

1 [Agreement Amendment - Retroactive - Intersection Media, LLC - Reduce Minimum Annual
2 Guarantee Payments and Add Advertising Program]

3 **Resolution retroactively approving the Second Amendment to the Agreement for**
4 **advertising on Municipal Transportation Agency vehicles and other property with**
5 **Intersection Media, LLC, to reduce the minimum annual guarantee payments from**
6 **March 1, 2020, through June 30, 2022, due to the impacts from the COVID-19 pandemic;**
7 **to add an advertising program in the Central Subway stations and tunnel; and to**
8 **exercise the second five-year option to extend the contract.**

9
10 WHEREAS, The City entered into an agreement for advertising on San Francisco
11 Municipal Transportation Agency (SFMTA) vehicles and other property (Agreement) with
12 Intersection Media, LLC (Intersection) for five years, plus two five-year options to extend the
13 Agreement; in 2018, the City exercised the first option to extend the contract through June 30,
14 2024; and

15 WHEREAS, Due to the impacts from the COVID-19 pandemic, which have had, and
16 continue to have, an unprecedented and material adverse effect on Intersections' ability to
17 generate revenue from advertising, Intersection approached the SFMTA for reductions in
18 minimum annual guarantee payments due to the City from March 1, 2020, through June 30,
19 2022 and for changes in certain other financial terms in the Agreement; and

20 WHEREAS, Under the proposed second amendment to the Agreement (Amendment),
21 the SFMTA will receive reduced, but still substantial, financial benefits during fiscal years
22 2021 and 2022, plus the other benefits provided in the Agreement, and will add an advertising
23 program in the new Central Subway stations and tunnel to increase advertising revenue; it will
24 also help Intersection to survive and preserve jobs; and

1 WHEREAS, The extension included in the Amendment would run from July 1, 2024, to
2 June 30, 2029; and

3 WHEREAS, The SFMTA believes that Intersection has performed satisfactorily in
4 fulfilling the requirements of the Agreement; and

5 WHEREAS, The SFMTA, under authority from the Planning Department, has
6 determined that the Second Amendment to the Agreement for Advertising on San Francisco
7 Municipal Transportation Agency Vehicles and Other Property with Intersection is not a
8 “project” under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the
9 California Code of Regulations, Sections 15060(c) and 15378(b); and

10 WHEREAS, The Agreement, the First Amendment to the Agreement, the proposed
11 Second Amendment to the Agreement, and the CEQA determination are on file with the Clerk
12 of the Board of Supervisors in File No. 210445 and are incorporated herein by reference; and

13 WHEREAS, On April 20, 2021, the SFMTA Board of Directors adopted Resolution No.
14 210420-052, authorizing the Director of Transportation to execute the Second Amendment to
15 the Agreement for Advertising on San Francisco Municipal Transportation Agency Vehicles
16 and Other Property with Intersection Media, LLC to reduce the minimum annual guarantee
17 payments from March 1, 2020, through June 30, 2022, to add an advertising program in the
18 Central Subway stations and tunnel and to exercise the second five-year option to extend the
19 Agreement due to the impacts from the COVID-19 pandemic and recommended that the
20 Board of Supervisors approve the matter; and

21 WHEREAS, The SFMTA Board of Directors also authorized the Director of
22 Transportation to enter into any amendments or modifications to the Agreement to reduce the
23 minimum annual guarantee, in the event that SFMTA reduces the number of transit vehicles
24 in its fleet by 150 or more; now, therefore, be it

1 RESOLVED, That the Board of Supervisors approves the Second Amendment to the
2 Agreement for Advertising on San Francisco Municipal Transportation Agency Vehicles and
3 Other Property with Intersection Media, LLC, to reduce the minimum annual guarantee
4 payments from March 1, 2020, through June 30, 2022, to add an advertising program in the
5 Central Subway stations and tunnel and to exercise the second five-year option to extend the
6 Agreement; and, be it

7 FURTHER RESOLVED, That the Board of Supervisors authorizes the San Francisco
8 Municipal Transportation Agency Director of Transportation to execute any amendments or
9 modifications to the Agreement to reduce the minimum annual guarantee, in the event that
10 SFMTA reduces the number of transit vehicles in its fleet by 150 or more; and, be it

11 FURTHER RESOLVED, That within 30 days after execution of the First Amendment,
12 the final document shall be provided to the Clerk of the Board for inclusion in the official file.

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