

19 MAY 16 PM 4:00

Approved as to Form and Legality


Office of the City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO. 87706 = C.M.S.

Introduced by Council President Rebecca Kaplan,
Vice Mayor Larry Reid and City Attorney Barbara J. Parker

RESOLUTION AUTHORIZING THE COUNCIL'S REPRESENTATIVES ON THE OAKLAND-ALAMEDA COUNTY COLISEUM JOINT POWERS AUTHORITY ("JPA") BOARD TO VOTE TO APPROVE THE NAMING RIGHTS LICENSING AGREEMENT BETWEEN THE JPA AND RINGCENTRAL, INC, FOR THE OAKLAND-ALAMEDA COUNTY COLISEUM WITH (1) A THREE YEAR TERM ENDING JUNE 30,2022, (2) AN ANNUAL LICENSING FEE OF ONE MILLION DOLLARS (\$1,000,000), (3) AN OPTION FOR RINGCENTRAL TO EXTEND THE AGREEMENT FOR AN ADDITIONAL 12 TO 18 MONTHS AND (4) RINGCENTRAL'S RIGHT TO RENAME THE COLISEUM RINGCENTRAL STADIUM (OR SUCH OTHER NAME THAT RINGCENTRAL SELECTS) FOR THE TERM ALONG WITH THE REPLACEMENT OF RELEVANT SIGNAGE, MEDIA COLLATERAL, AND MARKETING MATERIALS

WHEREAS, at its May 17, 2019 open session meeting, the Oakland-Alameda County Joint Powers Authority ("JPA") Board was scheduled to consider a proposed Naming Rights Agreement ("Agreement") with RINGCENTRAL, INC., a Delaware corporation doing business as RingCentral ("RingCentral"), for the Oakland-Alameda County Coliseum ("Coliseum"); and

WHEREAS, on May 15, 2019, the JPA Board canceled the above-described meeting and we anticipate the Board will schedule a special meeting to approve the Agreement; and

WHEREAS, the Agreement, if approved, by the JPA Board will take effect immediately for a three year term ending on June 30, 2022 with RingCentral (1) paying an annual licensing fee of one million dollars (\$1,000,000), (2) having an option to extend the Agreement for an additional 12 to 18 months, and (3) having the right to rename the Coliseum RingCentral Stadium (or such other name that RingCentral selects) for the term, along with the replacement of relevant signage, media collateral, and marketing materials; and

WHEREAS, Rule 25 of the Council's Rules of Procedure Resolution No. 87044 C.M.S provides that the City Councilmembers who represent the City on the JPA Board "shall receive City Council authorization from a majority of the Council prior to casting vote(s) on any matter which could have a significant economic or policy impact on the City, or on any matter of particular controversy" and Rule 25 defines a significant economic impact as "licenses, leases, contracts or other transactions that could or will have an economic impact of \$1 million or higher on the City of Oakland"; and

WHEREAS, Rule 25 applies to the Agreement because it could have a significant economic impact on the City as it potentially would provide \$1 million in revenue to the City given the \$1 million licensing fee that RingCentral will pay each year of the three-year term and RingCentral's option to extend the term for an additional 12-18 months; and

WHEREAS, the Coliseum's last naming rights agreement was with Overstock.com ("Overstock"). and was executed on April 27, 2011 for a six-year, \$7.2 million licensing fee; and Overstock opted out of the final year of its naming rights deal with the JPA on April 2, 2016, and the Coliseum has been referred to as the Oakland-Alameda County Coliseum since that date; and

WHEREAS, RingCentral proposes to enter into a deal with the JPA on terms similar to those offered to Overstock, except that a broker's commission will not be paid in this deal; and the Agreement will commence as soon as the JPA approves it and will expire on June 30, 2022, unless RingCentral exercises its option to extend the term by an additional 12-18 months; and

WHEREAS, in exchange for an annual license fee of \$1 million (prorated for the extension period), RingCentral will have the right, among other things, to rename and install signage on the exterior of the Coliseum, for the term of the Agreement, the new name of "RingCentral Stadium" or such other name selected by RingCentral; and

WHEREAS, the Agreement also provides that the JPA will agree to change all marketing collateral and uniforms to the new name for the Coliseum, and that RingCentral will have the right to obtain permits for and install new locational signs on the roads and freeway around the Coliseum; and RingCentral will pay a specified maximum amount of the costs for these changes, with the JPA bearing the remainder of the costs; and

WHEREAS, RingCentral will have the obligation to pay a minimum of \$300,000 to repaint the Coliseum, with the JPA bearing the first \$100,000 of the repainting costs; and

WHEREAS, the Agreement must be approved by the JPA Board and does not require approval by the County of Alameda or the City of Oakland; and

WHEREAS, the need for the Council to give direction to its representatives on the JPA pursuant to Rule 25 of the Council's Rules of Procedure Resolution 87044 C.M.S., came to the attention of the Rules and Legislation Committee and the City Council after the 10-day agenda deadline for the Council's May 21, 2019 regular meeting, and in order to provide direction to the Council's representatives on the JPA Board before the Board meeting at which the Board will consider approving the proposed Agreement, it is advisable that the Council consider this Resolution at the Council's May 21, 2019 meeting; and time is of the essence for the JPA Board to consider the proposed Agreement given the revenue the Agreement will provide to the JPA, thereby potentially reducing the deficit that the County and the City currently evenly split each year; now, therefore, be it

RESOLVED: That the Council hereby authorizes its representatives on the JPA Board to vote in favor of approving the Agreement between the JPA and RingCentral granting RingCentral (1) the right to rename the Coliseum RingCentral Stadium (or such other name selected by RingCentral) along with the replacement of relevant signage, media collateral, and marketing materials for a three-year term ending June 30, 2022, and (2) the option to extend the Agreement for an additional 12 to 18 months, in exchange for RingCentral's payment of an annual licensing fee of one million dollars (\$1,000,000) and payment of certain initial transition costs.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FORTUNATO BAS, GALLO, ~~ABSON, MCLELLAN, KALB, REID, TAYLOR, THAO~~
AND PRESIDENT KAPLAN - 7

NOES - 0

ABSENT - 0

ABSTENTION - 0

Excused - 1 McElhenny

ATTEST:



LATONDA SIMMONS
City Clerk and Clerk of the Council of
the City of Oakland, California