

**CITY OF OAKLAND**  
**AGENDA REPORT**

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND  
2003 NOV -6 PM 6:06

TO: Office of the City Manager  
ATTN: Deborah Edgerly  
FROM: Community and Economic Development Agency  
DATE: November 18, 2003

**RE: REQUEST TO APPROVE A CITY RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A BILLBOARD RELOCATION AGREEMENT WITH CLEAR CHANNEL OUTDOOR, INC., TO REMOVE AND WAIVE ITS RIGHTS TO COMPENSATION, INCLUDING ALL REAL PROPERTY AND PERSONAL PROPERTY INTERESTS FOR, A NUMBER OF BILLBOARDS AT VARIOUS LOCATIONS IN EXCHANGE FOR THE RECONSTRUCTION OF AN EXISTING BILLBOARD AT 743 HIGH STREET, A NEW BILLBOARD AT 3425 ETTIE STREET, AND THE COMMITMENT OF CLEAR CHANNEL OUTDOOR, INC., TO RETAIN ITS OFFICE AND OPERATIONAL FACILITIES IN THE CITY OF OAKLAND FOR A MINIMUM PERIOD OF TEN YEARS, AND A ONE-TIME CONTRIBUTION OF \$100,000 TO THE CITY'S GENERAL FUND.**

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**SUMMARY**

On October 21, 2003, the City Council was asked to approve a Resolution to permit the City to enter into a Billboard Relocation Agreement with Clear Channel Outdoor, Inc., that would have involved the removal of 12 existing billboards in various, specific locations throughout the City in exchange for the construction of two new bulletins, 20' x 60', located adjacent to freeways, and Clear Channel's commitment to retain its administrative and operational facilities in Oakland. At that meeting, staff was directed to make specific changes to the proposed Billboard Relocation Agreement and return to Council with these changes in a revised report and Resolution.

The subject revised report and Resolution now asks the City Council to approve a Resolution to permit the City to enter into a Billboard Relocation Agreement with Clear Channel Outdoor Inc., a Delaware corporation ("Clear Channel") to:

- Require Clear Channel to remove at its sole cost and expense a minimum of 30 billboards as identified specifically in Attachment A to this report;
- Allow Clear Channel to add/reconstruct two 14' by 48' double-sided bulletins (672 s.f. each face) at the locations identified above;
- Retain Clear Channel's administrative and operational facilities in Oakland, including 80-100 jobs, for a minimum of ten years;
- Require Clear Channel to make a one-time contribution of \$100,000 to the City's General Fund.

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Approval of this Agreement will represent a successful conclusion to the City's efforts to retain Clear Channel Outdoor and its employees in Oakland due to the pending expiration of its current lease with the Port of Oakland in April 2004.

### **FISCAL IMPACT**

The proposed Billboard Relocation Agreement will not result in any direct cost impacts because Clear Channel is waiving its rights to compensation, including all real property and personal property interests for the various billboards and bulletins specified in Attachment A. An executed agreement will result in:

1. Lower costs to acquire those property interests from Clear Channel by the City. A valuation of these signs based on revenue streams would require an appraisal. However, a structural valuation of these signs according to information provided by the California Department of Transportation values these signs at approximately \$260,000.
2. Retention of the approximate \$24,000 of annual business tax revenue and \$6,200 of sales tax revenues derived from Clear Channel's Oakland operations.
3. A net increase of \$100,000 to the City's General Fund (non-departmental) through a cash donation from Clear Channel.

None of these signs are located on City of Oakland property, so there will be no loss of lease revenue to the City through removal of the existing billboards. Also, the County assessor's office does not consider billboards "improvements" when assessing real estate property values, so removal of these billboards will not impact the City's share of real property taxes collected.

### **BACKGROUND**

1. On October 21, 2003, the City Council considered a report and resolution authorizing the City Manager to enter into a Billboard Relocation Agreement with Clear Channel to waive its rights to compensation regarding the removal of 12 billboards located throughout several Oakland neighborhoods and downtown area. In exchange for this waiver and Clear Channel's commitment to retain its administrative and operational headquarters in Oakland, the City would approve construction of two new double-sided bulletins, 20' x 60' each at locations near freeways in Oakland.
2. At this same meeting, the Council directed staff to return in two weeks with a supplemental report and resolution that included the following revisions to the proposed agreement:
  - a. In addition to the 12 billboards proposed for removal in the report dated September 30, 2003, a minimum of 18 additional billboards/bulletins will be removed from throughout Oakland's neighborhoods;

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- b. The list of additional 18 billboards/bulletins proposed for removal must include a minimum of one sign from each Council district.
  - c. Once this agreement is executed, all billboards/bulletins targeted for removal must be removed by Clear Channel at its sole cost and expense within 90 days following execution of the proposed agreement.
  - d. Each face on the two new, double-sided bulletins to be constructed must not exceed 14' by 48', for a total square footage allowed of 672 s.f.. These signs will not be allowed to advertise alcohol, tobacco or firearms.
  - e. Clear Channel will provide a one-time, \$100,000 donation to the City's General Fund.
  - f. Clear Channel will commit to retaining its administrative and operational headquarters, and employees, in Oakland for a minimum of ten years.
3. The following chart summarizes the location of all Clear Channel advertising signs within the City of Oakland at time of the original survey in 1997. Council boundaries have changed since this time, so that this information may not be entirely accurate:

<b>COUNCIL DISTRICT</b>	<b>SIZE OF SIGN</b>	<b>NUMBER OF SIGNS</b>
1	8 panels	27
	30 panels	90
	<b>Bulletin</b>	<b>11</b>
2	8 panels	23
	30 panels	41
	<b>Bulletin</b>	<b>9</b>
3	8 panels	59
	30 panels	147
	<b>Bulletin</b>	<b>33</b>
4	8 panels	3
	30 panels	18
	<b>Bulletin</b>	<b>0</b>
5	8 panels	38
	30 panels	99
	<b>Bulletin</b>	<b>6</b>
6	8 panels	28
	30 panels	65
	<b>Bulletin</b>	<b>13</b>
7	8 panels	17
	30 panels	70
	<b>Bulletin</b>	<b>14</b>
<b>TOTAL # SIGNS</b>		<b>811</b>

**KEY ISSUES AND IMPACTS**

- The key issue is retention of an expanding, long-time Oakland business that employs between 80-100 people, half of whom are unionized. Failure to approve this Agreement may result in

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Clear Channel's relocation outside of Oakland, the loss of business tax revenues derived from the company's current Oakland location, and the loss of 80-100 jobs to an alternate municipality, and associated, negative fiscal impacts of losing a company of this size. Regardless of Clear Channel remaining in Oakland the firm remains committed to its agreement with the City to local hiring 6-10 residents for work on the bus shelter program.

- The proposed Billboard Relocation Agreement would remove a number of existing billboards from several Oakland neighborhoods, as compensation to the City for the addition of two new or reconstructed billboards at 743 High Street and 3425 Ettie Street, and Clear Channel's commitment to maintain its office and operation centers in Oakland. The structural value of the existing billboards is estimated to be approximately \$260,000.
- The proposed Relocation Agreement would result in a net loss of advertising signs throughout Oakland, and a significant net decrease of square feet of advertising sign surface. At the time this report was prepared, the final number of existing signs to be removed was still under negotiation.
- As evidence of Clear Channel's commitment to stay in Oakland, the Billboard Relocation Agreement will require the execution of signed leases for minimum ten-year terms prior to implementation of the Agreement, and other conditions and enforcement mechanism as will be recommended by the City Attorney.
- The new signs will not be allowed to advertise alcohol, tobacco or firearms.
- Some of the signs proposed for removal (Attachment A) are already amortized and due to be removed at some point in the future. At the time of this writing, this list has not yet been analyzed to determine how far into the future these signs were slated for removal. That assessment will be provided in a supplemental report prior to the November 18<sup>th</sup> Council meeting.

## PROJECT DESCRIPTION

The proposed project is a relocation agreement to remove a minimum of 30 existing billboards (see Attachment A) and construct two new billboards adjacent to Interstate 880 (I-880). The three components of the proposed relocation agreement are more fully described as follows:

1. *Removal of a minimum of 30 Existing Billboards:* See Attachment A for specifics.
2. *Development of Two New Billboards:* Under the terms of the proposed relocation agreement, Clear Channel would construct two new back-to-back bulletin billboards (14 feet by 48 feet, each face,) fronting I-880 at the following locations:

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- 743 High Street: This site, located in East Oakland, is zoned M40, Heavy Industrial Zoning District, and falls under the Business Mix General Plan land use designation. The surrounding development pattern consists of industrial uses and transportation systems (BART overhead rails, at-grade heavy rail), I-880 and a major arterial street (High Street). The proposed sign, oriented toward I-880, would replace an existing billboard located on the subject site. There is an existing billboard at this location, and it is included on Attachment A as one of the billboards that would be removed as part of the proposed relocation agreement.
  - 3425 Ettie Street: This site, located in West Oakland, in zoned M-30, General Industrial District, and falls under the Housing and Business Mix General Plan land use designation. The surrounding area is generally characterized by a mix of industrial, live/work and residential uses, as well as by vacant lots. The proposed sign would be oriented toward I-880 and I-580.
3. *Commitment to Occupy Space in Oakland:* Clear Channel will commit to occupy space for its administrative and operational activities in Oakland for a period of no less than ten years, as evidenced by executed leases or deed of trust on the aforementioned spaces and other conditions and enforcement mechanisms as will be recommended by the City Attorney.

### **SUSTAINABLE OPPORTUNITIES**

Economic: Execution of the proposed Agreement will ensure that an expanding business that has been located in Oakland for almost 40 years will continue to be located here. 80-100 jobs will be retained, and more jobs are likely to be created through the company's planned expansion over the next five years, contributing to job creation and increased tax revenue for the City.

Environmental: Removal of the various billboards will result in reduced blight in our City's neighborhoods, increasing enhancement of the City's physical attributes.

### **DISABILITIES AND SENIOR CITIZEN ACCESS**

Approval of this Resolution will have no direct impact on disabled and senior citizen access.

### **ACTION REQUESTED OF THE CITY COUNCIL**

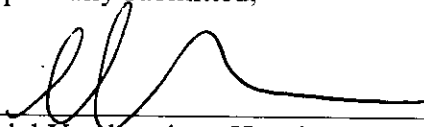
Staff recommends approval of a City Resolution authorizing the City Manager to enter into a Billboard Relocation Agreement with Clear Channel Outdoor, Inc., to remove at its sole cost and

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expense and waive its rights to compensation, including all real property and personal property interests for, a number of billboards at various locations in exchange for the reconstruction of an existing billboard at 743 High Street, a new billboard at 3425 Ettie Street, the commitment of Clear Channel Outdoor, Inc., to retain its office and operational facilities in the City of Oakland for a minimum period of ten years, and a one-time contribution of \$100,000 to the City's General Fund.

Respectfully submitted,




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Daniel Vanderprie, Housing, Economic and  
Development Director

Prepared By: Deborah V. Acosta, Urban Economic  
Analyst III

APPROVED AND FORWARDED TO THE  
CITY COUNCIL



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Office of the City Manager

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Nov. 18, 2003

# CLEAR CHANNEL BILLBOARD REMOVAL SPREADSHEET

Type of Sign	Sq. Footage	PLN#	Description	Line	Facing	Address	APN#	District	Amortization
8-Sheet	72	7189	San Pablo 75' south of 66th Ave.	East	North #1	6518 San Pablo Ave.	016-1453-017-01	1	No
8-Sheet	72	7190	San Pablo 75' south of 66th Ave.	East	North #2	6518 San Pablo Ave.	016-1453-017-01	1	No
8-Sheet	72	7191	San Pablo 75' south of 66th Ave.	East	South	6518 San Pablo Ave.	016-1453-017-01	1	No
8-Sheet	72	7038	International Blvd. 133' west of 3rd Ave.	South	West	229 International Blvd.	020-0127-006-03	2	No
8-Sheet	72	7039	International Blvd. 133' west of 3rd Ave.	South	East	229 International Blvd.	020-0127-006-03	2	No
8-Sheet	72	7124	Jackson 49' north of 6th St.	East	South	194 - 6th St.	001-0175-020	Border of 2 & 3	No
8-Sheet	72	7274	23rd Ave. 73' north of E. 17th St.	East	North	1716 - 23rd Ave.	020-0205-013	Border of 2 & 5	Yes
8-Sheet	72	7279	23rd Ave. 40' north of E. 22nd St.	East	South	2239 - 23rd Ave.	022-0296-037	Border of 2 & 5	Yes
8-Sheet	72	7236	West St. 135' south of 26th St.	West	North	2564 San Pablo Ave.	009-0679-044	3	No
8-Sheet	300	2178	West St. 95' south of 26th St.	West	North	2564 San Pablo Ave.	009-0679-044	3	No
8-Sheet	300	2179	West St. 95' south of 26th St.	West	South	2564 San Pablo Ave.	009-0679-044	3	No
8-Sheet	300	1931	MacArthur Blvd. 25' west of Lincoln	North	West	3505 Lincoln Ave.	029A-1304-011	4	No
8-Sheet	300	1935	MacArthur Blvd. 100' east of Magee	North	West	3600 MacArthur Blvd.	030-1903-015-01	4	No
8-Sheet	300	1936	MacArthur Blvd. 100' east of Magee	North	East	3600 MacArthur Blvd.	030-1903-015-01	4	No
8-Sheet	72	7079	Foothill Blvd. 160' east of 27th Ave.	South	West	2715 Foothill Blvd.	025-0733-003	5	No
8-Sheet	300	1900	High St. 200' north of Coliseum Way	West	South	743 High St.	033-2203-008-01	5	No
8-Sheet	300	1747	International Blvd. 110' west of 36th Ave.	South	East	3545 International Blvd.	033-2197-005	5	No
8-Sheet	300	1748	International Blvd. 98' east of 36th Ave.	South	West	3609 International Blvd.	033-2177-001-01	5	No
8-Sheet	300	1817	Foothill Blvd. 30' east of Coolidge	North	West	3300 Foothill Blvd.	027-0881-013-03	5	No
8-Sheet	300	1855	Fruitvale 105' south of E. 22nd St.	West	North	2111 Fruitvale	026-0747-007	5	No
8-Sheet	300	1856	Fruitvale 105' south of E. 22nd St.	West	South	2111 Fruitvale	026-0747-007	5	No
8-Sheet	300	2220	29th Ave. 75' south of Ford	East	North	418 - 29th Ave.	025-0676-012	5	No
8-Sheet	300	1767	E. 14th St. 53' east of 61st Ave.	South	East	6115 International Blvd.	041-3683-003-01	6	No
8-Sheet	72	7020	Bancroft 151' west of 67th Ave.	North	West	6672 Bancroft Ave.	039-3275-010-01	6	No
8-Sheet	72	7210	Seminary 98' south of Harmon	East	North	1970 Seminary	038-3211-001-04	6	Yes
8-Sheet	72	7154	MacArthur Blvd. 50' west of Foothill	North	West	10058 MacArthur Blvd.	048-5626-015-01	6	Yes
8-Sheet	72	7284	E. 14th St. 106' east of 73rd Ave.	North	West	7326 International Blvd.	040-3317-031	7	No
8-Sheet	72	7289	98th Ave. 20' south of E St.	East	South	1028 - 98th Ave.	045-5227-008-04	7	No
8-Sheet	72	7287	98th Ave. 50' north of C St.	East	North	1152 - 98th Ave.	044-4975-001-01	7	Yes
8-Sheet	72	7288	98th Ave. 50' north of C St.	East	South	1152 - 98th Ave.	044-4975-001-01	7	Yes
8-Sheet	300	1950	MacArthur Blvd. 46' west of Alvingroom Ct.	North	West	8411 MacArthur Blvd.	043-4622-001-02	7	Yes

*D. Miller*

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND  
2003 NOV -6 PM 6:00

# OAKLAND CITY COUNCIL

RESOLUTION No. \_\_\_\_\_ C.M.S.

**REVISED**  
10-21-03

INTRODUCED BY COUNCILMEMBER \_\_\_\_\_

**RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A BILLBOARD RELOCATION AGREEMENT WITH CLEAR CHANNEL OUTDOOR, INC., TO REMOVE AND WAIVE ITS RIGHTS TO COMPENSATION, INCLUDING ALL REAL PROPERTY AND PERSONAL PROPERTY INTERESTS FOR, A NUMBER OF BILLBOARDS AT VARIOUS LOCATIONS IN EXCHANGE FOR THE RECONSTRUCTION OF AN EXISTING BILLBOARD AT 743 HIGH STREET, A NEW BILLBOARD AT 3425 ETTIE STREET, THE COMMITMENT OF CLEAR CHANNEL OUTDOOR, INC., TO RETAIN ITS OFFICE AND OPERATIONAL FACILITIES IN THE CITY OF OAKLAND FOR A MINIMUM PERIOD OF TEN YEARS, AND A ONE-TIME CONTRIBUTION OF \$100,000 TO THE CITY'S GENERAL FUND.**

**WHEREAS**, Clear Channel Outdoor, Inc., a Delaware corporation ("Clear Channel"), has maintained its local office in the City of Oakland in leased space with the Port of Oakland since 1964; and

**WHEREAS**, Clear Channel's lease agreement is due to expire in April 2004, and Clear Channel desires to maintain its office and operations facilities in Oakland; and

**WHEREAS**, competing cities have attempted to recruit Clear Channel to relocate to their respective cities, and have offered Clear Channel the incentive of building billboards to offset the cost of relocation and a major lease increase; and

**WHEREAS**, Clear Channel has identified two suitable Oakland sites that it estimates will cost \$1-3 million to prepare and relocate to; and

**WHEREAS**, Clear Channel is seeking a proposed Billboard Relocation Agreement with the City to assist in mitigating its relocation expenses; and

**WHEREAS**, the City wishes to retain Clear Channel's business in Oakland in order to retain jobs and tax revenue for the City; and

**WHEREAS**, the City wishes to retain Clear Channel's business by entering into a Billboard Relocation Agreement which: (1) requires Clear Channel to remove at its sole cost and

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expense a number of billboards at various locations (Attachment A), and without compensation to Clear Channel; (2) permits Clear Channel to attempt to generate income to offset its proposed expenses to stay in Oakland by allowing Clear Channel to reconstruct one billboard and erect one new billboard (as outlined below) in the City; (3) commits Clear Channel to maintain its office and operating facilities and employees in Oakland for a minimum period of ten (10) years; and (4) requires Clear Channel to provide the City with a one-time contribution of \$100,000 to the General Fund; and

**WHEREAS**, removal of a number of billboards located at various locations throughout the City as identified specifically in Attachment A is consistent with the City's objective to remove billboard signage throughout Oakland to enhance the City's physical attributes; and

**WHEREAS**, Clear Channel would waive their rights to compensation, including all real property and personal property interests, thereby eliminating the various billboards located throughout Oakland as identified in Attachment A; and

**WHEREAS**, all of the billboards to be removed will be removed by Clear Channel at its sole cost and expense within 90 days from execution of the agreement; and

**WHEREAS**, the proposed Billboard Relocation Agreement would permit Clear Channel to reconstruct one existing advertising bulletin at 743 High Street and construct a new advertising bulletin at 3425 Ettie Street, both two-sided bulletins not to exceed 14' x 48', or 672 s.f. total each surface, resulting in a significant net decrease of advertising sign surface throughout Oakland; and

**WHEREAS**, these two new double-sided bulletins will not be allowed to advertise alcohol, tobacco or firearms; and

**WHEREAS**, the proposed Billboard Relocation Agreement would not result in any direct negative fiscal impacts, since Clear Channel would remove at their sole cost and expense all billboards and waive their rights to compensation, including all real property and personal property interests for the various billboards, which will result in a substantial saving in the potential acquisition of those property interests; and

**WHEREAS**, approval of this Resolution will result in a successful business retention effort to retain Clear Channel's office and operations units in Oakland, retaining 80-100 jobs, over \$30,000 in business license and sales tax revenues for the City, and a one-time \$100,000 contribution to the City's General Fund; and

**WHEREAS**, Clear Channel will be required to provide executed leases, with minimum ten year terms, for the Oakland relocation sites prior to implementation of this Agreement and other conditions and enforcement mechanisms as will be recommended by the City Attorney; and

**WHEREAS**, the proposed Billboard Relocation Agreement complies with 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 Manager to enter into a Billboard Relocation Agreement allowing Clear Channel to reconstruct an existing billboard at 743 High Street, and construct a new billboard at 3425 Ettie Street, both of which will not exceed 14' tall by 48' wide, or 672 sq. ft. total surface for each billboard, and neither of which will advertise alcohol, tobacco, or firearms, in exchange for Clear Channel's agreement to: (1) remove at its sole cost and expense and to waive its rights to compensation, including all real property and personal property for, various billboards located throughout Oakland as identified in Attachment A to this Resolution; (2) retain its office and operations facilities in Oakland for a minimum period of ten (10) years; and (3) make a one-time \$100,000 cash contribution to the City's General Fund; and be it

**FURTHER RESOLVED:** That the City Manager or his or her designee is authorized to complete all 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, NOVEMBER 18, 2003

**PASSED BY THE FOLLOWING VOTE:**

AYES- BRUNNER, CHANG, QUAN, NADEL, REID, WAN, BROOKS, AND  
PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST:

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

CLEAR CHANNEL BILLBOARD REMOVAL SPREADSHEET

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8-Sheet	72	7020	Bancroft 151' west of 67th Ave.	North	West	6672 Bancroft Ave.	039-3275-010-01	6	No
8-Sheet	72	7210	Seminary 98' south of Harmon	East	North	1970 Seminary	036-3211-001-04	6	Yes
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8-Sheet	72	7284	E. 14th St. 106' east of 73rd Ave.	North	West	7326 International Blvd.	040-3317-031	7	No
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8-Sheet	72	7287	98th Ave. 50' north of C St.	East	North	1152 - 98th Ave.	044-4975-001-01	7	Yes
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30-Sheet	300	1950	MacArthur Blvd. 46' west of Alvingroom Ct.	North	West	8411 MacArthur Blvd.	043-4622-001-02	7	Yes

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ORA/COUNCIL  
NOV 18 2003

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**AGENDA REPORT**

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND  
2003 SEP 18 PM 1:50

TO: Office of the City Manager  
ATTN: Deborah Edgerly  
FROM: Community and Economic Development Agency  
DATE: September 30, 2003

RE: **REQUEST TO APPROVE A CITY RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A BILLBOARD RELOCATION AGREEMENT WITH CLEAR CHANNEL OUTDOOR, INC., TO WAIVE ITS RIGHTS TO COMPENSATION, INCLUDING ALL REAL PROPERTY AND PERSONAL PROPERTY INTERESTS, FOR TWELVE BILLBOARDS LOCATED AT 2024, 2564, AND 6518 SAN PABLO AVE. (TOTAL OF SEVEN BILLBOARDS), 6115 AND 7326 INTERNATIONAL BLVD., 743 HIGH STREET, 2715 FOOTHILL BLVD., AND 1028 98<sup>TH</sup> AVE., IN EXCHANGE FOR THE RECONSTRUCTION OF AN EXISTING BILLBOARD AT 743 HIGH STREET, A NEW BILLBOARD AT 3425 ETTIE STREET, AND THE COMMITMENT OF CLEAR CHANNEL OUTDOOR, INC., TO RETAIN ITS OFFICE AND OPERATIONAL FACILITIES IN THE CITY OF OAKLAND FOR A MINIMUM PERIOD OF TEN YEARS**

**SUMMARY**

The City Council is asked to approve a Resolution to permit the City to enter into a Billboard Relocation Agreement with Clear Channel Outdoor Inc., a Delaware corporation ("Clear Channel") regarding the specific sites identified in the resolution title above. Approval of this Agreement will represent a successful conclusion to the City's efforts to retain Clear Channel Outdoor in Oakland as the company has committed to maintaining both its advertising/administrative unit and its operations unit in Oakland upon expiration of its current lease with the Port of Oakland in April 2004. The Agreement also will result in the removal of 12 billboards throughout Oakland's neighborhoods in exchange for the addition/reconstruction of two 20' x 60' billboards with freeway visibility.

**FISCAL IMPACT**

The proposed Billboard Relocation Agreement will not result in any direct cost impacts because Clear Channel is waiving its rights to compensation, including all real property and personal property interests for the 12 billboards specified below. The agreement will result in lower acquisition costs (by an estimated \$500,000) of those property interests from Clear Channel. If the Agreement is not approved and Clear Channel relocates outside of Oakland, the City will lose the business tax revenue derived from its Oakland operations (the amount is confidential).

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## BACKGROUND

- In 1997, the City of Oakland enacted an Ordinance prohibiting the installation of new billboards anywhere in the City.
- In 2002, the City adopted an Ordinance to amend the Oakland Municipal Code to permit relocated and wholly reconstructed advertising signs pursuant to Franchise/Relocation Agreements.

Clear Channel and its predecessors have been located at its current site at the Port of Oakland since 1964. With its current lease expiring in April 2004, Clear Channel has been courted by two other cities that have offered to let the company erect new billboards to offset moving and occupancy expenses.

However, Clear Channel management has stated their preference to stay in Oakland because of the long-standing involvement of its employees in the Oakland community and the company's soon-to-be-unveiled \$5 million bus shelter program. The company has asked for this Agreement to create the additional revenues needed to offset the \$1-3 million that will be incurred in relocating its single office space to two Oakland sites:

- Development of a new 15,000 s.f. operations facility at 1829 and 1905 Cypress Street in West Oakland (off the Mandela Parkway).
- Lease of 10,000 s.f. of office space in the new Shorenstein building at 555 12<sup>th</sup> Street.

On July 29, 2003, the City Council reviewed an informational report regarding this business retention effort ("FRANCHISE/RELOCATION AGREEMENT IN AN EFFORT TO RETAIN CLEAR CHANNEL'S HEADQUARTER LOCATION IN OAKLAND"). Although this was an informational report not requiring a vote, the City Council voted its approval (6-2) of the concept of exchanging billboards to keep the company in Oakland.

## KEY ISSUES AND IMPACTS

- The key issue is retention of an expanding, long-time Oakland business that employs between 80-100 people, half of whom are unionized. Failure to approve this Agreement may result in Clear Channel's relocation outside of Oakland, the loss of business tax revenues derived from the company's current Oakland location, and the loss of 80-100 jobs to an alternate municipality, and associated, negative fiscal impacts of losing a company of this size. Regardless of Clear Channel remaining in Oakland the firm remains committed to its agreement with the City to local hiring 6-10 residents for work on the bus shelter program.
- The proposed Billboard Relocation Agreement would remove 12 existing billboards from several Oakland neighborhoods, as compensation to the City for the addition of two

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new/reconstructed billboards at 743 High Street and 3425 Ettie Street, and Clear Channel's commitment to maintain its office and operation centers in Oakland.

- The proposed Relocation Agreement would result in a net loss of ten advertising signs in Oakland, and a net increase of 24 square feet of advertising sign surface as the new signs would be significantly larger than the signs proposed for removal.
- As evidence of Clear Channel's commitment to stay in Oakland, the Billboard Relocation Agreement will require the execution of signed leases for minimum ten-year terms prior to implementation of the Agreement, and other conditions as may be recommended by the City Attorney.

## PROJECT DESCRIPTION

The proposed project is a relocation agreement to remove 12 existing billboards (see Attachment A) and construct two new billboards adjacent to Interstate 880 (I-880). The three components of the proposed relocation agreement are more fully described as follows:

1. *Removal of 12 Existing Billboards:* Clear Channel would remove 12 legal, nonconforming billboards at the following locations:
  - Three signs located at 6518 San Pablo Ave, in the C30 zoning district and Community Commercial General Plan land use designation. All three signs are six feet tall by twelve feet wide;
  - Three signs located at 2564 San Pablo Ave., in the C30 zoning district Urban Residential General Plan land use designation. One sign is six feet tall by twelve feet wide; the second and third signs are each twenty feet tall by thirty feet wide.
  - 2024 San Pablo Ave., in the C30 zoning district Urban Residential General Plan land use designation. This is the largest of the signs at fourteen feet tall by forty eight feet wide.
  - 6115 International Boulevard, in the C40 zoning district and Community Commercial General Plan land use designation. This sign is twelve feet tall by twenty-five feet wide;
  - 7326 International Blvd., in the C40 zoning district and Community Commercial General Plan land use designation. This sign is six feet tall by twelve feet wide.
  - 743 High Street, in the M40 zoning district and Business Mix General Plan land use designation. This sign is twelve feet tall by twenty-five feet wide;
  - 2715 Foothill Blvd., in the C30 zoning district and Urban Residential General Plan land use designation. This sign is six feet tall by twelve foot wide; and
  - 1028 – 98<sup>th</sup> Ave, in the R40 zoning district and Housing and Business Mix General Plan land use designation. This sign is six feet tall by twelve feet wide.

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All of the sites identified above are located along major arterial streets in Oakland. None of these signs is scheduled for removal under the amortization program.

2. *Development of Two New Billboards:* Under the terms of the proposed relocation agreement, Clear Channel would construct two new back-to-back bulletin billboards (20 feet by 60 feet, each) fronting I-880 at the following locations:
  - 743 High Street: This site, located in East Oakland, is zoned M40, Heavy Industrial Zoning District, and falls under the Business Mix General Plan land use designation. The surrounding development pattern consists of industrial uses and transportation systems (BART overhead rails, at-grade heavy rail), I-880 and a major arterial street (High Street). The proposed sign, oriented toward I-880, would replace an existing billboard located on the subject site. The existing billboard would be removed as part of the proposed relocation agreement.
  - 3425 Ettie Street: This site, located in West Oakland, is zoned M-30, General Industrial District, and falls under the Housing and Business Mix General Plan land use designation. The surrounding area is generally characterized by a mix of industrial, live/work and residential uses, as well as by vacant lots. The proposed sign would be oriented toward I-880 and I-580.
3. *Commitment to Occupy Space in Oakland:* Clear Channel will commit to occupy space for its administrative and operational activities in Oakland for a period of no less than ten years, as evidenced by executed leases or deed of trust on the aforementioned spaces and other conditions as may be recommended by the City Attorney.

## SUSTAINABLE OPPORTUNITIES

Economic: Execution of the proposed Agreement will ensure that an expanding business that has been located in Oakland for almost 40 years will continue to be located here. 80-100 jobs will be retained, and more jobs are likely to be created through the company's planned expansion over the next five years, contributing to job creation and increased tax revenue for the City.

Additionally, the company will renovate one or more blighted, abandoned buildings located along West Oakland's Mandela Parkway (1829 and 1905 Cypress Street) to house the company's operations facility or will demolish these buildings and construct a new building, leading to removal of blighted and underutilized real property and increased tax revenue for the City.

Environmental: Removal of the 12 billboards will result in reduced blight in our City's neighborhoods, increasing enhancement of the City's physical attributes.

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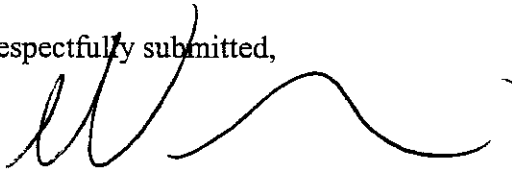
**DISABILITIES AND SENIOR CITIZEN ACCESS**

Approval of this Resolution will have no direct impact on disabled and senior citizen access.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends approval of a Resolution authorizing the City Manager to enter into a Billboard Relocation Agreement with Clear Channel Outdoor, Inc., to waive its rights to compensation, including all real property and personal property interests, for twelve billboards located at 2024, 2564 and 6518 San Pablo Ave. (total of seven billboards), 6115 and 7326 International Blvd., 743 High Street, 2715 Foothill Blvd., and 1028 98<sup>th</sup> Ave., in exchange for the reconstruction of an existing billboard at 743 High Street, a new billboard at 3425 Ettie Street, and the commitment of Clear Channel Outdoor, Inc., to retain its office and operational facilities in the City of Oakland for a minimum period of ten years.


Respectfully submitted,



Daniel Vanderprien, Housing, Economic and  
Development Director

Prepared By: Deborah V. Acosta, Urban Economic  
Analyst III

APPROVED AND FORWARDED TO THE  
CITY COUNCIL

  
Office of the City Manager

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ATTACHMENT A

<b>CLEAR CHANNEL BILLBOARDS TO BE REMOVED</b>					
Type of Sign	Sq. Footage	PLN#	Description	Address	APN#
			<b>SIGNS TO BE REMOVED</b>		
8-Sheet	72	7189	San Pablo EL 75' s/o 66th Ave. - n#1	6518 San Pablo Ave.	016-1453-017-01
8-Sheet	72	7190	San Pablo EL 75' s/o 66th Ave. - n#2	6518 San Pablo Ave.	016-1453-017-01
8-Sheet	72	7191	San Pablo EL 75' s/o 66th Ave. - sf	6518 San Pablo Ave.	016-1453-017-01
8-Sheet	72	7284	E. 14th St. NL 106' e/o 73rd Ave. - wf	7326 International Blvd.	040-3317-031
30-Sheet	300	1767	E. 14th St. SL 53' e/o 61st Ave. - ef	6115 International Blvd.	041-3883-003-01
30-Sheet	300	1900	High St. WL 200' n/o Coliseum Way - sf	743 High St.	033-2203-008-01
30-Sheet	300	2178	West St. WL 95' s/o 26th St. - nf	2564 San Pablo Ave.	009-0679-044
30-Sheet	300	2179	West St. WL 95' s/o 26th St. - sf	2564 San Pablo Ave.	009-0679-044
8-Sheet	72	7289	98th Ave. EL 20' s/o E St.	1028 - 98th Ave.	045-5227-008-04
8-Sheet	72	7079	Foothill Blvd. SL 160' e/o 27th Ave. - wf	2715 Foothill Blvd.	025-0733-003
8-Sheet	72	7236	West St. WL 135' s/o 26th St. - nf	2564 San Pablo Ave.	009-0679-044
Bulletin	672	1223	San Pablo EL 10' s/o 21st St. - ef	2024 San Pablo Ave.	008-0645-0210-00