



AGENDA REPORT

TO: Jestin D. Johnson City Administrator
Councilmembers and Members of the
Public

FROM: Councilmember's
Ramachandran and Gallo

DATE June 10,2025

**SUBJECT: RESOLUTION AUTHORIZING
THE CITY ADMINISTRATOR TO
NEGOTIATE AND ENTER INTO
AN ADVERTISING SIGNS
RELOCATION AGREEMENT
WITH BECKER BOARDS,
CALIFORNIA L.L.C.**

RECOMMENDATION

A RESOLUTION:

(1) AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND ENTER INTO AN ADVERTISING SIGNS RELOCATION AGREEMENT WITH BECKER BOARDS, CALIFORNIA L.L.C. ("BECKER"), WITH SUCH AGREEMENT INCLUDING THE FOLLOWING: (A) ALLOWING BECKER TO ERECT UP TO FIVE NEW ADVERTISING SIGNS AT CERTAIN LOCATIONS ON PRIVATE PROPERTY IN EXCHANGE FOR BECKER CAUSING THE REMOVAL OF ELEVEN EXISTING ADVERTISING FACES AT VARIOUS LOCATIONS IN THE CITY BY DATES CERTAIN, WITH BECKER WAIVING ITS RIGHTS TO JUST COMPENSATION FOR THE REMOVED SIGNS; (B) REQUIRING BECKER TO MAKE PAYMENTS OF UP TO \$2,332,500, FOR FISCAL YEARS 2025/2026 AND 2026/2027 AND ANNUAL PAYMENTS OF UP TO \$750,000 FOR A THIRTY-ONE YEAR TERM WITH ESCALATIONS, IN ADDITION TO PROVIDING OTHER FINANCIAL INCENTIVES TO THE CITY INCLUDING NEGOTIATED CARBON OFFSET AND BEAUTIFICATION FEES; AND

(2) ADOPTING APPROPRIATE CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS

Staff Recommends That The City Council

EXECUTIVE SUMMARY

The City Council is asked to adopt a resolution to permit the City to enter into a Relocation Agreement with Becker Boards, LLC (Becker), a California limited liability company. The Relocation Agreement will require Becker to remove up to eleven (11) existing Advertising Sign faces during the term of the Agreement and allow Becker to construct up to five (5) new double-sided billboards with freeway visibility. This Relocation Agreement is similar to the Relocation Agreement the City entered into with Becker on December 29, 2023 (which generated \$750,000 in one time revenue to the City and will generate approximately \$12,000,000 in on-going annual revenue to the City over its term) and is consistent with state law and City ordinances. This Relocation Agreement will generate approximately \$2,357,500 in advance revenue to the city and over \$35,000,000 in on-going annual revenue to the City over its term.

BACKGROUND / LEGISLATIVE HISTORY

Becker proposes to build five (5) New Advertising Signs on various private property sites along freeway corridors and to contractually commit to remove eleven (11) existing Advertising Signs on private property in locations throughout the City within 15 years following the construction of the New Advertising Signs. The Agreement would generate up to \$35,000,000 in direct funding to the City over its term. Upon erection of the five signs, Becker would pay the City \$1,500,000. Thereafter, annual payments to the City will equal \$750,000 per year for the term of the Agreement (with exception to the second annual payment, which will instead be paid in advance). Like the Agreement entered into on December 29, 2023, this Agreement would include free advertising for the City and community-based organizations. Free advertising to date has been provided to dozens of Oakland-based businesses, non-profit organizations and Oakland events. This program has already yielded increased business, funding, and promotion of City-benefitting small business and non-profit organizations

ANALYSIS AND POLICY ALTERNATIVES

State law allows cities to enter in relocation agreements allowing for the removal of existing signs and the construction of new signs on terms and conditions that are mutually agreeable with the parties (Business and Professions Code section 5412); see also Oakland Municipal Code section 1501 (6) ("Signs Adjacent to Freeways"). This Agreement is consistent, and State law allows cities to enter into relocation agreements allowing for the removal of existing signs and the construction of new signs on terms and conditions that are mutually agreeable with the parties (Business and Professions Code section 5412); see also Oakland Municipal Code section 1501 (6) ("Signs Adjacent to Freeways"). This Agreement is consistent would those provisions and

would generate millions of dollars of revenue for the City, including revenue for existing signs that are currently generating no revenue for the City. The Agreement would result in payments to the City of Oakland of \$1,580,000 in 2025, and \$777,500 in 2026, for total payments of approximately \$2,357,500 in fiscal years 2025/2026 and 2026/2027.

The Agreement would also provide free advertising space for the City, small business organizations, community organizations, and nonprofit organizations, totaling hundreds of thousands of dollars in additional community benefit.

Becker would also make a capital investment of approximately five million dollars (\$5,000,000) to erect its Advertising Signs resulting in some economic multiplier effect in the City as well.

FISCAL IMPACT

The proposed Relocation Agreement is anticipated to generate approximately Thirty-Five Million Dollars (\$35,000,000) of direct funding for the City over its term based on an average revenue of approximately One Hundred Seventy Thousand Dollars (\$170,000) per Advertising Sign per year. The term of the Agreement is 31 years with an option to extend for 10 years.

To compensate the City for the administrative costs in entering into the Relocation Agreement and issuing the building permits for the Advertising Signs, the Agreement requires Becker to pay a minimum of twenty-five thousand dollars (\$25,000) to the City upon entering into the Relocation Agreement. The Agreement also requires Becker to remove the existing sign faces within fifteen (years) of the New Advertising Signs being built, and to pay the City \$27,000 per year for each year that the removed signs remain in place (at a rate of \$2750 each until they are removed).

Under the Agreement, Becker waives its rights to just compensation related to the removal of existing Advertising Signs, including with respect to all real property and personal property interests related thereto. The Agreement requires Becker to remove these signs at its sole cost and expense.

Becker is also required to commence operations of each New Advertising Sign at least one (1) month prior to September 15, 2026, provided that such date can be extended, if the City or Cal-Trans have not issued all required construction permits by such date, until a date all construction permits are issued.

PROJECT DESCRIPTION

The Relocation Agreement will require Becker to remove up to eleven (11) existing Advertising Sign faces during the term of the Agreement and allow Becker to construct up to five (5) new double-sided billboards with freeway visibility.

Two Million Three Hundred Fifty-Seven Thousand And Five Hundred Dollars (\$2,357,500) in Fiscal Years 2025/2026 and 2026/2027

Payment to the City of one million five hundred eighty thousand dollars (\$1,580,000) in 2025. Payments to the City of seven hundred seventy-seven thousand and five hundred dollars (\$777,500) in 2026.

Advanced and One-Time Payments:

\$300,000 (Two Years of Advanced payments, years 1 and 3) (Per Sign)-

\$11,000 Carbon Offset Fee (Per Sign)

\$5,000 Prepaid planning fee (Per Sign)

\$316,000 Total upfront payments for each Sign

\$1,580,000 Upfront Payments for 5 Signs

Annual Payments:

\$150,000 per year per sign

\$750,000 Annual Payments for Five Signs

Annual Beautification Fee: \$27,500 per year: per removal face until it is removed)

Each Advertising Sign will require both a City building permit and a Cal-Trans outdoor advertising display permit prior to construction. Each Advertising Sign will either be sub-metered from the existing PG&E meter on site, if feasible, or will require its own new PG&E meter install.

Each Advertising Sign will be 100% carbon-neutral for the life of the Sign.

COORDINATION

PAST PERFORMANCE, EVALUATION AND FOLLOW-UP (If Applicable)

SUSTAINABLE OPPORTUNITIES

Economic Development: The Agreement is anticipated to generate approximately Thirty-five million dollars (\$35,000,000) to the City over its term. In addition, free advertising will be provided across the entire five (5) new Advertising Sign face network proposed in this Resolution for:

- 1) The Unity Council
 - for businesses in their small business development program, and for Unity Council events
- 2) Oakland African American Chamber of Commerce
 - for Chamber members registered as an Oakland-based small-business, an Oakland-based micro enterprise, or an Oakland-based nonprofit organization, and for Chamber events
- 3) Oakland Chinatown Chamber of Commerce
 - for Chamber members registered as an Oakland-based small-business, an Oakland-based micro enterprise, or an Oakland-based nonprofit organization, and for Chamber events
- 4) Oakland Latino Chamber of Commerce
 - for Chamber members registered as an Oakland-based small-business, an Oakland-based micro enterprise, or an Oakland-based nonprofit organization, and for Chamber events
- 5) Oakland Vietnamese Chamber of Commerce
 - for Chamber members registered as an Oakland-based small-business, an Oakland-based micro enterprise, or an Oakland-based nonprofit organization, and for Chamber events
- 6) Oakland Metropolitan Chamber of Commerce
 - for Chamber members registered as an Oakland-based small-business, an Oakland-based micro enterprise, or an Oakland-based nonprofit organization, and for Chamber events
- 7) Black Cultural Zone Community Development Corporation
 - for organizations and businesses that are members of the Collective, and for events for the Collective
- 8) Visit Oakland
 - for Oakland branding and messaging, Oakland events, Oakland marketing, and collaborative messaging in partnership with the Oakland Business Improvement Districts (BID) alliance, and public service messaging
- 9) East Oakland Youth Development Center
 - for education programs, community events, scholarships, awareness campaigns, affiliate community and public health messaging, and youth empowerment.
- 10) Bay Area Small Merchants Chamber of Commerce

- for cultural events, community-based events, and local small business promotion efforts, and support of the Yemeni American business community
- 11) City of Oakland
- for City branding, emergency, and public service messaging
- 12) Oakland Police Department
- for hiring solicitation
- 13) Oakland Public Works
- for illegal dumping abatement messaging

Environmental Impact: One hundred percent (100%) of the carbon impact of producing the electricity consumed by each of the proposed Advertising Signs will be offset by an upfront payment in the amount equal to the cost of offsetting the carbon. In addition, Becker agrees to utilize the latest “light blocking” technology (e.g., louvers) to address any potential impacts related to light and glare from the New Advertising Signs, unless doing so would restrict visibility from the freeway.

Social Equity: The millions of dollars of free advertising will benefit all districts and serve impacted Oakland business and community-based organizations from across the City.

In addition, removal of eleven (11) existing Advertising Sign faces will result in a substantial reduction in the number of Advertising Faces in the City's neighborhoods, increasing enhancement of the City's beauty and physical attributes.

Economic:

Environmental:

Race & Equity:

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) (If Applicable)

The Council's action in approving the Relocation Agreement relies on the following California Environmental Quality Act (“CEQA”) documents including: The Coliseum Area Specific Plan Environmental Impact Report (“EIR”) (2015); Broadway Valdez Specific Plan EIR (2014); West Oakland Specific Plan EIR (2014); Central Estuary Area Plan EIR (2013); Land Use and Transportation Element of the General Plan EIR (1998); the Oakland Estuary Policy Plan EIRs (1999, 2006) and Supplemental EIR (2013); the Redevelopment Area EIRs- West Oakland (2003), Central City East (2003), Coliseum (1995), and Oakland Army Base (2002); and various Redevelopment Plan Final EIRs (collectively, “Previous CEQA Documents”). No further environmental review is required under CEQA Guidelines Sections 15162 and 15163. Moreover, each as a separate and

independent basis, the Relocation Agreements are also exempt from CEQA pursuant to Public Resources Code Section 21080.17 and CEQA Guidelines Sections 15183 (projects consistent with General Plan and Zoning) and 15061(b)(3) (general rule, no significant effect on the environment). In addition, the Relocation Agreements are exempt pursuant to CEQA Guidelines Sections 15301 (Existing Facilities); 15302 (Small Structures); 15303 (Minor Alterations to Land); and 15332 (Infill Development Projects). No exceptions to these exemptions apply. The proposed Advertising Signs are in areas within the City on existing highway corridors not deemed to be a Landscaped Freeway by the California Department of Transportation ("CalTrans"), and are in areas already highly urbanized. Furthermore, the Advertising Signs to be

ACTION REQUESTED OF THE CITY COUNCIL

That The City Council

ADOPT A RESOLUTION:

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(2) ADOPTING APPROPRIATE CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS

For questions regarding this report, please contact Iris Merriouns Chief of Staff to Councilmember Janani Ramachandran

Respectfully submitted,

Councilmember Janani Ramachandran

Prepared by: Councilmember Ramachandran

Name of Preparer: Iris Merriouns
Chief Staff to Councilmember Ramachandran

Attachments