

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Rickelle Williams, Interim City Manager *RW*
DATE: July 24, 2024
TITLE: UPDATE ON OUTFRONT MEDIA CONTRACT.

RECOMMENDATION

The City Administration ("Administration") recommends that the Mayor and City Commission ("City Commission") discuss this item and take action, as appropriate.

BACKGROUND/HISTORY

On September 2, 2021, the City Commission adopted Resolution No. 2021-31853 (Attachment A) authorizing the Administration to enter into a revenue-sharing agreement ("Agreement") with Outfront Media Group, LLC ("Outfront") for the design, construction, operation, and maintenance of bus shelters and other street furniture at designated locations within the City of Miami Beach ("City"). The Agreement was executed on October 1, 2021 and covers a 20-year term with a 5-year renewal option. The goal of the bus shelter Agreement is to install a minimum of 200 and a maximum of 250 bus shelters throughout the City such that every existing bus stop in the City (currently over 200) will have a bus shelter. The estimated revenue share to the City over a 20-year contract term is estimated between \$44 million and \$48 million; and between \$62 million and \$69 million for a 25-year term. The total value to the City, including capital expenditure, revenue share, and operating/maintenance costs, is estimated to be between \$82 million (for a 20-year term with 200 shelters) and \$119 million (for a 25-year term with 250 shelters).

On May 4, 2022, the City Commission adopted Resolution No. 2022-32156 (Attachment B), approving, in concept, the bus shelter design pursuant to the Agreement with Outfront. Design concept approval was obtained from the Historic Preservation Board ("HPB") on September 13, 2022, and from the Design Review Board ("DRB") on November 1, 2022, with the final bus shelter design, including materials and finishes, to be reviewed and approved by Planning Department staff. The bus shelter design concept required additional design and engineering, specifically: 1) manufacturing feasibility design to refine the build/deployment plan; 2) value engineering to meet the program budget; and 3) structural engineering design to meet the requirements of the Florida Building Code. The result of this design refinement for the new "standard" bus shelter is depicted in Attachment C. Planning Department staff reviewed and administratively approved the final bus shelter design and determined it was consistent with the design concept previously approved by HPB and DRB. It is worth noting that Outfront has designed three (3) variations of the new bus shelter based on size and amenities (standard, enhanced, and minimal). Furthermore, every bus shelter is anticipated to be equipped with digital "next bus" estimated time of arrival signs, either incorporated as part of the new bus shelter structure or as a stand-alone sign.

At the December 13, 2023 City Commission meeting, at the request of Commissioner Kristen Rosen Gonzalez, the City Commission referred an item (R9 V) to the Public Safety and

Neighborhood Quality of Life Committee (“PSNQLC” or “Committee”) to discuss the City’s contract with Outfront, including possible termination.

At the April 17, 2024 PSNQLC meeting, the Committee discussed this item and requested that the Administration return at a future date with an update on the implementation of the prototype bus shelter.

Pursuant to the Agreement, Outfront shall install a prototype bus shelter subject to City Manager approval prior to commencing mass production and installation of bus shelters throughout the City. As such, Outfront is in the process of manufacturing the prototype bus shelter, which is proposed to be installed on the west side of Washington Avenue north of Lincoln Road (adjacent to Soundscape Park) by October 2024. The installation of the new bus shelters is anticipated to commence in early 2025 upon the City Manager’s approval of the prototype. A phasing plan has been developed to ensure a smooth transition between the installation of new bus shelters and the removal of existing bus shelters. The phasing plan is as follows:

- Priority 1: Installation of enhanced shelters at locations with high ridership;
- Priority 2: Installation of new shelters at bus stop locations without shelters and more than 50 boardings per day;
- Priority 3: Installation of new shelters at bus stop locations without shelters and fewer than 50 boardings per day;
- Priority 4: Installation of minimal shelters due to low ridership and/or adjacent single-family land use; and
- Priority 5: Replacement of the existing bus shelters with new shelters.

In compliance with the terms of the Agreement, Outfront anticipates commencing the installation of new bus shelters in late 2024 and completing the installation of approximately 200 new bus shelters citywide by November 2026.

At the June 5, 2024 PSNQLC meeting, the Committee discussed this item and expressed a concern with the current maintenance of the existing bus shelters and bus benches in the City. Additionally, the Committee requested that the item return to the July 24, 2024 City Commission meeting with an update after having completed an assessment of all existing bus shelters and bus stops with benches, and, if appropriate, review the terms of the Agreement to ensure Outfront is in compliance. **It is important to note that while the Agreement requires Outfront to maintain each bus stop in “first class/like-new” condition, the existing bus shelters were constructed and installed approximately 20 years ago and have reached the end of their service life. Furthermore, the current Agreement focuses on the installation of the new bus shelters citywide; and the current program budget does not include funding for the replacement of existing shelters as an interim measure.**

ANALYSIS

Pursuant to the Agreement, Outfront conducts daily high-pressure washing of 40 bus stops with the highest amount of passenger activity in the City. In addition, all remaining bus stops are required to be cleaned at least once a week. The Transportation and Mobility Department staff communicates regularly with the Outfront team, through bi-weekly recurring coordination meetings, to monitor the status of the new bus shelter design and permitting as well as maintenance of the existing bus shelters and bus stops to ensure compliance with the terms of the Agreement.

During March and April 2024, Transportation and Mobility Department staff, in conjunction with Outfront, conducted an assessment of the current condition of all existing bus stops (i.e. bus shelters and bus benches) throughout the City. Based on the assessment, staff identified multiple locations which required comprehensive maintenance and refurbishment of all bus shelters, benches, and leaning rails within the City. As such, Outfront repainted and refurbished approximately 45 bus shelters and approximately 60 bus benches and leaning rails in April 2024.

Subsequently, pursuant to the recommendation of the Committee at the June 5, 2024 PSNQLC meeting, Transportation and Mobility Department staff conducted a second assessment of the current condition of all existing bus stops (i.e. bus shelters and bus benches) throughout the City and rated the condition of each bus stop. The assessment evaluated cleanliness and appearance, including presence and condition of stop amenities such as trash cans, bus and trolley maps/signs; presence of graffiti, stickers, and/or other blemishes; and the overall structural condition of the bus stops/shelters.

A rating system was used to evaluate the existing condition of bus stops (i.e. bus shelters and bus benches) and ensure that the maintenance and safety standards outlined in the Agreement are met. The scores range from 1 to 5, with 5 being the highest/best rating, indicating a first-class, like-new condition, and 1 being the lowest/worst rating, indicating a dangerous condition requiring immediate attention.

- Rating of five (5): first-class, like-new condition
The bus stop is in pristine condition with no visible signs of wear and tear. It has no graffiti, stickers, or other markings, with no rust or corrosion on any metal parts. All components (i.e. seats, shelter, roof, benches, etc.) are intact and functioning perfectly. The overall appearance is clean and well-maintained, requiring no maintenance or repairs.
- Rating of four (4): minor maintenance required
The bus stop is generally in good condition but requires some minor upkeep. There might be graffiti, stickers, or minor dirt that can be removed by cleaning or pressure washing. There could be slight discoloration or minor cosmetic issues that do not affect functionality. No structural damage or significant wear present, and only simple cleaning or minor touch-ups are required.
- Rating of three (3): moderate maintenance required
The bus stop shows signs of wear and requires moderate maintenance. A paint job may be needed due to fading, chipping, or minor rust. Minor structural issues such as small dents or scratches were present, however, all components are still functional, though aesthetic improvements are needed. No immediate safety hazards were observed.
- Rating of two (2): significant repairs required
The bus stop has notable damage that requires significant repairs to ensure functionality and safety. There may be broken seats, damaged advertisement box covers, or other noticeable damage. Rust or corrosion might be affecting structural integrity but not posing an immediate danger. Non-functional components need fixing or replacement, with noticeable issues affecting usability but not being immediately dangerous to public safety.
- Rating of one (1): dangerous condition requiring immediate attention
The bus stop is in a hazardous condition and poses a safety risk. Structural damage such as cracks on the roof, broken glass, or exposed wires were observed. Broken or missing components make the bus stop unusable or unsafe, presenting immediate safety hazards that need urgent attention. The bus stop is not considered safe for public use and requires immediate repair or replacement.

The Transportation and Mobility Department staff assessed a total of 233 bus stops, consisting of 89 bus shelters and 144 bus stops with either bus benches or leaning rails. This comprehensive evaluation aimed to document the existing conditions of each bus stop, identify areas requiring immediate attention, and provide actionable short-term recommendations for maintenance and improvement ensuring that all relevant details were captured with accompanying photographs. Attachment D includes the Bus Stop Evaluation Report (“Report”). Below is a summary of the Report findings:

Bus shelters (89):

Rating	Number of Stops	Percentage
1	0	0%
2	2	2.25%
3	47	52.81%
4	27	30.34%
5	13	14.61%
Total	89	100%

Bus stops with benches and/or leaning rails (144):

Rating	Number of Stops	Percentage
1	0	0%
2	5	3.47%
3	19	13.19%
4	31	21.53%
5	89	61.81%
Total	144	100%

Based on City staff’s assessment, 40 bus shelters and 120 bus stops with benches and/or leaning rails are in like-new condition or require minor maintenance to be categorized as like-new condition. However, staff found that 49 bus shelters and 24 bus stops with benches and/or leaning rails require moderate to significant repairs. The Transportation and Mobility Department staff has shared those locations with Outfront to expedite the necessary repairs.

It is important to note that multiple bus stops in the City experience high ridership, particularly bus stops equipped with bus shelters. These bus shelters are strategically installed at the busiest bus stops, some of which serve more than 1,000 passenger boardings daily. While these critical bus shelters are frequently pressure washed by the Outfront team, the high volume of daily usage significantly impact their appearance and condition for the following reasons:

- Frequent use - high ridership leads to constant use of bus shelters, resulting in accelerated wear and tear. Seating, shelter frames, and other structural components endure extensive daily stress, which can quickly deteriorate their condition.
- Vandalism and graffiti - the busier bus stops are more prone to vandalism and graffiti. The high foot traffic makes these bus shelters attractive targets, often requiring a more intense level of cleaning and maintenance to maintain a presentable appearance.

City Attorney's Office Compliance Review

Pursuant to the recommendation of the PSNQLC at its June 5, 2024 meeting, the City Attorney's Office reviewed the Agreement with Outfront and determined that **Outfront is in compliance with the existing contract**. However, due to the prolonged time taken by Outfront for the design and installation of the prototype bus shelter, on July 11, 2024, the City Attorney's Office issued a formal letter to Outfront requesting adequate assurance that Outfront will be able to deliver the full deployment of new bus shelters within the four (4) year deployment period allotted by the Agreement (Attachment E). Ensuring contract compliance is essential for maintaining the quality and availability of bus shelters throughout the City, particularly given the high ridership and significant wear and tear observed during the City staff's assessment. The Administration is currently pending Outfront's response to this letter.

FISCAL IMPACT STATEMENT

N/A

Does this Ordinance require a Business Impact Estimate?

(FOR ORDINANCES ONLY)

The Business Impact Estimate (BIE) was published on . See BIE at:

<https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notices/>

FINANCIAL INFORMATION

N/A

CONCLUSION

The outlined schedule for mass production and installation of new bus shelters citywide provides a clear roadmap for the successful completion of this project. The Administration remains committed to continue working with Outfront to expedite the timeline and ensure the smooth and successful execution of this project in compliance with the terms of the current Agreement.

Based on City staff's recent assessment of all existing bus shelters and bus stops with benches and leaning rails, the Administration recommends that Outfront take the following immediate actions:

1. Prioritize maintenance efforts on the two (2) bus shelters and five (5) bus stops which received a rating of two (2). These bus stops have notable damage that requires repairs to ensure functionality and public safety.
2. Pressure wash the 27 bus shelters and 31 bus stops with benches and/or leaning rails which received a rating of four (4), and remove all remnants of graffiti, stickers, and dirt. This will address minor maintenance needs and improve the overall appearance of these stops.
3. Repaint all 47 bus shelters which received a rating of three (3). These bus shelters require moderate maintenance as a result of high ridership. A fresh coat of paint will address fading, chipping, and minor rust, enhancing the aesthetic appeal and extending the life of these bus shelters.
4. Repaint all 19 bus stops with benches and leaning rails which received a rating of three (3). Similar to the bus shelters which received the same rating, these bus stops require moderate maintenance, and repainting will address cosmetic issues and improve their overall appearance.

Through Outfront's implementation of the above recommendations, the Administration can ensure that its bus stop infrastructure remains safe, clean, and well-maintained, providing a better transit experience for all passengers. The new bus shelter designs, utilizing best-in-class durable materials, will also significantly enhance the appearance and longevity of these critical public transit amenities.

Applicable Area

Citywide

Is this a "Residents Right to Know" item, pursuant to City Code Section 2-17?

No

Is this item related to a G.O. Bond Project?

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s): N/A

Department

Transportation and Mobility

Sponsor(s)

Commissioner Kristen Rosen Gonzalez

Co-sponsor(s)

Condensed Title

Update on OutFront Media Group Contract. (Rosen Gonzalez) TR