations
- Lotteries will be conducted on an as-needed basis to fill vacated spaces

Appendix B

- Cost Arrangement
- City Installed Multi-box Newsrack
- Estimated costs for Multi-box Newsracks in expanded CBD
- Annual Maintenance Costs
- City Costs
- Publisher Costs

Cost Arrangement

- City purchases complete multi-box newsrack
 - Includes multi-box frame and boxes
 - Includes installation
- Publishers pay
 - Yearly amortization for multi-box newsracks
 - Administrative costs
 - Maintenance costs
- City administers program

City Installed Multi-box Newsrack

<i>Multi-box Newsrack (frame & boxes)</i>	<i>Installed Costs per Multi-box Newsrack</i>	<i>*Costs per box/space per year</i>	<i>Annual Maintenance Costs per box</i>	<i>Annual Admin. Costs per box</i>
8 boxes	\$4,200	\$105.00	\$9.00	\$65.00
6 boxes	\$3,700	\$123.00	\$12.00	\$65.00
4 boxes	\$3,200	\$160.00	\$18.00	\$65.00

* 5 year amortization of multi-box newsracks, 5 years is the average lifetime of a newsrack

Estimated costs for Multi-box Newsracks in expanded CBD

- Estimated need for 138 8-box units and 93 4-box units (frame and box)
 - 138 units X \$4,200 ea. = \$579,600
 - 93 units X \$3,200 ea. = \$297,600
- Total cost = \$877,200*

Annual Maintenance Costs

- Services included for annual maintenance cost
 - * monthly inspections
 - * graffiti removal
 - * paint touch-up
 - * bolt tightening and minimal maintenance
- Costs do not include
 - Major repairs or replacement of damaged equipment
 - Repairs to coin operated devices

City Costs

- **Estimated Operating Costs**
 - Implementation of expanded CBD Multi-box Newsrack Zone
 - \$877,200
- **Estimated Administrative Costs**
 - Additional Staff – 4 FTEs
 - \$321,500 (salaries and equipment)
- ***Total Estimated Cost**
 - \$1,198,700

* *Costs for additional multi-box newsrack zones not calculated in this figure*

Publisher Costs

- **Multi-box Newsrack program**
 - Annual cost per box \$105 (based on 8 unit)
 - Annual maintenance cost per box \$ 9 (based on 8 unit)
 - Annual administrative cost per box \$ 65
- **Individual Boxes**
 - Cost per standardized box varies
 - coin \$500.00 (approx.)
 - free \$180.00 (approx.)
 - Annual maintenance cost per box \$ 0
 - Annual administrative cost per box \$ 65
- ***Application fee (reduced from \$750)** \$ 100

**(one time fee per publisher)*

Appendix C

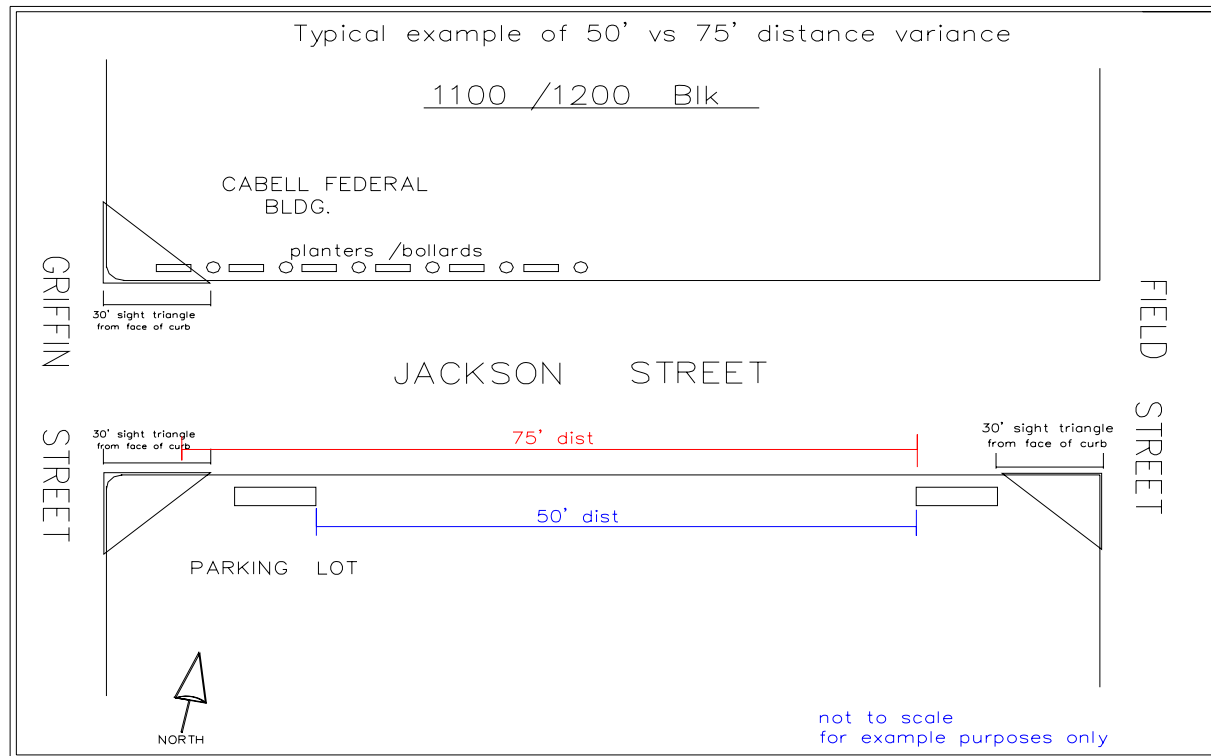
- Current Demand in the Expanded CBD
- Reduction of 75 Foot Rule
- Publisher Support

Current Demand in the Expanded CBD

- The following statistics are from the database of legally operating/grandfathered locations based on the publisher's lists provided prior to 6/20/07
 - Locations with 17 - 24 publications: 18
 - Locations with more than 24 publications: 1
- If the City agrees to add an additional 4 broadsheet unit as depicted in Slide 18, the current legally-operating (grandfathered) demand will be met with the need for 1 lottery, otherwise 19 lotteries will be conducted

Reduction of 75 Foot Rule

The diagram below illustrates that for some blockfaces the 75' rule eliminates the ability to accommodate the current demand.



Publisher Support

- The DMN met area publishers to garner support for the alternative plan
- So far, 20 of the 24 operating publications have officially signed on in support of the DMN's proposal
 - Other publishers have communicated with staff that they would support the program