

RESOLUTION NO. 11-190

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, APPROVING THE ATTACHED FOURTH AMENDMENT TO THE CITY'S BUS SHELTER AGREEMENT WITH ANDERSON OUTDOOR ADVERTISING, INC.; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, in Resolution No. 95-466, the City Commission approved an amended Bus Shelter Agreement with Anderson Outdoor Advertising for a term of 10 years; and

WHEREAS, the Agreement was amended in Resolution No. 99-119, then renewed and amended in Resolution No. 03-330, and amended in Resolution No. 06-179; and

WHEREAS, the parties desire to amend the Agreement to add additional bus shelters with advertising in Key West and along the Lower Keys shuttle route;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the attached Fourth Amendment to Agreement with Anderson Outdoor Advertising, Inc. is hereby approved.

Section 2: That the City Manager is hereby authorized to execute the attached Fourth Amendment to Agreement on behalf of the City.

Section 3: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 21 day of June, 2011.

Authenticated by the presiding officer and Clerk of the Commission on June 22, 2011.

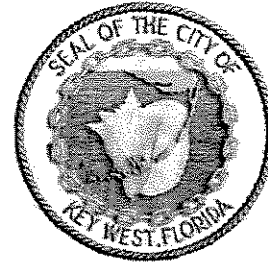
Filed with the Clerk June 22, 2011.

ATTEST:


CHERYL SMITH, CITY CLERK


CRAIG CATES, MAYOR

EXECUTIVE SUMMARY



To: Jim Scholl, City Manager
cc: James Fitton, Port and Transit Director
From: Myra Wittenberg, Manager / KWDoT
Date: May 10, 2011
Subject: Resolution – Approving Fourth Amendment to Agreement
City of Key West and Anderson Outdoor Advertising, Inc.

Action Statement:

The City of Key West, Port and Transit Department requests approval of a fourth amendment to the existing agreement with Anderson Outdoor Advertising, Inc., for purposes of modifying certain terms and conditions in said agreement.

Project History:

The Department is in the process of improving customer amenities which will also assist with increasing transit revenue opportunities with the addition of customer bus benches and shelters, to be complimented with trash can receptacles; and placed in mutually agreed upon locations within the City and Lower Keys bus service areas.

Anderson recently added twenty-five (25) trash receptacles to existing shelter locations in Key West and the Lower Keys area. Anderson further agrees to add an additional twenty (20) benches and shelters with trash receptacles in agreed upon locations.

Options / Advantages / Disadvantages:

Option one (1) would be that the City **approve** this fourth amendment to allow the opportunity to improve customer amenities at no cost to the City, while also improving revenue opportunities as to the gross sales revenue share currently in place with this Agreement, at the rate of 25%.

At a time when expenses seem to continue to increase those added revenues will assist the City with offset of all operating expenses for the public transit system. Last fiscal period Anderson paid the City more than \$75,000, in revenues earned by bus shelter advertising.

The City and Anderson have developed bi-annual field and inspection procedures which are mutually agreed upon, and shall continue to be recognized as part of this amendment to said agreement. Anderson also agrees to install recycle cans at all bus shelter locations.

KWDoT has not encountered any disadvantages to the agreement nor do we anticipate any in the future.

Option two (2) would be that the City **NOT** approve the fourth amendment to agreement.

There are no advantages to Option 2.

The disadvantage to this will be that the City will lose funding and shelters and benches will not be serviced and / or maintained.

Fiscal Impact / Budget:

Under **Option one (1)** above - potential revenues that may be generated to assist with offset of expenses to operate public transit services are likely to be netted as a result of increased advertising sales overall.

For discussion purposes, we will use 20 shelters as our number of increased units; multiply each by an average annual sale of \$2,000.00 per shelter, which we believe is a conservative estimate. We then take the increased gross revenue sales of some \$40,000.00, paid back to the City at the agreed upon rate of 25%, netting an additional \$10,000.00, annually, for years one to three, after which we believe the revenues will begin to increase even further.

The City will be provided improved customer amenities for all transit users which may result in added passenger trips per year, at no added cost to the City.

Option two (2) does not present any improved revenue opportunities.

Recommendation:

Staff recommends the City Commission approve the fourth amendment to agreement with Anderson Outdoor Advertising, Inc.

/mhw

Fourth AMENDMENT TO AGREEMENT Anderson Outdoor Advertising, Inc.

This is the Fourth Amendment to Agreement with ANDERSON OUTDOOR ADVERTISING, INC., a Florida corporation, (hereinafter "ANDERSON"), and the City of Key West, Florida, a municipal corporation, dated this 23 day of June, 2011.

WITNESSETH

WHEREAS, CITY and ANDERSON entered into a Agreement on the 27th day of December, 1995, (the "Agreement"), pertaining to bus shelter advertising; and

WHEREAS, the CITY and ANDERSON entered into the first Amendment to the Agreement on April 12, 1999; and

WHEREAS, the CITY and ANDERSON entered into the second Amendment to the Agreement on October 1, 2003; and

WHEREAS, the CITY and ANDERSON entered into the third Amendment to the Agreement on August 16, 2006; and

WHEREAS, the CITY and ANDERSON desire a Fourth Amendment to the existing Agreement; for purposes of modifying certain terms and conditions of said Agreement;

NOW, THEREFORE, in mutual consideration of the benefits conferred upon the parties by the terms of this Amendment, CITY and ANDERSON agree as follows:

Section 1: That paragraph 1 shall be amended as follows:

ANDERSON proposes to improve customer amenities and enhance revenue opportunities for both parties herein by adding certain public transportation benches and shelters for use by transit customers which will generate additional transit revenues; specifically ANDERSON will provide an additional twenty (20) benches (w/trash and recycling receptacles in mutually agreed upon locations); and an additional twenty (20) shelters (also in mutually agreed upon locations but along bus route service areas, both in City and Lower Keys areas) resulting in an increased opportunity for revenue generating advertising on said benches and shelters, while providing a requested public service.

ANDERSON recently added twenty-five (25) trash receptacles at existing shelter locations in Key West and the Lower Keys area at no cost to the CITY. ANDERSON further agrees to increase the number of trash receptacles at bench and shelter locations, by adding an additional twenty (20) trash receptacles to bus or bench

locations mutually agreed upon; and upon approval and final execution of this Amendment.

Existing Agreement provides for a total of:

- twenty-two (22) shelters - City bus service area (Key West and Stock Island), and
- eighteen (18) shelters - Lower Keys service area, and
- twenty (25) trash receptacles (paired with shelters above)

The fourth Amendment proposes to increase this by:

- twenty (20) shelters - City and Lower Keys service areas - to be determined by CITY and ANDERSON jointly; and
- twenty (20) benches - CITY and ANDERSON to agree on sites for placement; and
- twenty (20) additional trash and twenty (20) additional recycling receptacles (paired w / a bench or shelter)

Section 3: That paragraph 7 is amended as follows:

Upon the execution of the Fourth Amendment ANDERSON agrees to continue making quarterly payments for all shelters covered in the existing Agreement and said terms. ANDERSON further agrees to pay the CITY 25% of gross advertising revenues, quarterly, for all additional shelters and benches, as each unit is added to the passenger system amenities inventory list with the CITY. This will include a reconciliation to be performed between CITY and ANDERSON on a quarterly basis, to reflect location, identify by shelter or bench, and status of same.

Additionally, the CITY and ANDERSON have developed bi-annual field and inspection procedures which are mutually agreed upon, and shall continue to be a recognized as a part of this Amendment to said Agreement.

Section 4: That paragraph 9 is amended to provide as follows:

The term of this Agreement is extended for an additional three (3) year period beyond the current expiration term of September 30, 2018, and shall be valid through September 30, 2021.

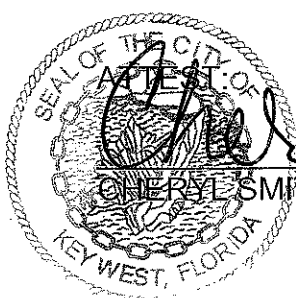
ANDERSON shall have an option for renewal of the Agreement for an additional five (5) year period at the end of the Agreement term upon mutual agreement of ANDERSON and CITY.

Section 5: Except as modified herein, the Agreement as amended shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have made this Fourth Amendment to Agreement on the date first written above.

CITY OF KEY WEST, FLORIDA

By: J. K. Scholl
JIM SCHOLL, CITY MANAGER



Cheryl Smith
CHERYL SMITH, CITY CLERK

ANDERSON OUTDOOR ADVERTISING, INC.
(a Florida Corporation)

By: John H. Anderson
JOHN H. ANDERSON, PRESIDENT

ATTEST:

Aylee Brooke
Secretary