



# TRANSIT SHELTER UPDATE

CITY OF RICHMOND INTER-LIAISON COMMITTEE | MAY 11, 2023



## Today's Presentation:

- Background
- New Contracts
- Contract Costs – All
- Contract Costs – City of Richmond
- Next Steps

- For the past 20+ years, AC Transit had a **1999 Transit Shelter Agreement** with Clear Channel Outdoor Advertising (CCO) to do **all** maintenance and capital work in exchange for advertising revenue in shelters. This agreement expires on **March 2023**.
- Historically, CCO used advertising revenue to pay for maintenance and capital costs.
- Revenue in transit shelters has gone **down** (and moved online) while costs to maintaining infrastructure has gone **up**.
- AC Transit is shifting to a **new model** that continues maintenance, advertising, and capital services that provides a more dignified bus stop waiting experience for our riders.

On Feb 22, 2023, AC Transit's Board of Directors approved the award of two contracts:

Transit Shelter Advertising Contract – Intersection LLC

- \$700,000 Minimum Annual Guarantee in advertising revenue, 5 year contract
- Installation, removal, sale, and maintenance of advertising. Potential for digital advertising.

| Transit Shelter Advertising Contract |              |              |
|--------------------------------------|--------------|--------------|
| Service                              | Old Contract | New Contract |
| Monthly Revenue Share                | 50%          | 65%          |
| Minimum Annual Guarantee (MAG)       | No           | Yes          |

On Feb 22, 2023, AC Transit's Board of Directors approved the award of two contracts:

Transit Shelter Maintenance Contract – Graffiti Protective Coatings, Inc.

- \$851,020 dollars a year for existing 276 shelters, 5 year contract

| Transit Shelter Maintenance Contract          |                                                        |                                                          |
|-----------------------------------------------|--------------------------------------------------------|----------------------------------------------------------|
| Item                                          | Old Contract                                           | New Contract                                             |
| Cost                                          | \$0 per year (Nonmonetary Contract – no longer viable) | ACT Estimate: \$1,332,720/year<br>Actual: \$851,020/year |
| Cleaning (i.e. graffiti, trash pick up, etc.) | 1x a week                                              | 2x – 3x a week                                           |
| Pressure Washing                              | 1x a month                                             | 1x a month                                               |
| Maintenance Log                               | 2x a month, excel file                                 | Online accessible 24/7                                   |
| Unscheduled Requests                          | 24 hour response                                       | 24 hour response                                         |
| Unhoused Trash Cleanup                        | None                                                   | Yes                                                      |

The table shows the total cost for the transit shelter maintenance and advertising contracts for all Jurisdictions.

| Maintenance Contract Annual Cost (All Jurisdictions)                    |           |                                                                                                                                       |
|-------------------------------------------------------------------------|-----------|---------------------------------------------------------------------------------------------------------------------------------------|
| Scheduled                                                               | \$816,960 | Includes Pressure Washing 1x a Month and Cleaning (Graffiti Removal, Trash, Sweeping, Etc.) 2x a Week (up to three times).            |
| Unscheduled                                                             | \$34,060  | Includes on-call Pressure Washing, Cleaning, Graffiti Removal, Trash, Sweeping, Minor Maintenance, Repainting, Unhoused Trash Cleanup |
| Total                                                                   | \$851,020 | All shelters in ACT's Service Area                                                                                                    |
| Advertising Contract Annual Revenue (Minimum Annual Guarantee - M.A.G.) |           |                                                                                                                                       |
| Advertising M.A.G.                                                      | \$700,000 | Annual revenue guaranteed based on all advertising shelters in ACT's Service Area                                                     |

# CONTRACT COSTS - RICHMOND



The total cost to maintain 9 existing transit shelters/kiosks in the City of Richmond is **\$9,878.31 per year** after subtracting advertising revenue.

**Staff asks that the City share the responsibility to fund the transit shelter maintenance contract.**

| Jurisdictions | Kiosks | Non Ad Shelters | Ad Shelters | Total Shelters |
|---------------|--------|-----------------|-------------|----------------|
| Richmond      | 2      | 3               | 4           | 9              |

| Percent Total (Maintenance) | Percent Total (Advertising Panels) | Annual Maintenance Cost per Jurisdiction (Scheduled + Unscheduled) | Annual Maintenance Cost per Jurisdiction (after M.A.G.) |
|-----------------------------|------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------|
| 3.26%                       | 2.55%                              | \$ 27,750.65                                                       | <b>\$ 9,878.31</b>                                      |

## **Advertising and maintenance contracts begin in April 2023.**

- AC Transit has taken on ownership of transit shelter assets and will continue to administer the contracts on behalf of the jurisdictions.

## **AC Transit asks that the jurisdictions:**

- Share the responsibility to fund the cost of transit shelter maintenance (i.e. through a budget process or other funding source).
- Streamlining processes such as permit approvals and waiving fees.

# Questions and Feedback