

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

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**MEETING DATE:** 4/23/2025

**Staff Report No.** 18-211L

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**TO:** AC Transit Board of Directors  
**FROM:** Kathleen Kelly, Interim General Manager/Chief Executive Officer  
**SUBJECT:** Transit Shelter Program Update

### ACTION ITEM

**AGENDA PLANNING REQUEST:** ☒

**RECOMMENDED ACTION(S):**

Consider receiving an update on the District's transit shelter maintenance, advertising, and capital contracts, and consider granting the General Manager authority to:

1. Swap the location of shelters, as necessary, while maintaining a maximum limit of 276 District-owned shelters, in coordination with the local jurisdictions; and
2. Enter into agreements with local jurisdictions to maintain additional transit shelters if the local jurisdiction retains the ownership and agrees to reimburse the District the net maintenance cost (total cost of scheduled and unscheduled maintenance costs less advertising revenue). [Requested by President Shaw - 10/23/2024]

Staff Contact:  
Ramakrishna Pochiraju, Executive Director of Planning & Engineering

**STRATEGIC IMPORTANCE:**

Goal - Convenient and Reliable Service  
Initiative - Service Quality

Clean and safe bus shelters enhance the customer experience and increase service quality.

**BUDGETARY/FISCAL IMPACT:**

There could be additional maintenance costs to the District by swapping District-owned shelters, even though the number of shelters remains unchanged, if there is a large increase in unscheduled maintenance costs for the shelters in new locations. However, it is impossible to estimate the potential for such costs, and staff does not think that there would be significant cost changes related to changing shelter locations.

There would only be increased costs to the District by entering into a cost neutral maintenance agreement with local jurisdictions if those jurisdictions fail to adhere to the agreements and do not fully reimburse the District.

**BACKGROUND/RATIONALE:**

In 1999, AC Transit entered into a third-party contract with Lamar Advertising (then transferred to CCO) an advertising company that owned, maintained, repaired, removed, relocated, and installed transit shelters. The advertising company offset maintenance costs by selling advertising space in the transit shelters. As advertising has moved online and the revenue collected through advertising no longer covered the expenses of maintaining the shelters, CCO ended its contract with the District on March 31, 2023, after multiple one-year extensions.

In anticipation of the contract's expiration, the Board gave approval to solicit three separate contracts to continue with the transit shelter program: 1) one for revenue generation through shelter advertising sales; 2) one for routine maintenance (cleaning, graffiti removal, trash pickup and minor repairs); and 3) one for capital work (installing new shelters and moving/replacing existing shelters). The Board also gave staff approval to assume ownership, liability and maintenance of the 276 transit shelters across ten jurisdictions under the umbrella contract previously with CCO. The following jurisdictions have separate transit shelter programs and are not part of the ten jurisdictions defined above: Alameda, Emeryville, Oakland, Piedmont, UC Berkeley, Union City, and Unincorporated Contra Costa County (i.e., North Richmond, El Sobrante).

**EXISTING CONTRACT UPDATES**

**Advertising Contract:** The District began a new shelter advertising contract with Lamar Advertising at the start of this fiscal year, and the District receives a share of revenues generated by the advertising. The District receives a \$150,000 minimum annual guarantee (MAG) upfront, and if its share of the advertising revenues totals more than that amount, then Lamar will pay the District the overage based on contract terms. From July 2024 to February 2025, the District's share of monthly advertising revenues totaled \$81,929.65. At this rate, it appears that the District will not receive more than the MAG, but a fuller assessment should be made after year-one of the contract. Attachment 1, Slide 6 breaks down the monthly revenue share. Lamar continues to maintain the advertising posters in the shelters while the District maintains the shelter's plexiglass covering the advertisements.

**Maintenance Contract:** In April 2023, the District entered into a contract with Graffiti Protective Coatings, Inc. (GPC) for the maintenance of the 276 District-owned shelters. The maintenance contract costs \$844,560 per year for both scheduled (\$810,000 total) and unscheduled (\$34,560) services. The scheduled maintenance services cover once a month pressure washing, twice a week graffiti abatement, trash pick-up, and cleaning and quarterly changes to public information (i.e. maps and schedules). The maintenance contract does not cover removals, installations, or major repairs like replacement of parts due to major structural damage.

The contract also includes unscheduled maintenance and cleaning costs when there are incidents that require attention. From April 2023 to March 2025, there have been 315 transit shelter comments sent to the District's customer service portal. Of those, 217 are for transit shelter cleanings and 122 are for requests for shelters or the maintenance of amenities not owned by the District. Staff reviews the comments and sends them to the vendor, Graffiti Protective Coatings, Inc. (GPC), who responds to requests within twenty-four hours of receipt. A breakdown of the number of maintenance requests per jurisdiction can be found in Attachment 1. The unscheduled requests that are not part of the ten jurisdictions are referred to respective jurisdictions and not being addressed by our vendor. The District also incurred costs for repairing broken glass that are not handled

by the maintenance contract. These additional repairs costs averaged \$180,000 per year.

Staff continue to work with the ten former JPA jurisdictions that had contracts with Lamar to identify funds and develop funding agreements to offset the cost of the District's maintenance contract with GPC. To date, jurisdictions have committed a total of \$239,446 per year. The remaining \$605,114 annual cost is born by the District. Jurisdictions have sought funds through their capital budgets, city councils, or regional bodies like West Contra Costa Transportation Advisory Committee (WCCTAC). Soliciting funding from the jurisdictions is time intensive as staff navigate challenges including city council scheduling, staff turnover, funding agreement reviews, and moving deadlines. No jurisdiction has committed to paying 100% of the maintenance cost for shelters in their jurisdiction. A breakdown of total shelters and costs per jurisdiction is found in Attachment 1.

**Prospective Capital Contract:** The District intends to pursue contracts to purchase, design, remove, and install transit shelters, with the goal of replacing the existing 276 transit shelters, many of which are over 20 years old. Staff have submitted an item in the District's FY2026-30 Capital Improvement Program to help identify funding for shelter replacements.

More information about all three contracts, including advertising revenue numbers, jurisdiction contributions, and capital costs can be found in Attachment 1.

### **ADDING SHELTERS TO THE DISTRICT'S MAINTENANCE CONTRACT**

Since the District executed its maintenance contract, several jurisdictions-including the City of Oakland, City of Berkeley, and UC Berkeley-have asked if the District would be willing to own and maintain the jurisdiction's transit shelters. Some jurisdictions, like the cities of Berkeley or Oakland, have installed new shelters as part of their complete streets projects. The City of Oakland is piloting the installation of lower maintenance shelters by Kaleidoscope and if successful, will replace the existing shelters left over from the CCO contract as funding becomes available. Like Oakland and AC Transit, UC Berkeley also had an expired contract with CCO, which is the basis for their request to transfer ownership and maintenance of shelters remaining from that contract. More information about the requests from these jurisdictions can be found in Attachment 1.

Staff recommends the Board authorize the General Manager to:

1. Swap the location of shelters, as necessary, while maintaining a maximum limit of 276 District-owned shelter, in coordination with the local jurisdictions; and,
2. Enter into agreements with local jurisdictions to maintain additional transit shelters if the local jurisdiction retains the ownership and agrees to reimburse the District the net maintenance cost (total cost of scheduled and unscheduled maintenance costs less advertising revenue).

Under these recommendations, the District would enter into an agreement with a jurisdiction to maintain their shelters, provided the jurisdiction retains ownership, fully funds the net maintenance costs and continues to reimburse the District for the full life of the shelter. Under such an agreement, the District's contract would not cover removals, installations, or major repairs like replacement of parts due to major structural damage. Finally, the District would not cover major repairs to custom shelter designs. Future shelter design and placement should conform to the District's Board approved Bus Stop Amenities Design Guidelines.

**ADVANTAGES/DISADVANTAGES:**

There are several advantages to staff's recommendation. First, the recommendation doesn't add significant additional maintenance, ownership, or liability costs to the District. Second, maintaining more shelters is less confusing for the public with a single point of contact, and is more customer friendly. Finally, staff's recommendation would expand maintenance to more bus shelters throughout the District, adding more stop amenities for customers.

There are several disadvantages to adding transit shelters to the District's maintenance contract. First, adding shelters to the maintenance contract may trigger contract amendments with the District's third-party maintenance provider, or require the District to issue new maintenance contracts with new third-party providers. Second, the District will need to rely on jurisdictions to fund maintenance for transit shelters. Based on previous experience, the District may not get fully reimbursed. Third, transit shelters will not be maintained in jurisdictions that do not agree to pay the District for maintenance or retain ownership. Fourth, swapping which shelters are covered by the agreement may lead to increased potential liability, based on the different locations. Finally, this will require more funding agreements with jurisdictions and therefore, increased administrative staff time. Funding can be slow and time intensive as staff navigate city councils, staff turnover, and funding agreement review by multiple staff.

**ALTERNATIVES ANALYSIS:**

Staff considered the following alternatives but decided against them because the cons outweigh the pros.

Alternative 1: The District could choose not to add additional transit shelters to its maintenance contract. The removed transit shelters will not be replaced or relocated to another location.

- Pros: No additional maintenance cost and liability to the District. Maintenance costs may even be reduced if the removed shelters are not replaced at the same location. Additionally, no additional transit shelters means no additional potential liability.
- Cons: Local jurisdictions would have to either maintain the new shelters themselves or remove the existing shelters not owned by AC Transit. District Corridor Projects would not propose any new transit shelters unless the shelters are owned and maintained by the jurisdiction. The jurisdiction is limited to the existing transit shelters within its boundary under the District's maintenance contract.

Alternative 2: The District could expand the total number of transit shelters it owns and maintains beyond the existing 276 transit shelters. Staff would identify a limited number of shelters per year. District Corridor Projects would be prioritized.

- Pros: This gives the District the ability to deliver quality Corridor Projects. The District would not have to rely on the jurisdictions to fund the program.
- Cons: This may increase the District's liability, and the District would need to identify additional funds for maintenance each year.

**PRIOR RELEVANT BOARD ACTION/POLICIES:**

SR24-229 - Transit Shelter Advertising Contract 2024

SR18-211k - Transit Shelter Maintenance Contract

SR18-211j - Transit Shelter Advertising Contract

SR18-211i - Transit Shelter Contract Update  
SR18-211h - Transit Shelter Contract Update  
SR18-211g - Transit Shelter Contract Update  
SR18-211f - Transit Shelter Contract Update  
SR18-211e - Transit Shelter Contract Update  
SR18-211d - Transit Shelter Contract Update  
SR18-211c - Transit Shelter Contract Update - 2021 Bridge Contract  
SR18-211b - Transit Shelter Contract Update  
SR18-211a - 2020 Transit Shelter Advertising Contract

**ATTACHMENTS:**

1. Transit Shelter Update Presentation
2. Agenda Planning Request Form

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**Approved/Reviewed by:**

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