



AGENDA REPORT

PROPOSED ACTION: **Ordinance:** Approve and Authorize the Executive Director to Execute an *Amendment No. 3 to Space/Use Permit* with Outfront Media LLC, at Oakland Airport to Extend the Term for 19 Months Expiring No Later than June 30, 2027 with Anticipated Revenues of \$415,625 over the Proposed Extended Term, Waive the Restriction in Resolution No. 16-144 – Resolution Approving a Restatement, Affirmation and Update to the Board’s Policy for Awarding Concession and Customer Service Privileges at the Terminal Complex at Oakland Airport, and Finding that the Proposed Action is Exempt Under the California Environmental Quality Act. **(Aviation)**

Submitted By: Craig Simon, Director of Aviation; Kristi McKenney, Executive Director

Parties Involved: Cynthia Beiler, General Manager, Outfront Media, LLC

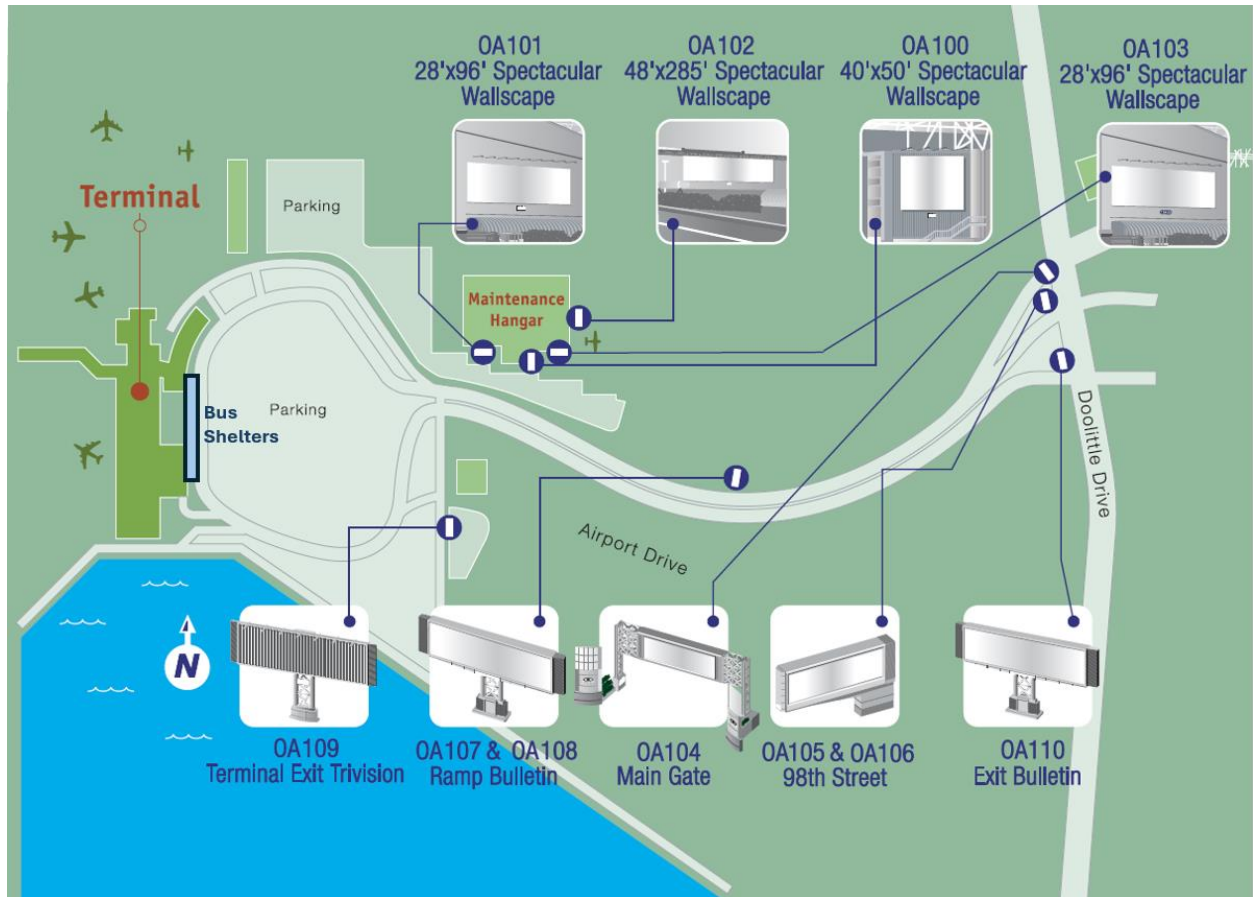
Amount: \$415,625 Anticipated Rental Revenue (December 1, 2025 to June 30, 2027)

EXECUTIVE SUMMARY: Outfront Media LLC., (Outfront Media) is a national media company specializing in outdoor advertising. Outfront Media advertises on the 11 billboards and bus shelters located throughout Oakland Airport (OAK). This action approves *Amendment No. 3 to Space/Use Permit (SUP) with Outfront Media LLC.*, to extend the term of the SUP for 19 months from December 1, 2025 through June 30, 2027, at existing rent terms. The anticipated Port of Oakland (Port) revenue will be approximately \$415,625 for the 19-month extended term. The extension of the SUP will require the Board of Port Commissioners (Board) to waive the restriction in its Concessions Policy that generally does not permit concessions agreements to be extended or renewed absent a competitive process.

BACKGROUND & ANALYSIS

At its meeting of April 6, 2004, the (Board) approved an Ordinance granting Outfront Media exterior advertising rights at Oakland Airport through November 30, 2025 for 11 single and double-sided advertising displays at OAK’s main entrance, exit, exterior buildings and along its roadways. Shortly thereafter, the Board approved advertising along OAK’s curbside bus shelters, located in front of the terminals as depicted in Figure 1 – Outdoor Advertising Locations. In calendar year (CY) 2024, the Port received \$407,092.36 in revenue from Outfront Media.

FIGURE 1 – Outdoor Advertising Locations



Port Staff is in the planning phase for a future advertising program, including outdoor and terminal advertising, which would include issuance of a comprehensive RFP in 2026 to facilitate new Advertising agreements effective July 1, 2027. To facilitate this approach, Port Staff Outfront Media's existing agreement would need to be extended for 19 months through June 30, 2027. The rent for these advertising displays varies, depending on location and is projected to be \$415,625 over the next 19 months.

TABLE 1
Proposed Terms

	Current Term:	Proposed Term:
Term:	December 1, 2005 – November 30, 2025	December 1, 2025 – June 30, 2027
Security Deposit:	\$50,000	\$100,608.35

Location	Rent (No Change)
Oakland Maintenance Center (A100) – (A103)	No MAG, 50% Percent Rent Only
Main Gate (A104)	Greater of \$37,500 MAG or 50% of Rent
Double-Sided Flag (A105, A106)	Greater of \$75,000 MAG or 50% of Rent
Double-Sided Ramp (A107, A108)	Greater of \$75,000 MAG or 50% of Rent
Wetlands/Terminal Exit (A109)	Greater of \$37,500 MAG or 50% of Rent
Exit (A110)	Greater of \$37,500 MAG or 50% of Rent
Bus Shelters	No MAG, 50% Percent Rent Only
Total Annual Mag:	\$262,500

Based on Table 1, the Port seeks to extend Outfront Media’s SUP with Amendment No. 3 from December 1, 2025 through June 30, 2027.

Exception to Board's Policy on Extension of Concession Agreements

On December 15, 2016, the Board adopted Resolution No. 16-144: "Resolution Approving a Restatement, Affirmation and Update to the Board's Policy for Awarding Concession and Customer Service Privileges at the Terminal Complex at Oakland International Airport," with the goal of this "Concession Policy" to assure the highest level of both public benefit and revenue generation consistent with the level of service desired and the Port's policy of encouraging the participation of local businesses.

"4. Negotiation for Renewal or Extensions with an Existing Operator

It is the policy of the Board that, in general, there will be no extensions or renewals to any Concession agreement. Negotiation with an existing Concessionaire for extension of the term will be used only when, upon anticipated expiration of the full terms of the Concession agreement, it is determined by the Board to be in the best interests of the Airport to negotiate a new agreement with the current Concessionaire for continued operation of the given Concession, or, alternately, during any interim period when the Port is accepting Bids or proposals for such Concession. Such negotiation will be initiated only at the option of the Board, and in no instance will such negotiations commence prior to one year before the expiration of the existing Concession agreement."

Extending the existing SUP with Outfront Media is in the best interest of the Port to provide sufficient time to implement a formal procurement process for the entire advertising program at OAK.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

- ☒ Categorically exempt under the following CEQA Guidelines Section:
15301 (Existing Facilities)
- ☐ "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).
- ☐ Other/Notes:

BUDGET

- ☐ Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR
 - ☒ Operating
 - ☐ Non-Operating
 - ☐ Capital

Analysis: There is no budget impact. Revenues are included in the proposed FY 2026 Aviation Revenue Budget.

STAFFING

- ☒ No Anticipated Staffing Impact.
- ☐ Anticipated Change to Budgeted Headcount.
Reason:
- ☐ Other Anticipated Staffing Impact (e.g., Temp Help).
Reason:

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):

Applies? No (Other) - see explanation below.

- ☐ Additional Notes:

LIVING WAGE (City Charter § 728):

Applies?

Yes (Tenant) – proposed action entails at least \$50,000 in payments from a Maritime or Aviation tenant, licensee, and/or its subtenant/sublicensee employing at least 21 employees who spend at least 25% of their time on Port-related work.

- ☐ Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? No.

Reason:

GENERAL PLAN (City Charter § 727):

Conformity Determination:

	Not Required – conformity determination not required because proposed action does not change use of or make alterations to an existing facility, or create a new facility.
<p><u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) in the Port's Strategic Plan:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Capture Our Market and Grow the Economic Base <input type="checkbox"/> Modernize and Upgrade Infrastructure <input type="checkbox"/> Transition to Zero-Emissions and Build Climate Resilience <input type="checkbox"/> Maximize Land Use Value and Revenues <input type="checkbox"/> Workforce Training and Jobs Development <input type="checkbox"/> Create Opportunities for Local Businesses and Community Economic Development 	