



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Mayor Matt Mahan  
Vice Mayor Pam Foley  
Councilmember Carl Salas  
Councilmember David Cohen  
Councilmember Michael Mulcahy

**SUBJECT:**SEE BELOW

**DATE:** 2/21/25

Approved:

Date: 2/21/25

**SUBJECT:** Large Format Digital Signage on City-Owned Property.

## RECOMMENDATION

Approve staff's recommendation and require all large-format digital signage to use 100% renewable energy from San José Clean Energy, where determined feasible by city staff.

## BACKGROUND

We support staff's recommendation to install large-format digital signage on downtown city-owned property. The program aligns with San José's broader goals of economic vitality, public engagement, and urban enhancement. The proposed agreements are expected to generate a minimum guaranteed revenue of over \$21 million over 20 years, with projected earnings potentially reaching \$37.5 million. These funds will provide critical resources for city services and infrastructure while leveraging private-sector investment to enhance downtown's visual appeal. By moving forward with this initiative, we reinforce San José's reputation as a dynamic city that embraces new, creative ways to generate income without burdening the taxpayers.

Beyond the economic benefits, this initiative delivers significant civic value by incorporating real-time digital technologies for emergency notifications, city messaging, and local advertising opportunities. 15% of the advertising time is to be reserved for free use by the city for non-commercial messaging. The City will also receive all unsold advertising time across the program to display public messaging, which staff estimate is typically 10% to 35% of the total time. These digital displays will serve as a public communication platform, broadcasting safety alerts, community events, and cultural programming to keep residents and visitors informed and engaged. Digital signage adds energy and movement to urban spaces, creating a more vibrant and modern ambiance. Strategically placed digital displays also enhance perceived safety and encourage nighttime activity, with research showing that well-lit areas can reduce crime by up to 36%.

This project is the result of years of planning and public input and underwent rigorous environmental review. The agreement with Orange Barrel Media (OBM) includes responsible lease terms, maintenance requirements, and a revenue-sharing structure that ensures long-term sustainability.

This proposal is not a blanket endorsement of billboards citywide. Future and separate digital billboard proposals will come to council. This proposal represents a targeted, strategic initiative for large-format digital signage designed specifically for downtown San José. These installations are not traditional billboards but rather dynamic digital art displays that enrich the urban landscape while delivering tangible community benefits. The City will maintain control over the types of advertisements displayed on the screens, restricting advertisements that are inappropriate for community-serving institutions, such as those like alcohol and tobacco products. These types of restrictions are similar to those used by agencies like the Valley Transportation Authority.

From an infrastructure standpoint, OBM must establish a separate utility meter and service for the project. City engineers, in collaboration with OBM's engineers, are actively working to determine the appropriate approach for each location. This memorandum direction requires OBM's downtown signs to use 100% renewable energy where determined feasible by city staff.

Importantly, any future expansion of digital signs or any similar use of technology for digital signage across the city requires City Council approval. This ensures a thoughtful, phased approach that balances economic opportunity with public benefit and community input. By approving this recommendation, we advance San José's economic and cultural landscape while ensuring lasting public benefits for years to come.

*The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member's staff, concerning any action discussed in the memorandum, and that each signer's staff members have not had, and have been instructed not to have, any such conversation with any other member of the City Council or that member's staff.*