

RESOLUTION NO. 73803

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE CONCESSION AGREEMENTS FOR THE AIRPORT ADVERTISING CONCESSION**

**WHEREAS**, on June 14, 2005, the San Jose City Council ("Council") approved four advertising concepts for the Advertising Concession at the Norman Y. Mineta San Jose International Airport ("Airport") with further direction to include a fifth option in the Request for Proposals ("RFP") to allow bidders to bid on all four concepts; and

**WHEREAS**, on January 9, 2007, Council approved the terms and conditions for the Airport Advertising Concession RFP; and

**WHEREAS**, the City received proposals from three companies including Clear Channel Outdoor, Inc. d/b/a Clear Channel Airports ("Clear Channel"), JCDecaux Airport, Inc. ("JCDecaux") and The Younger Agency; and

**WHEREAS**, Clear Channel proposed on all options, JCDecaux proposed on Options 1, 2 and 4 and The Younger Agency proposed on Option 4; and

**WHEREAS**, the length of the Concession Agreement will be seven (7) years with one three (3) year option to extend the agreement at the sole discretion of the City; and

**WHEREAS**, the Evaluation Committee performed an extensive review of the proposals based upon the goals and objectives approved by Council on January 9, 2007; and

**WHEREAS**, Clear Channel was chosen the best proposer on Options 1, 2, 3 and 4, and was the only proposer on Option 3; and

**WHEREAS**, Clear Channel was the only proposer on Option 5 and the Evaluation Committee chose this as the best response to the RFP by a unanimous vote; and

**WHEREAS**, should there be an impasse in the negotiations or should no agreement be reached by August 1, 2007, it is recommended that (a) the City Manager commence negotiations with the second ranked proposer JCDecaux for a Concession Agreement for Options 1, 2 and 4, and (b) the City Manager commence negotiations with the only proposer Clear Channel for a Concession Agreement for Option 3; and

**WHEREAS**, on May 7, 2007, the Airport Commission voted unanimously to support the recommendation to award the Airport Advertising Concession to Clear Channel;

**NOW, THEREFORE**, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The City Manager is hereby authorized to:

1. Negotiate and execute a Concession Agreement with Clear Channel Outdoor, Inc. d/b/a Clear Channel Airports for Option #5, the placement of fixed display in-terminal advertising, outdoor advertising, transit/bus shelter advertising and promotional marketing opportunities at the Norman Y. Mineta San Jose International Airport, for a seven-year term from the date of execution, with an option in the City's sole discretion to extend the term for an additional three-year period, and with a minimum annual concession fee guarantee to the City of \$4,075,000.

2. Negotiate and execute a Concession Agreement with JCDecaux Airport, Inc. for Option #'s 1, 2 and 4, which are the options for which JCDecaux Airport, Inc. submitted a proposal, the placement of fixed display in-terminal advertising, outdoor advertising, and promotional marketing opportunities at the Norman Y. Mineta San Jose International Airport for a seven-year term from the date of execution with an option in the City's sole discretion to extend the term for an additional three-year period, and with a minimum annual concession fee guarantee to the City of \$2,300,000, in the event that the City Manager determines that the City and Clear Channel cannot agree upon the terms of the Concession Agreement for Option #5 by August 1, 2007.
3. Negotiate and execute a Concession Agreement with Clear Channel Outdoor, Inc., d/b/a Clear Channel Airports for Option #3, the placement of transit/bus shelter advertising, for a seven-year term from the date of execution with an option in the City's sole discretion to extend the term for an additional three-year period, and with a minimum annual concession fee guarantee to the City of \$75,000, in the event that the City Manager determines that the City and Clear Channel cannot agree upon the terms of the Concession Agreement for Option #5 by August 1, 2007

ADOPTED this 5<sup>th</sup> day of June, 2007, by the following vote:

AYES:	CAMPOS, CHIRCO, CONSTANT, CORTESE, LICCARDO, NGUYEN, OLIVERIO, PYLE, WILLIAMS; REED
NOES:	NONE
ABSENT:	NONE
DISQUALIFIED:	NONE
VACANT:	DISTRICT 4

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CHUCK REED  
Mayor

ATTEST:

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LEE PRICE, MMC  
City Clerk

