

CITY OF OAKLAND
AGENDA REPORT

2010 JUN 10 PM 1:34

TO: Oakland City Council
FROM: Dan Lindheim, City Administrator
DATE: June 15, 2010

RE: **A Supplemental Report Regarding An Amendment To Ordinance No. 13003 C.M.S. (Authorizing A Billboard Agreement And Sublease Amendments With Clear Channel Outdoor, Inc. (Clear Channel) Relating To Three Signs At 165 98th Ave., Interstate 580 & Ettie Street, And Oakport & Hassler) Deleting The Requirements That The City Have: (1) Exclusive Use Of, And An Even (50/50) Split Of Revenue From, A Portion Of The Oakport & Hassler Sign; And (2) The Right To Use Unsold Advertising Space On All Three Signs, And Providing Instead That Clear Channel Allow The City To Use Fifty Percent (50%) Of Any Unsold Space On The Oakport & Hassler Sign**

SUMMARY

At its June 1, 2010 meeting, the City Council continued action on the second reading of an Ordinance which proposes to amend a previous agreement with Clear Channel Outdoor, Inc. (CCO) regarding three outdoor advertising structures. The Council postponed action on the second reading of the Ordinance to its meeting of June 15, 2010, to allow time to address concerns which had arisen regarding the location of Clear Channel Outdoor, Inc., and how that location might relate to the City Council's recent policy against doing business with firms located in the State of Arizona.

BACKGROUND

On April 20, 2010, the City Council adopted Ordinance No. 13003 C.M.S., granting CCO the rights to convert one face of an existing freeway billboard on private property on Ettie Street to Light Emitting Diode (LED) technology, to construct a new, standard (non-LED) billboard on private property at 98th Avenue and Bigge Street, and to standardize the size and convert an existing billboard at Oakport and Hassler to LED technology. In exchange, CCO agreed to remove 37 existing signs within the City of Oakland, to pay \$1 million to the City's general fund, and to amend the existing Oakport sublease to increase the City's annual revenue share to 30%, with a guaranteed minimum annual amount from that revenue share of \$150,000.

The proposed Ordinance to amend that previous agreement clarifies the terms of the original agreement, to make clear that the City is entitled to the use of 50% of any unsold advertising space on the Oakport sign, but that the City is not entitled to any revenue from the re-sale of any

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such unsold space on that sign. The amendment was put forward to make the agreement consistent with terms agreed to by the City and CCO in discussions prior to the adoption of the original Ordinance. The City Council unanimously adopted the first reading of the proposed new Ordinance at its meeting of May 18, 2010.

KEY ISSUES AND IMPACTS

According to the Business Entities web search page of the office of California Secretary of State Debra Bowen, Clear Channel Outdoor, Inc. is registered with the State of California as having been incorporated in the State of Delaware, with a primary entity address in San Antonio, Texas. This information provided by the California Secretary of State makes no mention of any connection with the State of Arizona. A copy of the printout of this page is included with this supplemental report as *Attachment A*.

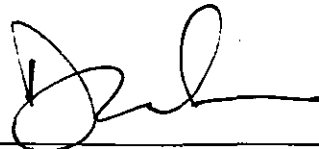
A copy of Clear Channel Outdoor's Certificate of Good Standing provided by the Secretary of State's office is included with this report as *Attachment B*, showing a State of Delaware jurisdiction. A Certificate of Good Standing is the document used by the City of Oakland when reviewing the corporate status of entities with which it does business.

As reflected in these documents, Clear Channel Outdoor, Inc. is not an Arizona-based company in the eyes of the State of California.

ACTION REQUESTED OF THE CITY COUNCIL

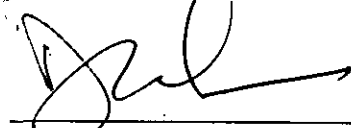
Staff requests that the City Council approve the proposed Ordinance.

Respectfully submitted,



Dan Lindheim
City Administrator

APPROVED AND FORWARDED TO THE
CITY COUNCIL:



Office of the City Administrator

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Secretary of State

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Business Entities (BE)

Online Services

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Customer Alert

(misleading business solicitations)

Business Entity Detail

Data is updated weekly and is current as of Friday, June 04, 2010. It is not a complete or certified record of the entity.

Entity Name:	CLEAR CHANNEL OUTDOOR, INC.
Entity Number:	C1961497
Date Filed:	02/23/1996
Status:	ACTIVE
Jurisdiction:	DELAWARE
Entity Address:	200 E BASSE RD
Entity City, State, Zip:	SAN ANTONIO TX 78209
Agent for Service of Process:	CORPORATION SERVICE COMPANY WHICH WILL DO BUSINESS IN CALIFORNIA AS CSC - LAWYERS INCORPORATING SERVICE
Agent Address:	2730 GATEWAY OAKS DR STE 100
Agent City, State, Zip:	SACRAMENTO CA 95833

* Indicates the information is not contained in the California Secretary of State's database.

- If the status of the corporation is "Surrender," the agent for service of process is automatically revoked. Please refer to California Corporations Code [section 2114](#) for information relating to service upon corporations that have surrendered.
- For information on checking or reserving a name, refer to [Name Availability](#).
- For information on ordering certificates, copies of documents and/or status reports or to request a more extensive search, refer to [Information Requests](#).
- For help with searching an entity name, refer to [Search Tips](#).
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State of California
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CERTIFICATE OF STATUS

ENTITY NAME:

CLEAR CHANNEL OUTDOOR, INC.

FILE NUMBER: C1961497
REGISTRATION DATE: 02/23/1996
TYPE: FOREIGN CORPORATION
JURISDICTION: DELAWARE
STATUS: ACTIVE (GOOD STANDING)

I, DEBRA BOWEN, Secretary of State of the State of California,
hereby certify:

The records of this office indicate the entity is qualified to
transact intrastate business in the State of California.

No information is available from this office regarding the financial
condition, business activities or practices of the entity.



IN WITNESS WHEREOF, I execute this certificate
and affix the Great Seal of the State of
California this day of June 09, 2010.

A handwritten signature in cursive script that reads 'Debra Bowen'.

DEBRA BOWEN
Secretary of State