

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Finance and Information Technology

**BRIEF DESCRIPTION:**

Authorizing the Director of Transportation, or his designee, to execute the Second Amendment to the Transit Shelter Advertising Agreement with Clear Channel Outdoor, LLC.; to exercise the option to extend the Agreement for five years, through December 7, 2027; adjust the annual minimum guaranteed payments, as well as administrative and marketing payments; and increase the maintenance and service obligations of Clear Channel.

**SUMMARY:**

- The Transit Shelter Advertising Agreement (Agreement) between the SFMTA and Clear Channel Outdoor, Inc. (Clear Channel) began on December 10, 2007, for a term of 15 years, plus one five-year option to extend at the City's sole discretion. The City now wishes to exercise the five-year option.
- Due to the impacts from the COVID-19 pandemic, which have had an adverse effect on Clear Channel's ability to generate revenue from advertising, Clear Channel negotiated with the SFMTA for reductions in certain payments due to the City under the Agreement. This Second Amendment provides for adjustments in Clear Channel's Minimum Annual Guaranteed (MAG) payments for the five-year term, from July 1, 2022, through December 7, 2027, and in certain administrative and marketing payments.
- Under the Second Amendment, the SFMTA will receive reduced, but still substantial, financial benefits during the last five years of the Agreement. These levels of funding are already assumed in the SFMTA's 5-Year Financial Plan. In exchange for reduced cash benefits, Clear Channel will be providing increased regular maintenance of the shelters and a "Shelter Refresh" capital campaign.
- The Second Amendment will be submitted to the Port Commission and, assuming SFMTA Board approval, to the Board of Supervisors for final approval.

**ENCLOSURES:**

1. Resolution
2. Second Amendment to Transit Shelter Advertising Agreement

**APPROVALS:**

**DATE**

DIRECTOR



September 28, 2022

SECRETARY



September 28, 2022

**ASSIGNED SFMTAB CALENDAR DATE:** October 4, 2022

**PURPOSE**

This calendar item authorizes the Director of Transportation, or his designee, to execute the Second Amendment to the Transit Shelter Advertising Agreement with Clear Channel Outdoor, LLC.; to exercise the option to extend the Agreement for five years, through December 7, 2027; adjust the annual minimum guaranteed payments, as well as administrative and marketing payments; and increase the maintenance and service obligations of Clear Channel.

**STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES**

This item will support the following goals and objectives of the SFMTA Strategic Plan:

- Goal 5: Deliver reliable and equitable transportation services
- Goal 9: Fix things before they break and modernize systems and infrastructure.

This item will support the following Transit First Policy Principles:

1. To ensure quality of life and economic health in San Francisco, the primary objective of the transportation system must be the safe and efficient movement of people and goods.

**DESCRIPTION**

The Transit Shelter Advertising Agreement (Agreement) between the City and Clear Channel Outdoor, Inc. (Clear Channel) began on December 10, 2007, for a term of 15 years, plus one five-year option to extend at the City’s sole discretion.

**First Amendment**

The impacts from the COVID-19 pandemic had an unprecedented adverse effect on Clear Channel’s ability to generate revenue from advertising. The below table shows the most recent annual amount of advertising revenue collected by Clear Channel relative to the revenue collected pre-pandemic.

<b>Month</b>	<b>2021 - 2022</b>	<b>2018-2019</b>	<b>Variance %</b>
October	\$1,161,933	\$1,582,810	-26%
November	\$1,209,431	\$1,404,389	-14%
December	\$978,347	\$1,486,619	-34%
January	\$270,644	\$466,652	-42%
February	\$174,545	\$521,969	-66%
March	\$304,334	\$872,826	-65%
April	\$274,390	\$ 989,668	-72%
May	\$529,925	\$1,511,997	-64%
June	\$485,097	\$1,534,724	-68%
July	\$617,192	\$1,026,586	-40%
August	\$723,555	\$1,164,578	-38%
September	\$1,243,984	\$1,514,092	-18%
Totals	\$7,973,377	\$14,076,910	43%

Consequently, Clear Channel approached the SFMTA for reductions in certain payments due to the City under the Agreement. Clear Channel had been unable to maintain the minimum annual guarantee (MAG) payments under the Agreement. The SFMTA and Clear Channel agreed to modify the Agreement to reduce revenue payments from January 2020 through June 2022 to ensure continuity of operations in the maintenance and cleaning of the transit shelters. In return, Clear Channel agreed to provide the SFMTA with additional advertising opportunities on the shelters, and marketing support payments after 2021.<sup>1</sup> The First Amendment to the Agreement, dated June 25, 2021, was approved by both the SFMTA Board and Board of Supervisors.

### **Second Amendment**

Under the Second Amendment to the Agreement, the SFMTA will exercise its option to extend the Agreement from December 10, 2022 to December 7, 2027. The Second Amendment fairly considers the service and financial needs of both the SFMTA and Clear Channel.

#### Service Needs

The Second Amendment significantly increases Clear Channel's maintenance obligations for shelters and platforms. With the reopening of the transit system and restoration of service throughout the City, it was a priority for the SFMTA to focus efforts on the maintenance and service response at the transit shelters. This improvement in the customer experience will enable the SFMTA to better welcome back its ridership.

While the SFMTA will receive reduced cash revenues throughout the period, the SFMTA will receive increased maintenance service nearly equal to 100% of anticipated shelter advertising revenues:

- Originally, Clear Channel was required to inspect and clean all transit shelters twice per week; under the Second Amendment, all shelters now will be cleaned at least three times a week, **a 50% increase in maintenance.**

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<sup>1</sup> The First Amendment eliminated administrative payments from Clear Channel (approximately \$700,000 per year) and marketing support (approximately \$280,000 per year) for two years. It did not, however, affect the annual payments to the San Francisco Arts Commission that support its programs (approximately \$380,000 per year).

The Amendment also added guaranteed use of digital and print advertising space on transit shelters and kiosks and other media services, to help with the SFMTA's public information campaigns to encourage customers to return to transit. Clear Channel provided space valued at \$1,000,000 in each of fiscal years 2020-21 and 2021-22. Clear Channel also pledged to provide support for the SFMTA's recently awarded Public Transportation COVID-19 Research Demonstration Grant from the Federal Transit Administration. Clear Channel, which sent a letter to the FTA in support of the grant, has provided in-kind services to develop consumer messaging, design work and advertising campaigns to re-build confidence in using public transportation.

- Clarification of platform areas has been completed to ensure cleaning of platforms and shelters along the Embarcadero to Fisherman’s Wharf, on the 3<sup>rd</sup> St. T-line, and along Market Street, all of which will be cleaned five days per week.
- Clear Channel will **initiate a Shelter Refresh Program**, based on an Asset Management approach, to replace and/or repair aging shelters, totaling \$3 million in capital improvements over the five-year period.

The SFMTA deemed Clear Channel’s maintenance staff to be essential workers at the outset of the pandemic. Clear Channel has retained these workers, who have performed all of the required maintenance during this time and plans to increase their maintenance staff to complete the additional maintenance requirements. Clear Channel has also continued to provide skilled subcontractors to assist the SFMTA and San Francisco Public Works with critical capital work throughout the pandemic. Projects have included Geary Bus Rapid Transit, Van Ness Bus Rapid Transit, L Taraval, and 22 Fillmore (16<sup>th</sup> Street). Going forward, Clear Channel’s financial responsibilities include new transit shelter purchases for the Better Market Street project. This support will continue throughout the final five-year term.

Financial Obligation

Throughout the first 15 years of the Agreement, Clear Channel has never exceeded the MAG, nor been able to achieve the advertising revenues anticipated throughout the term of the Agreement. Therefore, Clear Channel’s ability to perform both the maintenance and service obligations and provide the anticipated MAG for the period of the five-year option could not be considered financially viable.

Clear Channel requested further reductions in the MAG due to the continuing effects of the pandemic. The following table reflects the changes negotiated by the SFMTA for both the MAG and the revenue share (which is a percentage of advertising sales). The SFMTA will still be receiving substantial MAG payments from Clear Channel:

Fiscal Year	Revenue	MAG
July 2022 – June 2023	\$14,200,000	\$7,000,000
July 2023 – June 2024	\$14,900,000	\$7,800,000
July 2024 – June 2025	\$15,700,000	\$9,800,000
July 2025 – June 2026	\$16,400,000	\$11,300,000
July 2026 – June 2027	\$17,300,000	\$13,700,000
July 2027 – Dec. 7, 2027	\$8,650,000	\$6,850,000

Clear Channel will also be reducing its performance bond annually to match the MAG for each respective year and maintaining its letter of credit at \$2,000,000 (instead of raising it to \$6,000,000) for the last five years of the Agreement. The City’s Risk Manager has concurred with both of these provisions.

Additionally, the Agreement originally provided for an annual administrative payment to the SFMTA (\$500,000), annual payment for the Arts Commission (\$265,000), and marketing

support (\$200,000), all escalated each year by the Consumer Price Index. Under the Second Amendment, Clear Channel will provide one annual payment to the SFMTA to cover all these payments, as follows:

July 2022-June 2023:	\$500,000
July 2023-June 2024:	\$500,000
July 2024-June 2025:	\$700,000
July 2025-June 2026:	\$700,000
July 2026-June 2027:	\$700,000
July 2027-December 2027:	\$350,000

At their own cost, Clear Channel will be investing \$3,000,000 in digital advertising prior to June 2025, as well as providing for the City’s annual guaranteed use of \$1,000,000 of digital and print advertising space and other media services.

Finally, at the end of the Agreement, there is now an option for Clear Channel to transfer title to the shelters to the City at no cost. The current Agreement includes an option for the City to purchase the shelters.

**Other Transit Advertising Contracts**

Across the nation, transit advertising contractors have endured difficulties due to the pandemic. They have made requests for financial relief to their contracted transit agencies, and in many cases have received it. These requests have involved contracts for both transit shelter and transit vehicle advertising. Contract changes have generally eliminated MAG payments for some period and substituted a revenue share only. Examples of transit agencies that have approved revenue share payments only for transit vehicle advertising contracts include the Bay Area Rapid Transit District (BART), Los Angeles County Metropolitan Transportation Agency, Massachusetts Bay Transportation Authority (Boston), Metropolitan Atlanta Rapid Transit Authority, and King County Metro (Seattle). The SFMTA’s transit vehicle advertising contractor, Intersection Media, has made a similar request, which is currently under discussion.

Clear Channel has one year remaining on a contract with AC Transit, but AC Transit is not receiving its customary administrative fee (its contract has not included a MAG or a revenue share). The Sonoma Marin Area Rail Transit District (SMART) owns and maintains 19 shelters, and contracts with a media company for advertising on the shelters, for a 55% share of revenue.

**STAKEHOLDER ENGAGEMENT**

The SFMTA has received communications from Teamsters Local 853, which represents Clear Channel’s maintenance workers, in support of contract changes that would continue their employment and, more recently, in support of this proposed Second Amendment.

**ALTERNATIVES CONSIDERED**

The SFMTA could decline to enter the Amendment, but such an action would result in a maintenance burden, as well as the loss of the financial benefits currently provided by Clear

Channel. By entering into the Amendment, the SFMTA will help to ensure that the SFMTA and the City will receive reduced, but still substantial, financial benefits from June 30, 2022, to the end of the contract term, December 7, 2027, plus all of the other benefits provided in the Agreement. There is no guarantee that the SFMTA would be able to enter into another transit shelter contract if this Agreement ends; at a minimum, it would likely take nine months to a year to rebid this work; and new bids, if any, would likely be inferior to the guaranteed amounts and services in the current Agreement. Staff believes that preservation of this contract is in the best interests of the SFMTA and its patrons.

**FUNDING IMPACT**

Under the terms of the Amendment, Clear Channel’s MAG, administrative and marketing payments to the City would be reduced from June 30, 2022, to the end of the contract term, December 7, 2027, based on the original financial assumptions 15 years ago. The proposed MAG as part of the Second Amendment matches the revenues expected when the SFMTA Board adopted the FY 2023 and FY 2024 Operating Budget. The proposed MAG also exceeds the projection in the Agency’s 5-year financial plan, which assumed \$50.6 million in shelter advertising revenue over the 5-year period. The proposed MAG in the Second Amendment totals \$56.4 million, which exceeds the projection by \$5.8 million.

**ENVIRONMENTAL REVIEW**

On September 27, 2022, the SFMTA, under authority delegated by the Planning Department, determined that the Second Amendment to the Transit Shelter Advertising Agreement with Clear Channel Outdoor, Inc., is not a “project” under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

**OTHER APPROVALS RECEIVED OR STILL REQUIRED**

The Amendment will require the approval of the Port Commission and the Board of Supervisors.

The City Attorney's Office has reviewed this Calendar Item.

**RECOMMENDATION**

That the SFMTA Board of Directors authorizes the Director of Transportation, or his designee, to execute the Second Amendment to the Transit Shelter Advertising Agreement with Clear Channel Outdoor, LLC.; to exercise the option to extend the Agreement for five years, through December 7, 2027; adjust the annual minimum guaranteed payments, as well as administrative and marketing payments; and increase the maintenance and service obligations of Clear Channel.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. \_\_\_\_\_

WHEREAS, The Transit Shelter Advertising Agreement (Agreement) between the City and Clear Channel Outdoor, Inc. (Clear Channel) began on December 10, 2007, and continues for a term of 15 years, plus one five-year option to extend the Agreement at the City’s sole discretion; and

WHEREAS, Due to the impacts from the COVID-19 pandemic, which have had, and continue to have, an unprecedented and material adverse effect on Clear Channel’s ability to generate revenue from advertising, Clear Channel approached the SFMTA in 2021 for reductions in certain payments due to the City under the Agreement; and

WHEREAS, Under the First Amendment to the Agreement, dated June 25, 2021, the City agreed to reduce Minimum Annual Guarantee (MAG) payments from May 1, 2020 through June 30, 2022, in return, Clear Channel gave the City additional advertising opportunities on the shelters and marketing support payments; and

WHEREAS, The City has given Clear Channel notice of its intent to exercise the five-year option to extend the Agreement: and

WHEREAS, Due to the continuing impacts from the pandemic, Clear Channel has again requested reductions to the MAG and other payments under the Agreement; and

WHEREAS, The parties have negotiated the Second Amendment to the Agreement, which:

- adjusts the MAG payments for the last five years of the contract;
- adjusts administrative payments to the City;
- ties the amount of the performance bond to the MAG for each year and maintains the letter of credit at \$2,000,000 for the remainder of the Agreement;
- significantly increases Clear Channel’s maintenance obligations for shelters and platforms, including more frequent cleanings and initiation of a “Shelter Refresh Program” to replace and/or repair aging shelters;
- requires Clear Channel to invest \$3,000,000 in digital advertising prior to June 2025;
- provides for the City’s guaranteed use of \$1,000,000 of digital and print advertising space and other media services; and

WHEREAS, The Amendment will also help Clear Channel to preserve jobs, as well as continue its critical services for the SFMTA and its customers, including maintaining the transit shelters, boarding platforms, and advertising kiosks; and

WHEREAS, On September 27, 2022, the SFMTA, under authority delegated by the Planning Department, determined that the Second Amendment to the Transit Shelter Advertising Agreement with Clear Channel Outdoor, Inc., is not a “project” under the California Environmental

Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference; and

WHEREAS, In addition to approval by the SFMTA Board, the Second Amendment will be submitted to the Port Commission and Board of Supervisors for final approval; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Director of Transportation, or his designee, to execute the Second Amendment to the Transit Shelter Advertising Agreement with Clear Channel Outdoor, LLC; to exercise the option to extend the Agreement for five years, from December 7, 2022 through December 7, 2027; adjust the minimum annual guarantee payments, as well as administrative and marketing payments; and increase the maintenance and service obligations of Clear Channel; and be it further

RESOLVED, That the SFMTA Board of Directors recommends this matter to the Port Commission and the Board of Supervisors for their approval.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of October 4, 2022.

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Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency



## SECOND AMENDMENT TO TRANSIT SHELTER ADVERTISING AGREEMENT

This SECOND AMENDMENT to the Transit Shelter Advertising Agreement is made and entered into \_\_\_\_\_ by and between the City and County of San Francisco (City), by and through its Municipal Transportation Agency (SFMTA), and its Port Commission (Port), and Clear Channel Outdoor, LLC, a Delaware limited liability company (Contractor).

### RECITALS

- A. City and Contractor have entered into the Agreement (as defined below).
- B. The Agreement was amended on June 25, 2021, to reduce revenue payments in Fiscal Years 20/21 and 21/22 due to loss of revenue as a result of the COVID pandemic, and to obtain additional advertising opportunities and support for the City.
- C. In recognition of the ongoing impacts from the COVID pandemic and other conditions beyond Contractor's control, which have had, and continue to have, a material adverse effect on Contractor's ability to generate revenue under the Agreement, and further recognizing the SFMTA's interest in providing transit shelters for its patrons under this Agreement, the City now wishes to exercise its sole option to extend the term of the Agreement for five years, through December 10, 2027, on the terms and conditions set forth below.

NOW, THEREFORE, Contractor and the City agree as follows:

### Article 1. Definitions

The following definitions shall apply to this Amendment:

**1.1 Agreement.** The term "Agreement" shall mean the Transit Shelter Advertising Agreement between City and Contractor, dated December 10, 2007 (as amended), for advertising on SFMTA and Port Transit Shelters and Kiosks.

**1.2 Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

### Article 2. Modifications to the Agreement

**2.1.** Section 1.24 (High-Level Boarding Platform) of the Agreement is replaced in its entirety to read as follows:

**1.24. High-Level Boarding Platform.** The boarding platforms supplying level boarding directly into light rail vehicles without the necessity of a ramp or lift. As of the latest Amendment of this Agreement, High-Level Boarding Platforms serve the Stonestown, Folsom Street, Brannan Street, King and 2<sup>nd</sup> Streets (Oracle Park), Caltrain Station, and T-Line transit stops, including 4th Street/Harrison, 4th St./Folsom, and the UCSF/Chase Center Station.

**2.2.** A new Section 1.51 (Visual Scan) is added to the Agreement to read as follows:

**1.51. Visual Scan.** An inspection of a Transit Shelter generated from Contractor's tracking system with a particular bar code, and with time stamps (a) on a

“before” photo of the Shelter on the date of the initial inspection, and (b) on an “after” photo once any required maintenance and repairs have been completed.

**2.3.** Section 2.1.1(a) (SFMTA to Contractor) of the Agreement is replaced in its entirety to read as follows:

**(a) SFMTA to Contractor.** During the term of this Agreement, and subject to the requirements of this Agreement and applicable laws, the SFMTA grants to Contractor the exclusive right to place digital and print advertising on Transit Shelters and Kiosks governed by this Agreement (a) on the City's Public Rights-of-Way outside the jurisdiction of the Port; and (b) on any Public Right-of-Way that is serviced by a public transit line under an arrangement between the SFMTA and another public entity.

**2.4.** Section 2.3 (Port to Contractor) of the Agreement is amended in its entirety to read as follows:

**2.3 Port to Contractor.** Port grants to Contractor the exclusive right to place print and digital advertising on Structures on City property within Port jurisdiction during the term of this Agreement, subject to the terms and conditions of this Agreement and approval of the Port.

At the end of the term of the Agreement, effective December 11, 2027, ownership of any Shelters and Kiosks owned by Contractor shall transfer to the SFMTA on an “as is, where is” basis. At such time, the SFMTA shall assume all obligations associated with ownership, maintenance and repair of the Shelters and Kiosks. Contractor shall reasonably cooperate with the SFMTA to execute any documents required to effectuate transfer of ownership.”

**2.5.** A new Section 4.2.3(e) (Vandalized Shelters) is added to the Agreement to read as follows:

**(e) Vandalized Shelters.** In the event that during a consecutive six-month period any Shelter is vandalized more than two times (excluding graffiti, which Contractor shall remove), the parties shall meet and discuss, in good faith, solutions to mitigate continued vandalism, which could include removal of glass back panels, addition of back bars, or removal of the Shelter Implementation of any solution shall require approval of the SFMTA.

**2.6.** Section 5.3.1 of the Agreement is deleted.

**2.7.** Section 5.6 (City's Use of Digital and Print Advertising Space) of the Agreement is replaced in its entirety by the following:

**5.6 City's Use of Digital and Print Advertising Space.** Contractor shall provide guaranteed use of digital and print advertising space and other media services equivalent to amounts commercially available at an amount of \$1,000,000 per year (based on Contractor's then current rates). The City will be responsible for providing all printed materials ready for posting by Contractor.

**2.8.** Section 6.7 (Experimental Advertising) of the Agreement is replaced in its entirety to read as follows:

**6.7. Experimental Advertising.** Notwithstanding anything to the contrary in the Contract, Contractor may at its discretion provide new advertising concepts on the digital signs, such as experiential, interactive, pilot and other programs and advertisements, provided any such campaigns shall comply with the SFMTA’s advertising content guidelines.

**2.9.** Section 7.1.1(b)(iv) is renumbered as Section 7.1.1(b)(v).

**2.10.** Section 7.1.1(b) (Total Required Payments) is amended by adding a new subsection (iv) (Future Administrative Payments) to read as follows:

**(iv) Future Administrative Payments.** Notwithstanding the provisions of subsections (i), (ii), and (iii) of Section 7.1.1(b), Contractor shall remit one annual payment to the SFMTA to cover Administrative Payments, Payments for Arts Commission, and Marketing Support, as follows:

July 2022-June 2023:	\$500,000
July 2023-June 2024:	\$500,000
July 2024-June 2025:	\$700,000
July 2025-June 2026:	\$700,000
July 2026-June 2027:	\$700,000
July 2027-December 2027:	\$350,000

**2.11.** Section 7.1.1(b)(v), Table 1 (MAG Amounts and Revenue Share Percentage) is replaced in its entirety by a new Table 1 (MAG Amounts) to read as follows:

**Table 1: MAG Amounts**

<b>Fiscal Year</b>	<b>Revenue</b>	<b>MAG</b>
July 2022 – June 2023	\$14,200,000	\$7,000,000
July 2023 – June 2024	\$14,900,000	\$7,800,000
July 2024 – June 2025	\$15,700,000	\$9,800,000
July 2025 – June 2026	\$16,400,000	\$11,300,000
July 2026 – June 2027	\$17,300,000	\$13,700,000
July 2027 – Dec. 7, 2027	\$8,650,000	\$6,850,000

**2.12.** A new Section 8.1.5 (Digital Capital Expenditures) is added to the Agreement to read as follows:

**8.1.5 Digital Capital Expenditures.** Contractor shall invest the following amounts in digital advertising displays and installation costs per year:

July 2022-June 2023:	\$1,000,000
July 2023-June 2024:	\$1,500,000
July 2024-June 2025:	\$500,000

**2.13.** Section 8.4.7 (Power to Shelters and Kiosks) of the Agreement is replaced in its entirety to read as follows:

**8.4.7. Power to Shelters and Kiosks.** Contractor will bear the full responsibility, including all costs, of furnishing, installing and maintaining any required electrical service to each Structure authorized under this Agreement; provided, however, to the extent Contractor is required to procure electrical service, including, without limitation, metered service, through Pacific Gas & Electric Company (PG&E), Contractor shall not be liable, and shall not be deemed in breach of this Agreement, for any delay on the part of PG&E to provide or connect such service to a Structure. To the extent necessary, Contractor will be responsible for contracting with PG&E for required electricity. If obtaining service directly from PG&E, Contractor will be responsible for obtaining an agreement from PG&E to allow unmetered electrical service. Contractor may use City-owned street lighting circuits and conduits, including the nearest available connection, to obtain power for a Structure where reasonably available and on terms approved by the San Francisco Public Utilities Commission (SFPUC). The rates charged by the SFPUC for electrical service will be the then-current rates approved by the SFPUC for commercial users. All electrical service lines at the site of each Structure must be underground and must originate from the point-of-service designated by the SFPUC or by PG&E. To the extent feasible, Contractor must incorporate solar power into Structures that have electrical components.

**2.14.** Section 9.4 (Inspection and Clean-up) of the Agreement is replaced in its entirety to read as follows:

**9.4 Inspection and Clean-up.** Except as otherwise provided in this Section 9.4, and once Contractor achieves appropriate staffing levels but no later than December 31, 2022, Contractor must conduct a Visual Scan of each Shelter and Kiosk at least three times per week, except Shelters and Kiosks on Market Street, which shall be inspected five times per week. Contractor shall make more frequent inspections if conditions warrant. In the course of each inspection of a Shelter or Kiosk or promptly thereafter, Contractor shall remove all Graffiti, stickers, posters, litter, dust, dirt, and weeds from each Shelter or Kiosk, and from a five-foot radius surrounding the Shelter or Kiosk, exclusive of private property and rail right-of-way (in coordination with the Department of Streets and Sewers). Contractor shall provide City with a monthly narrative summary of inspection and clean-up operations, documenting all Shelter and Kiosk inspections and identifying problem areas and corrective actions taken. The monthly report required by this Section shall include the results of the Visual Scans, fabrication and installation costs for all Shelters and Kiosks installed in the previous month, all maintenance and repair costs, and staffing levels of shelter maintenance crews, including total budgeted positions and existing vacancies. The parties shall meet at least quarterly to assess the maintenance program.

**2.15.** Section 9.4.1 (Additional Maintenance) of the Agreement is replaced in its entirety to read as follows:

**9.4.1. Additional Maintenance.** In addition to the level of service required under Section 9.4, City may elect for Contractor to perform maintenance of Shelters more than three times a week. In that event, the annual incremental cost for such maintenance will be \$3,500 per Shelter during the first year of the Agreement, as adjusted by the CPI annually thereafter. Upon submission of monthly documentation satisfactory to the City, Contractor may deduct any such costs for extra maintenance of the Shelters from Contractor's MAG payment submitted under Section 7.1.1(b)(v).

**2.16.** Section 9.4.2 (High Level, E-Line and F-Line Platforms) of the Agreement is replaced in its entirety to read as follows:

**9.4.2. High-Level, E-Line and F-Line Boarding Platforms.** With respect to all High-Level Boarding Platforms and E-Line and F-Line Low-Level Boarding Platforms, Contractor shall perform all maintenance duties set forth in Exhibit H. Notwithstanding the requirements of Section 9.4, Contractor will make inspections of all such Boarding Platforms five days a week and shall, as needed: pick-up trash, remove Graffiti, clean and wash each boarding platform; inspect LED signs and lighting fixtures, and replace defective lights.

**2.17.** Section 9.5.1 of the Agreement (Transit Shelters; Kiosks) is replaced in its entirety to read as follows:

**9.5.1. Transit Shelters; Kiosks.** Except as otherwise provided in this Section 9.5, within 48 hours of discovery by Contractor, or notification by the public or by City, Contractor shall repair any damage, including, but not limited to, damage from vandalism or Graffiti, found on or around the Shelter or Kiosk, exclusive of other street furniture not covered by this Agreement and private property. Contractor shall repair, replace or remove, as appropriate and feasible, any damage to a Shelter or Kiosk that is of a hazardous nature (e.g., broken glass, light sources that need replacing) within 24 hours of discovery or notification, or as appropriate under the circumstances. Contractor also shall maintain the pavement within a five-foot radius of each Shelter or Kiosk, repairing any damage that may have occurred during repair, removal or replacement of any Shelter or Kiosk. If the Shelter or Kiosk is destroyed, Contractor shall remove the Shelter or Kiosk remains within 48 hours of notification (or such longer period as reasonable under the circumstances provided Contractor is diligently pursuing removal) and replace the Shelter or Kiosk within 45 Days. In conjunction with such removal, Contractor agrees, at its own expense, to restore the affected sidewalk, median boarding island or curb area to a safe, finished condition.

**2.18.** Section 9.5.2 of the Agreement (High-Level and Low-Level Boarding Platforms on E-Line and F-Line) is replaced in its entirety to read as follows:

**(b) High-Level and Low-Level Boarding Platforms on E-Line and F-Line.** Contractor's repair duties with respect to all High-Level and E-Line and F-Line Low-Level Boarding Platforms are set forth in Exhibit H. Contractor's repair and replacement obligations regarding the High-Level Boarding Platforms, and the E-Line and F-Line Shelters (if constructed and owned by the SFMTA) will be limited to repairs and/or replacements necessitated by vandalism or intentional damage or destruction; if Contractor owns the Shelters, Contractor will have an obligation to repair or replace Platform or Shelter components on such Shelters as a result of construction defects, normal wear and tear, accidents or acts of God. Within 24 hours of discovery, Contractor will report any such damage to the SFMTA contact person by email (as provided from time to time by the SFMTA) and Contractor will coordinate and communicate timeline with the SFMTA to complete required repair work. Notwithstanding the above, if City requires Contractor to perform any repairs to High-Level Boarding Platforms, E-Line, or F-Line Low-Level Boarding Platforms that are not set forth in Exhibit H, Contractor shall perform said repairs. If using its own employees, Contractor shall charge on a time-and-materials basis.

**2.19.** A new Section 9.10 (Asset Management and Shelter Refresh Program) is added to the Agreement to read as follows:

**9.10 Asset Management and Shelter Refresh Program**

- (a) **Asset Management Plan.** On or before six months after the approval of this Amendment, Contractor shall hire an independent consultant to prepare an Asset Management Plan (Plan) for all Transit Shelters. The Plan must include location, date of installation, amenities on the Shelter, and a “condition score,” to be approved by the SFMTA.
- (b) **Condition Scoring System.** Contractor shall implement a condition scoring system for each Shelter based on the following criteria:

Shelter Element	Grade High = 2 Points	Grade Medium = 1 Point	Grade Low = 0 Point	Picture	Part of Rating Calculation
<b>Roof</b>	Structurally Sound, no cracks	Structurally sound, one crack, with minor graffiti	Broken, major graffiti	x	Y
<b>Map Case</b>	Good condition, clear, current map	Opaque and/or cracked, current map, minor graffiti	Missing plexiglass, no map, no frame	x	Y
<b>Ad Box</b>	Good condition, functional, no damage	Opaque and/or cracked, minor graffiti	Missing plexiglass, no ad, no frame	x	Y
<b>Supports</b>	Structurally Sound, Minimal Rust	Structurally sound, minor rust or repairs	Broken, Significant Rust	x	Y
<b>Lighting</b>	Lights illuminate/signage illuminate	Lights illuminate, signage not illuminated	Lights broken or missing - signage does not illuminate	x	Y
<b>Safety Concerns - Glass &amp; Seating</b>	No hazardous issue related to glass/seating	Missing glass panel with bar, seats loose	Shattered glass, missing components, exposed electrical/wiring, broken seats	x	Y
<b>Glass</b>	Minimal scratches, no acid damage and glass is intact	Glass is cracked but intact and/or some acid/ graffiti damage	Significant scratches and acid damage, glass not intact.	x	Y
<b>Decals and stop ID</b>	Available / Legible	Available / Illegible	Missing	x	N

Within 30 days from the date the Plan is issued, or such other time as may be reasonable under the circumstances (subject to approval by the SFMTA), Contractor shall commence repair of the Transit Shelters that fall below the minimum condition score, prioritizing repairs based on the shelter condition scores. Contractor shall diligently pursue all repairs as reasonable under the circumstances. Alternatively, in its sole discretion, Contractor may replace any of such Shelters with new Shelters.

- (c) **Shelter-Refresh Program.** Contractor will develop a Shelter Refresh Program based on the conditions of the Shelters as reflected on the Plan, monthly reports, Visual Scans, and information contained in the IMCDS system (see Section 9.7) and report on the Program to the SFMTA on a monthly basis. Contractor shall work with the SFMTA to ensure equity

considerations remain a part of the Shelter Refresh Program such that the benefits contemplated by this Agreement are accessible to persons with disabilities and fairly distributed throughout the City, including to low-income communities.

**2.20.** Section 13.1.1 (Amount of Bond) is replaced in its entirety to read as follows:

**13.1.1. Amount of Bond.** In the event that the City exercises its option to extend this Agreement as provided in Section 15.2, Contractor shall reissue the performance bond annually for the duration of the extension of the term of this Agreement in an amount equal to the Contractor's MAG obligation under Section 7.1.1(b)(v), and throughout the performance of Contractor's remaining obligations under this Agreement. If Contractor fails to deliver the initial performance bond within five Days, or fails to notify City annually of the renewal of the bond within five Days before each anniversary of the Effective Date, City will be entitled to cancel this Agreement. Contractor shall maintain the performance bond during the term of this Agreement. In the event this Agreement is assigned, as provided for in Section 21.7, City will return or release the performance bond not later than the effective date of the assignment, provided that the assignee has delivered to City an equivalent performance bond, as determined by City. Notwithstanding anything to the contrary herein, in no event shall Surety's aggregate liability exceed the penal sum of the applicable bond amount; provided, however, that this limitation shall not affect Contractor's liability under this Agreement.

**2.21.** Section 13.2.3 of the Agreement (Extensions of Agreement) is replaced in its entirety to read as follows:

**13.2.3 Extensions of Agreement.** Should the City exercise the option to extend the Agreement as provided in Section 15.2, Contractor shall provide a letter of credit in the amount of \$2,000,000 for the term of the option and throughout the performance of Contractor's remaining obligations under this Agreement.

**2.22.** Section 16.1.1(b) is replaced in its entirety to read as follows:

**(b) Transfer of Title.** Direct Contractor to execute all required documents to transfer to the City title to all Shelters, Kiosks, and Associated Equipment free and clear of all encumbrances.

### **Article 3. Effective Date**

The modifications set forth in Section 2 shall be effective on and after the date first referenced above.

### **Article 4. Legal Effect**

Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect. Nothing herein shall be deemed to waive rights either party may have under the Agreement or at law, all of which are reserved.

IN WITNESS WHEREOF, Contractor and City have executed this Second Amendment as of the date first referenced above.

<p><b>CITY</b></p> <p>San Francisco Municipal Transportation Agency</p> <p>By _____ Jeffrey P. Tumlin Director of Transportation</p> <p>MTA Board of Directors Resolution No. _____ Dated: _____ Attest:</p> <p>_____ Secretary, SFMTA Board of Directors</p> <p>San Francisco Port Commission</p> <p>_____ Elaine Forbes, Executive Director</p> <p>Port Commission Resolution No. _____ Dated: _____ Attest:</p> <p>_____ Secretary</p> <p>Board of Supervisors Resolution No. _____ Dated: _____ Attest:</p> <p>_____ Clerk of the Board</p> <p>Approved as to Form: David Chiu, City Attorney</p> <p>By: _____ Robin M. Reitzes Deputy City Attorney</p>	<p><b>CONTRACTOR</b></p> <p>Clear Channel Outdoor</p> <p>_____ Robert Schmitt Senior Vice President and Regional President—Northern California</p>
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