

**CITY OF OAKLAND
SUPPLEMENTAL AGENDA REPORT**

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2003 NOV 13 PM 4:27

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

RE: SUPPLEMENTAL AGENDA REPORT TO A 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.

SUMMARY

The City Council has requested further analysis of the specific billboards identified for removal in Attachment A, Clear Channel Billboard Removal Spreadsheet, included with the original Agenda Report and Resolution, dated November 18, 2003. This Supplemental Report will provide the following information:

1. Validation of the amortization status of all billboards listed in Attachment A.
2. Scheduled amortization dates of all amortized billboards.
3. Clear Channel's projection of annual revenues that will be forgone through removal of these billboards.
4. Clear Channel's projection of annual revenues for the two new billboards.
5. Structural value of the billboards to be removed.
6. Total square footage of the billboards to be removed vs. the two billboards to be added.

FISCAL IMPACT

See original Report dated November 18, 2003.

Item: 20
City Council
Nov. 18, 2003

KEY ISSUES AND IMPACTS

1. Listing of Amortized Signs and Scheduled Amortization Dates:

All of those billboards listed as amortized on Attachment A to the original report dated November 18, 2003, are scheduled to be removed in 2004, except for the following two signs that are inaccurately identified as amortized:

- 2239 – 23rd Ave. (PLN#7279)
- 8411 MacArthur Blvd. (PLN#1950)

All of the other signs on Attachment A are appropriately identified as not scheduled for amortization.

2. Annual Revenues Associated with Billboards to be Removed:

Clear Channel has provided the following revenue and valuation information regarding the billboards to be removed:

Size of Sign	Annual Gross Revenues	Annual Net Revenues (after commissions & expenses)	Economic Value of Waived Compensation
8-Sheet (x17)	\$102,000 (\$500 ea./mo)	\$69,630	\$510,000 (based on \$30K value each)
30-sheet (x14)	\$168,000 (\$1000 ea./mo)	\$128,520	\$700,000 (based on 50K value each)
TOTAL	\$270,000	\$198,150	\$1,210,000

3. Projected Annual Revenues for New Billboards:

Clear Channel has provided the following revenue projections for the new billboards:

Size of Sign	Annual Gross Revenues	Annual Net Revenues (after commissions & expenses)	Economic Value of New Billboards
2 double-faced signs, 14' x 48' each (4 sides)	\$288,000	\$122,800	\$1,228,000 (rough estimate)

Item: 20
City Council
Nov. 18, 2003

Based on this revenue information, Clear Channel will realize a net revenue loss of \$75,350 based on removal of the existing billboards and addition of the two new billboards. The economic value of the signs to be removed vs. the signs to be added is roughly the same.

4. Structural Value of Billboards to be Removed:

The total structural value of all signs proposed for removal, per CalTrans, is \$240,900.

Per the State of California Department of Transportation (CalTrans), the *structural* value of the billboards proposed for removal (not *economic* value, which would be based on revenue-earning potential of the billboards) ranges from a low of \$3,978 for the smallest signs to \$19,403 for a double-sided, 300 s.f. billboard.

5. Square Footage of Existing Billboards vs. New Billboards:

The present proposal would result in a net decrease of billboard square footage throughout Oakland of 2,736 s.f.

The total square footage of the billboards proposed for removal is 5,424 s.f. The total amount of new billboard square footage to be added is 2,688 s.f. (2 double-faced billboards 14' x 48' s.f. each face = 4 x 672 s.f.).

PROJECT DESCRIPTION

See original Report dated November 18, 2003.

SUSTAINABLE OPPORTUNITIES

See original Report dated November 18, 2003.

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 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

Item: 20
City Council
Nov. 18, 2003

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.

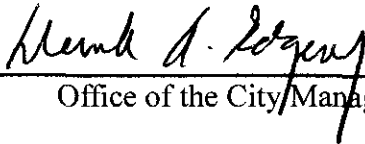
Respectfully submitted,



Daniel Vanderprieem, 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