



# Memorandum

**TO:** CITY COUNCIL

**FROM:** Mayor Sam Liccardo  
Vice Mayor Chappie Jones  
Councilmember Raul Peralez  
Councilmember David Cohen  
Councilmember Pam Foley

**SUBJECT:** SEE BELOW

**DATE:** November 24, 2021

Approved by:

Date: 11/24/21

**SUBJECT: AMENDMENT TO THE NORMAN Y. MINETA SAN JOSE  
INTERNATIONAL AIRPORT MASTER PLAN EIR FOR THE  
OUTDOOR ADVERTISING DIGITAL BILLBOARDS**

## RECOMMENDATION

Accept staff's policy alternative recommendation #1 to **not** approve the EIR addendum and direct the City Manager to conduct a Request for Proposal (RFP) process for two proposed outdoor advertising digital billboards at Norman Y. Mineta San José International Airport (SJC) that includes the following:

1. A requirement for the elimination of four existing billboards citywide for every one digital billboard erected, pursuant to the 4:1 ratio requirement of Council Policy 6-4.
2. Signage located within an Airport Influence Area shall conform to illumination requirements specified in Sections 23.02.905 and 23.04.250 of the San José Municipal Code, and shall otherwise seek to minimize the safety risk of bird strikes resulting from the attraction of birds to illuminated structures.

## DISCUSSION

Prior to the pandemic, Norman Y. Mineta San José International Airport became one of the fastest growing airports in the United States and an important economic engine for San José's job creation. Restoring air service and attracting passengers to SJC will require active and effective marketing, however, especially as we continue to compete with other international airports nearby. Airports routinely use digital signage for

marketing and revenue generation, and a steady stream of advertising income will help Mineta weather the pandemic-induced drop-in airline service.

While we do not necessarily oppose the installation of two digital billboards on airport property, the solicitation process gives us pause. Council Policy 6-4 does not require any particular solicitation process, yet defaulting to a 2007 master concession agreement undermines the intent of Council Policy 6-4 for public revenue maximization. Moreover, the FAA requires that the City achieve fair market value for the use of its property. The City won't ascertain fair market value by sole-sourcing the easement contract to the winning bidder of a 14-year-old competitive process in which the billboard elements constituted little more than an afterthought.

Council Policy 6-4 further requires that “...a minimum take down ratio of four (4) existing Billboards shall be required for each new Sign, including Billboard, Programmable Electronic Sign or Sign displaying Off-Site Commercial Speech.” We crafted Council Policy 6-4 to ensure that our community receives the aesthetic benefit of any bargain for new digital signs: the removal of many more existing blighted paper billboards, which diminish the quality of life of some of our lowest-income neighborhoods. We should ensure that our community enjoys the benefit of seeing eight (8) fewer billboards in exchange for whatever perceived burden that may accompany the addition of two digital signs.

We appreciate the substantial community interest in this topic. Digital signage is not new in San José, however; especially the stretch from the Airport and PayPal Park to our Downtown event venues such as the SAP Arena, McEnery Convention Center, and Center for Performing Arts. Nonetheless, Airport staff and the selected awardee must work collaboratively with stakeholders such as the Lick Observatory, environmental organizations, and traffic safety advocates to address relevant concerns.

We thank Airport staff and their partners for their work on this process and look forward to the outcome of our recommended alternative solicitation process.

---

*BROWN ACT DISCLAIMER: 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.*