

Legislation Text

File #: 18-840, Version: 1

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 between the City of San José (“City”) 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 upon the completion of construction, 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 “Foundation Brand Partnerships” 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 (New or Amended) resulting in no physical changes to the environment. (Airport)