



CITY OF
HAYWARD
HEART OF THE BAY

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DATE: January 22, 2008
TO: Mayor and City Council
FROM: Director of Public Works
SUBJECT: Bus Shelter Assignment Agreement

RECOMMENDATION

That the City Council adopts a resolution authorizing the City Manager to execute a Consent of Assignment of the existing Bus Shelter Installation and Maintenance Agreement from Lamar Outdoor Corporation to Clear Channel Outdoor, Inc.

BACKGROUND

The City of Hayward is currently party to a Joint Powers Agreement (JPA) with several other cities, Alameda County, and AC Transit for the installation and maintenance of bus shelters throughout Alameda County. Prior to this JPA, both AC Transit and the City maintained several shelters within Hayward. Maintenance of these shelters had proved to be extremely labor-intensive and a drain on available resources. In order to arrive at an agreeable solution to the maintenance issue, and provide a significant amenity for transit riders, AC Transit and some of the jurisdictions in Alameda County entered into a JPA for the purpose of retaining a contractor to install and maintain bus shelters. A request for proposals was distributed by AC Transit to potential contractors to provide the requested services. Lamar Outdoor Advertising was chosen by the AC Transit Board, and a bus shelter installation and maintenance agreement was signed in November 1999. The bus shelter contract with Lamar had an initial term of 10 years with two five-year options that could be exercised by the participating entities. Two years remain on the initial term. The response on the shelters from city residents has been overwhelmingly positive. However, Lamar Outdoor Advertising is leaving the Bay Area and AC Transit staff has recommended that the contract be assigned to Clear Channel Outdoor, Inc. Since the City of Hayward is a member of the JPA, the proposed assignment requires consent of the City.

DISCUSSION

There are 84 shelters in Hayward, and the City has been the second most aggressive city behind Berkeley in the pursuit of new bus shelter installations. Originally, all of the shelters were to have been illuminated. However, a number of PG&E issues have arisen hindering this effort. The most notable obstacle is PG&E's \$10,000 charge for a point-of-service contact. Thus, only 20 shelters have been fully illuminated. Through economies of scale and its current working relationship with PG&E, Clear Channel expects that this cost can be reduced.

Lamar Outdoor has generally been very responsive on maintenance-related issues. A toll-free number for reporting problems is currently posted on each shelter; however, sometimes there is uncertainty as to whom maintenance issues should be reported. The new Clear Channel toll-free number will be posted on the City's website, or calls can be directed to the City's Transportation Section. Additionally, it should be noted that Lamar Outdoor responded positively when the City requested a different type of non-advertising shelter for the downtown area. Staff expects this cooperative working relationship will continue with Clear Channel.

Originally, all of the JPA participants anticipated receipt of some advertising revenue from the advertising shelters. However, the high cost of maintenance, the cost of the point-of-service connection, and the lower-than-expected advertising revenues have meant little, if any, revenue has been realized over the last eight years.

Lamar Outdoor is leaving the Bay Area for business reasons; thus, Clear Channel remains the sole advertising provider in the area. Clear Channel was recently awarded the bus shelter services contract in the City of San Francisco in addition to its existing contract with the City of Oakland. It is believed this consolidation of bus shelter advertising can result in better operating efficiencies and improved maintenance for both Clear Channel and AC Transit.

Staff met with Clear Channel and Lamar Outdoor and was assured that the transition will be handled appropriately and with a clear commitment to service. Staff recommends approval of this Consent to Assignment, which will become effective upon approval of the other members of the JPA.

FINANCIAL IMPACT

Shelters are installed and maintained at no cost to the City. As noted above, it is possible that some advertising revenue could be realized in the near future, but due to high maintenance costs and lower than expected advertising revenues, it is not certain that the City realistically expects to gain any revenue from this effort.

PUBLIC CONTACT

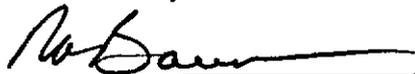
Since AC Transit is the agency responsible for administering the terms of the bus shelter agreement, all public contact, notification, and hearings have and will continue to follow AC Transit's prescribed plan for public notification. As part of the implementation process, the contractor is required to notify any business owner in front of whose property a shelter is proposed to be installed. If shelters are installed without prior notification and the business owner objects, the shelter will be relocated to another location.

Prepared by:



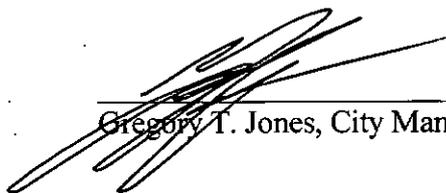
Morad Fakhrai, Deputy Dir. of Public Works

Recommended by:



Robert A. Bauman, Director of Public Works

Approved by:



Gregory T. Jones, City Manager

DRAFT

12/28/07
NH

HAYWARD CITY COUNCIL

RESOLUTION NO. 08-

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE CITY MANAGER TO NEGOTIATION AND EXECUTE A CONSENT OF ASSIGNMENT OF THE EXISTING BUS SHELTER INSTALLATION AND MAINTENANCE AGREEMENT BETWEEN THE CITY OF HAYWARD AND LAMAR OUTDOOR CORPORATION TO CLEAR CHANNEL OUTDOOR, INC.

BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to negotiate and execute on behalf of the City of Hayward a Consent of Assignment of the existing bus shelter installation and maintenance agreement with Lamar Outdoor Corporation to Clear Channel Outdoor, Inc., in a form to be approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2007

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward