

Agenda item #88

**CITY OF SAN ANTONIO
AVIATION DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Sheryl Sculley, City Manager
FROM: Mark H. Webb, Interim Aviation Director
SUBJECT: Amendment of the Airport advertising contract with Clear Channel Outdoor, Inc.
DATE: June 29, 2006

SUMMARY AND RECOMMENDATION

An ordinance authorizing an amendment to the San Antonio International Airport Advertising Concession Agreement with Clear Channel Outdoor, Inc. f/k/a Eller Media Company, to extend the term of the Agreement from August 31, 2006 to February 28, 2007, and month to month thereafter for up to six additional months, as needed, to allow for the completion of the Request for Proposal process and to solicit approval from the Federal Aviation Administration for a term of a new Agreement that exceeds five (5) years.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

As a part of a Request for Proposal (RFP) process, Clear Channel, Inc. was selected for the operation of the terminal concession advertising program at San Antonio International Airport in 2001. The term of that contract ends on August 31, 2006. Staff, in conjunction with the Airport's concession manager, Unison Maximus, is in the process of developing the RFP for the selection of an advertising firm for a new contract period. The RFP will also include advertising opportunities associated with the Convention Facilities Department. This proposed extension of the existing contract with Clear Channel is requested to allow adequate time for the completion of the RFP process as well as to provide time for Aviation to request approval from the Federal Aviation Administration (FAA) for a possible future contract term of longer than five years. Recently updated federal regulations state that airports must not enter into exclusive agreements for concessions having a term longer than five years. Airports may enter into long term agreements if special local circumstances exist that make it important to enter such agreement, and the responsible FAA regional office approves the plan. Staff and our concession manager are considering the benefits of a longer term contract, given the anticipated capital investment to be required of the successful respondent, particularly as it relates to the planned addition of Terminal B.

No other provisions of the existing contract with Clear Channel will be modified.

POLICY ANALYSIS

The ordinance is consistent with City Council policy to approve amendments to existing leases to allow for adequate time to secure required approvals and to complete RFP selection processes.

FINANCIAL IMPACT

There is no significant financial impact associated with this proposed action. All financial terms of the existing contract will remain unchanged. Clear Channel provides the City with a minimum annual guarantee of \$660,000 and 60% of annual gross sales over \$1,100,000. In 2005, total revenue to the City under this contract was \$1,059,803.

COORDINATION

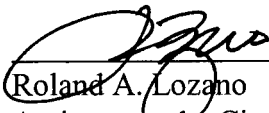
This item has been coordinated with the following departments: Asset Management, Budget and Management, Finance and the City Attorney's Office.

SUPPLEMENTARY COMMENTS

The required Discretionary Contracts Disclosure form is attached.



Mark H. Webb
Aviation Director



Roland A. Lozano
Assistant to the City Manager

Approved for Council Consideration:



Sheryl Sculley
City Manager

**AMENDMENT OF SAN ANTONIO INTERNATIONAL AIRPORT
ADVERTISING CONCESSION AGREEMENT**

This Amendment of the San Antonio International Advertising Concession Agreement ("Amendment"), is entered into this the ____ day of _____, 2006, by and between the City of San Antonio, a Texas Municipal Corporation ("City"), acting by and through its City Manager, pursuant to Ordinance No. _____ passed and approved by the City Council on _____, 2006, and CLEAR CHANNEL OUTDOOR, INC. F/K/A ELLER MEDIA COMPANY, acting by and through its duly authorized corporate representative, as set out below. ("Concessionaire").
WITNESSETH:

WHEREAS, a San Antonio International Advertising Concession Agreement (hereinafter called the "Original Agreement") for provision of Advertising Services at the San Antonio International Airport, authorized and approved by Ordinance No. 94019 on May 31, 2001, was entered into with on September 27, 1999 with Eller Media Company, now known as Clear Channel Outdoor, Inc.; and

WHEREAS, there has been a procedural delay in the selection process and City of San Antonio in order to assure seamless service to the traveling public, and in consideration of Concessionaire's planning needs, desires to extend the Contract for a specified period; and

WHEREAS, the Original Agreement expires by its terms on August 31, 2006, and Concessionaire has agreed to continue to provide services for an additional six months, pending completion of the ongoing solicitation of proposals; **NOW THEREFORE:**

In consideration of the terms, covenants, agreements and demises herein contained, and in consideration of other good and valuable consideration, each to the other given, the sufficiency and receipt of which are hereby acknowledged, the Original Agreement entered into by and between the City and Manager is amended as follows:

1.0 The term of the Original Agreement shall be extended for a period of six (6) months beginning on the first day of September, 2006 and continuing until February 28, 2007. It is agreed and understood that in the event of a continued interim need for provision of Advertising Services by Concessionaire, after expiration of this initial six month extension, the term of the agreement shall continue to be extended, on a month to month basis, for no more than an additional six months, until terminated at the discretion of the City. Concessionaire agrees, in the event of such interim continuation of service, to pay the City in accordance with the terms in effect at the execution of this Extension.

2.0 Except as amended hereby, all other provisions of the Original Agreement are hereby retained in their entirety and remain unchanged.

EXECUTED and AGREED this ____ day of _____, 2006.

ATTEST:

CITY OF SAN ANTONIO, TEXAS

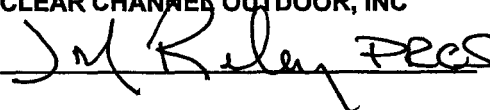
City Clerk

By: _____
Sheryl Sculley, City Manager

APPROVED AS TO FORM:

CLEAR CHANNEL OUTDOOR, INC

By: _____
City Attorney


Federal Tax Identification #: _____

City of San Antonio
Discretionary Contracts Disclosure

*For use of this form, see Section 2-59 through 2-61 of the City Code (Ethics Code)
Attach additional sheets if space provided is not sufficient.*

(1) Identify any individual or business entity¹ that is a **party** to the discretionary contract:

Clear Channel Outdoor, Inc. , d/b/a Clear Channel Airports

(2) Identify any individual or business entity which is a **partner, parent** or **subsidiary** business entity, of any individual or business entity identified above in Box (1):

☐ No partner, parent or subsidiary; or

List partner, parent or subsidiary of each party to the contract and identify the corresponding party:

Clear Channel Communications is the parent company of Clear Channel Outdoor, Inc.

(3) Identify any individual or business entity that would be a **subcontractor** on the discretionary contract.

☐ No subcontractor(s); or

List subcontractors:

Interlex, Inc., dba subcontractor

(4) Identify any **lobbyist** or **public relations firm** employed by any party to the discretionary contract for purposes related to seeking the discretionary contract.

☐ No lobbyist or public relations firm employed; or

List lobbyists or public relations firms:

KAUFMAN & ASSOCIATES, INC.

¹ A *business entity* means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law. A sole proprietor should list the name of the individual and the d/b/a, if any.

(5) Political Contributions

List all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made to any *current* or *former member* of City Council, any *candidate* for City Council, or to any *political action committee* that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under Box (1), (2), (3) or (4) above, or by the officers, owners of any business entity listed in Box (1), (2) or (3):

☐ No contributions made; If contributions made, list below:

By Whom Made:	To Whom Made:	Amount:	Date of Contribution:
See Attached			


(6) Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city must disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 2-43 of the City Code (Ethics Code), ("conflicts of interest") by participating in official action relating to the discretionary contract.

☐ Party not aware of facts which would raise a "conflicts-of-interest" issue under Section 2-43 of the City Code; or

Party aware of the following facts:

This form is required to be supplemented in the event there is any change in the information before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed, whichever occurs first.

Signature: 	Title: Company or D/B/A: Clear Channel Outdoor, Inc.	Date: 16 June 06
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² For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

LAW OFFICES OF
KAUFMAN & ASSOCIATES, INC.

1250 Frost Bank Tower
100 West Houston Street
SAN ANTONIO, TEXAS 78205-1457
TELE: (210) 227-2000 FAX: (210) 227-2001
www.kaufmanassoc.com

The following is a listing of the political contributions of more than \$100 made during the previous twenty-four months to any current or former member of City Council, any candidate for City Council or to any political action committee that contributes to City Council elections.

William T. Kaufman

August 2004	Ron Segovia Campaign	\$600.00
August 2004	Kevin Wolff for Dist. 9	\$1,000.00
December 2004	Art Hall Campaign	\$500.00
January 2005	Carroll Schubert for Mayor	\$1,000.00
February 2005	Ray Lopez Campaign	\$500.00
March 2005	Chip Haass Campaign	\$500.00
March 2005	Joel Williams Campaign	\$500.00
April 2005	Roger Flores Campaign	\$500.00
May 2005	Phil Hardberger Campaign	\$1,000.00
May 2005	Ray Lopez Campaign	\$500.00
May 2005	Noel Suniga Campaign	\$500.00
June 2005	Chip Haass Campaign	\$500.00
June 2005	Sheila McNeil Campaign	\$500.00
June 2005	Art Hall Campaign	\$500.00
June 2005	Phil Hardberger Campaign	\$1,000.00
September 2005	Kevin Wolff Campaign	\$500.00
May 2006	Delicia Herrera Campaign	\$500.00
June 2006	Roger Flores Campaign	\$500.00