**ORDINANCE NO. 12355 C. M. S.****ORDINANCE AWARDING A NON-EXCLUSIVE FRANCHISE AGREEMENT WITH ADSHEL, INC., FOR A STREET FURNITURE PROGRAM**

WHEREAS, on May 30, 2000, the City Council of the City of Oakland authorized the issuance of a Request for Proposals ("RFP") for street furniture, including bus shelters and public information kiosks; and

WHEREAS, on September 6, 2000, the RFP was published and subsequently two addendum were issued; and

WHEREAS, two proposals were submitted in response to the RFP; and

WHEREAS, in accordance with the provisions of the RFP, City staff determined it was in the best interests of the City to request alternative proposals in order to foster competition, provide a valid basis of comparing proposals, and increase the range of options available for a street furniture program; and

WHEREAS, Adshel, Inc. ("Adshel"), submitted a proposal to install, maintain and replace 256 bus shelters at no cost to the City in exchange for certain specified advertising rights; and

WHEREAS, the bus shelters will have two advertising panels each and be installed at locations selected by Adshel with community input and approved by the City; and

WHEREAS, Adshel will install, maintain, and replace 22 three-sided static information kiosks with two advertising faces each at locations to be selected by Adshel with community input and approved by the City; and

WHEREAS, ten percent of the advertising space will always be available for Oakland-based public service announcements and/or City use at no charge to the City; and

WHEREAS, Adshel, through the cooperation of Adshel's sister company, Clear Channel Communications family, Eller Media Company, will permanently remove 12 eight-sheet billboard posters at specified locations, which are not subject to the City's amortization program; and

WHEREAS, Adshel agrees to comply with the City of Oakland's Local and Small Local Business Program requirements to achieve 50% local business participation; and is committed to achieving 100% City of Oakland resident hiring and subcontractor utilization in the installation and maintenance of the street furniture program and to institute a community outreach program to ensure the goals are met; and

WHEREAS, the City has the authority, pursuant to City Charter Section 1000, to grant or issue franchises for the transaction of business, providing of services or for the use of public streets or other public places, and to assess fees or other compensation to be paid therefor and the penalties for violations thereof; and

WHEREAS, Adshel has represented and warranted to the City that it has the experience, financial capacity, responsibility, and qualifications to undertake the Street Furniture Program; and

WHEREAS, the City Council finds and determines that the requirements of the California Environmental Quality Act ("CEQA") of 1970, the Guidelines as prescribed by the Secretary for Resources, and the provisions of the Environmental Review Regulations of the City of Oakland have been satisfied, and this action on the part of the City Council is exempt from CEQA pursuant to CEQA Guidelines sections 15061(b)(3) (the general rule), 15301 (minor changes to existing facilities), 15302 (replacement or reconstruction of structures), 15303 (new construction of small structures), and 15304 (minor alterations to land); and

WHEREAS, the City Council determines and finds that the public interest, health, safety and welfare would be best served if Adshel were to provide the street furniture to the City and operate, maintain, repair and replace the street furniture.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

Section 1. The City Council does hereby find and declare that the above recitals are true and correct and that the award of a non-exclusive Franchise Agreement to Adshel for a Street Furniture Program is a proper public purpose, is in the public interest, convenience, and welfare, and is for the common benefit of the inhabitants of the City.

Section 2. The City Manager is authorized to negotiate and execute a non-exclusive Franchise Agreement with Adshel, subject to the review and approval of the City Attorney.

Section 3. The City Manager is authorized to conduct all negotiations and execute all documents including but not limited to Franchise Agreement amendments, modifications, notices, and related actions which may be necessary and consistent with the basic intent and purpose of the Franchise Agreement.

Section 4. In consideration of the special, non -exclusive franchise right granted by the City to Adshel to transact business, provide services, use the public street and/or other public places, Adshel, or its successors or assigns, shall remit an annual franchise fee payment to the City. From the effective date of the Franchise Agreement through 2015, or for the term of the Franchise Agreement if extended, Adshel shall pay an annual payment in advance of \$75,000, adjusted annually by the annual Consumer Price Index adjustment for inflation.

Section 5. The City Council has independently reviewed and considered this environmental determination and finds and determines that the action complies with CEQA and directs the City's Environmental Review Officer to file a Notice of Exemption.

Introduced - July 24, 2001

SEP 18 2001

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20____


PASSED BY THE FOLLOWING VOTE:

AYES- BRUNNER, CHANG, ~~WHEAT~~, ^{MAYOR} NADEL, ~~REID~~, SPEES, WAN AND
PRESIDENT DE LA FUENTE *-6*

NOES- *None*

ABSENT- *Nadel/Reid-2*

ABSTENTION- *None*

ATTEST: 

CEDA FLOYD
City Clerk and Clerk of the Council
of the City of Oakland, California