

Legislation Details (With Text)

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Title: Amendment to the Airport Advertising Concession Agreement with Clear Channel Outdoor, Inc.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Memorandum

Date	Ver.	Action By	Action	Result
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Amendment to the Airport Advertising Concession Agreement with Clear Channel Outdoor, Inc.

Adopt a resolution authorizing the City Manager to negotiate and execute a Sixth Amendment to the Airport Advertising Concession Agreement (“Agreement”) between the City of San José and Clear Channel Outdoor, Inc. (“Clear Channel”) to:

- (a) Extend the term of the agreement for an additional seven years from June 30, 2020 through June 30, 2027;
- (b) Effective July 1, 2020, adjust the Minimum Annual Guarantee (“MAG”) to increase annually by 2.5%, for a total MAG of \$15,472,232 to the City over the additional seven-year term;
- (c) Require a minimum capital investment of \$6.5 million by Clear Channel for its advertising facilities at the Airport, which converts currently approved static advertising sites to digital where practicable;
- (d) Effective nine (9) months from the execution of the Sixth Amendment, modify the percentage fees payable by Clear Channel for Options I (Fixed Display In-Terminal Advertising), II (Outdoor Advertising), and III (Transit/Bus Shelter Advertising) from 65% of Gross Revenues for Options I and II and 50% of Gross Revenues for Option III to 55% of Gross Revenues for each Option;
- (e) Add an additional advertising package “New Digital Program” at a percentage fee of 55% of Gross Revenues; and
- (f) Delegate authority to the Director to revise the media types and exhibit locations of all advertising packages.

CEQA: Not a Project, File No. PP17-003, Agreements/Contracts resulting in no physical changes to the environment. (Airport)