



COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Eric Carpenter, City Manager
DATE: November 20, 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 maintain the Agreement with Outfront Media Group, LLC.

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 up to 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 expenditures, 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 the Planning Department. Following HPB and DRB review and approval, the bus shelter design concept required additional design and engineering refinement, 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 the 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 currently 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 November 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/replacement 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 early 2025 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 allocate funding for the replacement of existing shelters as an interim measure.**

The discussion item (R9 AJ) was not reached at the July 24, 2024 City Commission meeting.

The discussion item (R9 AD) was not reached at the September 11, 2024 City Commission meeting.

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 per week. 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 each bus stop/shelter.

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 being 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 an extremely poor or 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 are present, however, all components are still functional, though aesthetic improvements are needed. No immediate safety hazards are 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 are observed. Broken or missing components make the bus stop unusable or unsafe, presenting immediate safety hazards

that require urgent attention. The bus stop is not considered safe for public use and requires immediate repair or replacement.

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. 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 sustain a presentable appearance.

Based on City staff's recent assessment of all existing bus shelters and bus stops with benches and leaning rails in June 2024, Outfront completed the following immediate corrective actions in early September 2024:

1. Prioritized 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 washed the 27 bus shelters and 31 bus stops with benches and/or leaning rails with a rating of four (4), and removed all remnants of graffiti, stickers, and dirt. This work addressed minor maintenance needs and improved the overall appearance of these stops.
3. Repainted all 47 bus shelters with a rating of three (3). These bus shelters required moderate maintenance as a result of high ridership. A fresh coat of paint addressed fading, chipping, and minor rust, enhancing the aesthetic appeal and extending the life of these bus shelters.
4. Repainted all 19 bus stops with benches and leaning rails with a rating of three (3). Similar to the bus shelters which received the same rating, these bus stops required moderate maintenance, and repainting addressed cosmetic issues and improved their overall appearance.

Attachment E includes pictures documenting the completion of all the above tasks. It is worth noting that in order to extend the useful life of the repainted bus benches, ensure a more durable finish, and reduce the need for frequent maintenance, Outfront removed the existing benches, installed temporary benches, and took the original benches to their shop for sandblasting and powder coating prior to reinstallation at each location.

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 (Attachment F) 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. 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.

In response to the formal letter issued by the City Attorney's Office, the City received a letter dated September 6, 2024 from Outfront (Attachment G), providing adequate assurance and reaffirming their commitment to fulfilling their deployment obligations of the new bus shelters as outlined in the Agreement. Outfront remains committed to addressing any challenges and maintaining transparency throughout the term of the Agreement.

FISCAL IMPACT STATEMENT

N/A

Does this Ordinance require a Business Impact Estimate? (FOR ORDINANCES ONLY)

If applicable, 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.

Furthermore, the Administration will continue to monitor Outfront's performance to ensure compliance with the maintenance requirements stipulated in the Agreement. Additionally, the new bus shelter designs, utilizing best-in-class durable materials, will 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