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OFFICE OF THE CITY CLERK
OAKLAND

09 OCT -1 PM 4:30

September 29, 2009

TO: Vice Mayor, Ignacio De La Fuente, President Brunner and Members of
the CED Committee

FROM: Council Member Rebecca Kaplan

Re: CED Committee

Resolution Authorizing the City Administrator to Enter into a Billboard Relocation Agreement with Clear Channel Outdoor, Inc. ("CCO"): 1) Allowing CCO to: (A) Construct a New Billboard (with two facings) on East Bay Municipal Utility District (EBMUD) Land East of the Bay Bridge Toll Plaza; and (B) Reconstruct an Existing Billboard (with one facing) on EBMUD Land East of the Bay Bridge Toll Plaza, in Exchange for Clear Channel's Agreement to Remove and Waive its Rights to Compensation, Including All Real Property and Personal Property Interests, for Thirty Three Billboards at Various Locations, and Make a One-Time Payment of Four Hundred Thousand Dollars (\$400,000) to the City Plus Additional Annual Payments in an Amount and For a Period to be Determined .

SUMMARY UPDATE

This report discusses a proposal to authorize the City Administrator to negotiate and execute on behalf of the City a Billboard Relocation Agreement with Clear Channel Outdoor Inc., a Delaware corporation ("Clear Channel") regarding the specific sites identified in the title of the report above.

The Agreement will result in the removal thirty three billboards throughout various Oakland neighborhoods in exchange for the two billboards, one new and one existing, with freeway visibility.

In addition to the billboard exchange the city will receive a one time permitting fee of \$400,000 for the construction of the new billboard and a yet to be determined annual percentage of the total lease amount from EBMUD/Clear Channel.

In addition to the billboard exchange, Clear Channel will pay the City \$400,000. and a yet to be determined annual payment from EBMUD/Clear Channel to the City for the date of the agreement

Because billboards are regulated under state law allowing only a limited number, which are monitored by Caltrans, this proposal would be exempt from CEQA review

FISCAL IMPACT

The proposed Billboard Agreement will have a positive fiscal impact as a result of the one time \$400,000 payment to the City for the construction of the new billboards, in addition to an ongoing benefit from the annual payment in an amount yet to be determined.

The billboard removal will not result in any direct cost impacts because Clear Channel is waiving its rights to compensation including all real property and persona property interests for the 16 billboards specified in the request.

UPDATE ON KEY ISSUES AND IMPACTS

Billboard Removal

The Agreement will result in the removal of 33 (totaling 4,116 square feet of advertising space) billboards throughout various Oakland neighborhoods in exchange for three new billboard facings (totaling 2,016 square feet of advertising space), two new and one existing, with freeway visibility.

None of the 33 billboards identified for removal as part of this proposed agreement were previously required to be removed under other amortization requirements.

This agreement calls for 2,016 square feet of new billboards in return for removal of 4,116 square feet of existing billboards. The new billboards that are being approved are traditional bulletin boards (non-LED). The roughly two to one ratio of billboard square footage removed/relocated, in effect results in a cumulative reduction of ambient light created by these billboards by 50%.

RECOMMENDATIONS

- 1) Adopt the resolution

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Approved for Formal Legality
DRAFT
City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO A BILLBOARD RELOCATION AGREEMENT WITH CLEAR CHANNEL OUTDOOR, INC. ("CCO"): 1) ALLOWING CCO TO: (A) CONSTRUCT A NEW BILLBOARD (WITH TWO FACINGS) ON EAST BAY MUNICIPAL UTILITY DISTRICT (EBMUD) LAND EAST OF THE BAY BRIDGE TOLL PLAZA; AND (B) RECONSTRUCT AN EXISTING BILLBOARD (WITH ONE FACING) ON EBMUD LAND EAST OF THE BAY BRIDGE TOLL PLAZA, IN EXCHANGE FOR CLEAR CHANNEL'S AGREEMENT TO REMOVE AND WAIVE ITS RIGHTS TO COMPENSATION, INCLUDING ALL REAL PROPERTY AND PERSONAL PROPERTY INTERESTS, FOR THIRTY THREE BILLBOARDS AT VARIOUS LOCATIONS, AND MAKE A ONE-TIME PAYMENT OF FOUR HUNDRED THOUSAND DOLLARS (\$400,000) TO THE CITY PLUS ADDITIONAL ANNUAL PAYMENTS IN AN AMOUNT AND FOR A PERIOD TO BE DETERMINED .

WHEREAS, removal of a number of billboards at various locations throughout the City is consistent with the City's objective to remove billboard signage throughout Oakland to enhance the City's aesthetic attributes; and

WHEREAS, Clear Channel would waive their rights to compensation, including all real property and personal property interests, thereby eliminating the various billboards at no cost to the City; and

WHEREAS, all the proposed billboards will be removed by Clear Channel at its sole cost and expense; and

WHEREAS, the proposed billboard relocation agreement would permit Clear Channel to construct one new billboard of 1,344 square feet of advertising space on EBMUD land and reconstruct one existing billboard with 672 square feet of advertising space; and

WHEREAS, Clear Channel would remove at least thirty three billboards totaling at least 4,116 square feet from various locations around the City of Oakland, resulting in a net decrease of sign area in the City; and

WHEREAS, the proposed billboard relocation agreement complies with the existing City regulations that permit relocated and wholly reconstructed advertising signs pursuant to a billboard relocation agreement; now, therefore be it

RESOLVED: That the City Council authorizes the City Administrator to enter into a billboard relocation agreement with Clear Channel Outdoor, Inc. ("CCO"): (1) allowing CCO to remove and waive its rights to compensation, including all real property and personal property interests, for a number of billboards at various locations, as designated in Exhibit A to this Resolution, in exchange for: (A) construction of a new billboard with 1,344 square feet of advertising space on EBMUD land near the Bay Bridge Toll Plaza; and (B) reconstruct an

existing billboard with 672 square feet of advertising space on EBMUD land near the Bay Bridge Toll Plaza; and be it

FURTHER RESOLVED: That the City Administrator or her designee is authorized to complete all the required negotiations regarding the terms of, and to execute, a billboard relocation agreement with Clear Channel in accordance with the intent of this resolution, and including other conditions and enforcement mechanisms as will be recommended by the City Attorney; and be it

FURTHER RESOLVED: That the City Attorney shall approve the billboard relocation agreement as to form and legality.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2008

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT DE LA FUENTE

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California