



SFMTA

San Francisco Municipal Transportation Agency

Transit Shelter Program

Second Amendment to the Transit Shelter Advertising Agreement
with Clear Channel Outdoor, LLC.

Board of Supervisors
Budget and Finance Committee
November 16, 2022

Since Fall 2021, the SFMTA and Clear Channel have been working to improve the contract for both parties, after the first 15-years
– **with a focus on service.**

Key elements in the final terms include:

Minimum Annual
Guarantee

Maintenance of
Transit Shelters

Asset Management
and Shelter Refresh

SFMTA Advertising
Campaigns

Shelter Ownership

Minimum Annual Guarantee

After 15-years, the anticipated amount of revenues anticipated from Transit Shelter advertising has not been achieved.

- The 5-Year Financial Plan has been corrected.
- **Total revenue anticipated for the period is \$56.4 million.**

Fiscal Year	MAG
FY 23	\$7,000,000
FY 24	\$7,800,000
FY 25	\$9,800,000
FY 26	\$11,300,000
FY 27	\$13,700,000
½ FY 28	\$6,850,000

Maintenance of Transit Shelters

Clear Channel in partnership with our new Superintendent is responsible for the maintenance of more than 1200 transit shelters.

- Maintenance will be increased citywide from 2-cleanings per week to 3-cleanings per week – a **50% increase**.
- Platforms **5-days per week**.



Asset Management and Shelter Refresh

Like many other asset classes, the SFMTA worked with Clear Channel to negotiate an asset management and associated capital investment program for shelter repair and replacement.

- **Independent contractor** to be hired within 6-months for development of Asset Management Plan.
- **Scoring criteria** on physical condition of shelters.
- **Within 30-days of plan completion repairs must commence** on all shelters that do not meet minimum scoring requirements.
- Current estimate for refresh is **\$3 million**.
- Additional investment in digital shelters **\$3 million**.

SFMTA Advertising Campaigns

The prior contract allows the SFMTA to implement campaigns if there was free available space.

- **SFMTA gets \$1 million annually** for advertising as needed for various marketing campaigns.

Shelter Ownership

At the end of the period, rather than through an appraisal and purchase process, Clear Channel will turn over title and ownership of shelter infrastructure to the SFMTA. Estimated remaining value by 2027 is **\$6 million**.

Staff is requesting that the SFMTA Board of Directors approve the amendment and recommend approval to the Commission of the Port of San Francisco and San Francisco Board of Supervisors.

The proposed amendment:

- Guarantees **\$56 million in revenues** to the agency in any economic circumstance.
- Includes a **50% increase in daily maintenance; asset management program; and \$6 million in capital investments.**
- **\$1 million a year** for the term of the contract in free advertising for the SFMTA
- Allows the SFMTA to **take full ownership of all assets** at the end of the contract term at no cost to the agency.



Thank you.