

Got Shade?

20 years of bus shelters in the City of Los Angeles

FAQ:

- **Where does the revenue go from the Bus Shelter/Street Furniture advertising revenue?** 50% of all Program Revenues goes directly into the City of Los Angeles's General Fund. The other half of the monies is equally-split 15 ways and distributed to each Council Office/District into their Street Furniture Revenue Fund accounts. Council Offices use such monies on a discretionary basis for various purposes according to the fund guidelines; the City does not have any sort of comprehensive list of what those monies may have been expended upon.
- **How much revenue has this contract generated since it began in 2001?** As of April 2020 (which is the last time the City of Los Angeles received a payment from Outfront / JCDecaux, the City has received a total of \$78.5 million from the entire program.
- **What has the City had installed in the past 20 years of street furniture contract?** There have been 660 new bus shelters since 2002. That goes along with 15 automated public toilets, 6 newsstand vending kiosks, and approximately 200 public amenity kiosks.
- **PPP Value provided.** Provide shade, seating, lighting to more than 200,000 transit riders a day, serving over 70,000,000 transit riders a year in 2019.
- A primary part of the Street Furniture program is the ongoing operations and state of good repairs maintenance. Ranging from weekly cleaning of all street elements, ongoing repairs, management of posting and ongoing field inspections as well as technology and energy efficient upgrades over the years. Reliable turnkey operations, maintenance team is on the ground 7 days week and can be reached 24 hours a day
- Capital investment for furniture, installation costs, services and all other permitting fees.
- The program provides free outdoor media space for the City to communicate priority programs and to lead very successful PSA campaigns

Key notes:

- **Where is Metro?** Over the past 20 years Metro has maintained they are not responsible for first/last mile access and bus stops. There are over

8,000 Metro bus stops in the City of LA. The City LA and Metro do not treat bus stops as part of the transportation network, but as a revenue generating function for the general fund and City Council offices.

- **Designed to prioritize revenue but in 19 years only \$78.5 million generated.** As the City prepares to issue a new RFP and finally address the long time broken process, it seems motivated by the ad market envisioned for the 2028 Olympics and mega sports events. Though, in 20 years of this contract, the City has only generated \$78.5 million, which is the same amount of funding received from local return from one of the City's 4 transportation sales taxes every year. (Prop A, Prop C, and Measure R and M).
- **Problematic:** The Council's decision to require approval from each council member was so detrimental to the program, because JC Decaux's assumption was that they would have at least 18 years to recoup the initial, up-front capital investment, through advertising. It also assumed the placement of those 3-sided advertising signs in parts of the city where there is a lot of traffic, and high-income eyeballs on those signs. (Primarily the westside - CD11 and CD5), in order to pay for the bus shelters in less affluent parts of the city.
- **Problematic:** There were essentially 3 competing interests, and it doesn't appear the City Council was clear on what the primary objective was: bus shelters, automatic cleaning toilets, or revenue? Because of that lack of clarity on the objective - and the cumbersome approval process - the City of Los Angeles got less of all three. When West Hollywood renegotiated their contract with Outfront / JCDecaux, they formed a working group consisting of 2 council members, a BID executive director, the Chamber of Commerce, residents and business owners to really hash out what they wanted out of the agreement.
- **Problematic:** The City of LA has a separate contract for bus benches as for shelters, which means nothing matches. There are some bus stops where you have 3 different kinds of street furniture: JC Decaux, Martin Outdoor, and BID-supplied. Why?

By the numbers;

- 2000 - City of LA has over 8,000 Metro bus stops and 1215 number of shelters.
- 2020 City of LA has over 8,000 Metro bus stops and 1,878 bus shelters
- There have been 660 new bus shelters since 2002. That goes along with 15 Automated public toilets, 6 Newsstand Vending Kiosks, and ~ 200 Public Amenity Kiosks. (At present, the City estimates feel that number is somewhere closer to 12,000 with 2/3 - 3/4 of them or approximately

8,000 - 9,000 of them being for Metro alone. Other major operators include Santa Monica Big Blue Bus, Foothill Transit, LADOT Commuter Express and DASH and OCTD.)

Timeline

2001 - According to the City's contract with Outfront / JCDecaux, there were 1215 existing transit shelters on our streets when the contract was signed in 2001.

2001 - The City of LA contracted (through RFP Process) with a private street furniture advertiser, Outfront / JCDecaux, to build and install bus shelters, vending kiosks, public information kiosks and automated public toilets in exchange for an exclusive 20-year contract to advertise on select street furniture in the public right-of-way. The City, in turn, received bus shelters and other street furniture at no cost to the City, retaining full control of the permits (Sites, Qty, Type) in addition to a share of the ad revenue, and annual fees from Outfront / JCDecaux.

Between 2002- 2008 it was extremely difficult to apply for permits. (Note: each public piece of street furniture including bus shelters needed to be approved on a site to site basis by respective Councilmember and show extensive community outreach/ approval before an application can be made. CM and City did not request sites (as anticipated/required), and the contractor submitted all initial applications. The permits/installation were supposed to follow a contractual 2 Year installation process/rollout with specific rollout schedule for quantity, type of different furniture to ensure and meet the desired financial and technical benefits/services.

The realignment in quantities has resulted in less services, investment, revenue and less advertising, despite this, the program has proven to work well in its authorized capacity (each City Council Member elected to choose exact quantities for their designated District)

2007 - City was scheduled to do a 6-year review of the contract, it never happened. The parties had an ongoing negotiation and tried to amend to facilitate the implementation. *(The official "Year Six Review" was completed in 2017.)*

2008 After the recession crisis and the lack of proper permits (quantity, type, and timing) the roll out was put on hold indefinitely.

2012 - The City's then-Controller, Wendy Greuel, [conducted an audit](#) that examined the City's Street Furniture Program and the contract with Outfront / JCDecaux. In the first 10 years of the contract, JCDecaux implemented 710 total bus shelters (657 new / 53 replacement) compared to the projected delivery of 2,185 bus shelters (1,285 new / 900 replacement). The audit pointed to the Program's arduous, 16-step approval process, which relies heavily on City Council Office approvals, as a primary contributor for why Outfront / JCDecaux & Bureau of Street Services (BSS) were unable to install the initial projected number of bus shelters.

2012 - City Council declines to address the audit and the 16-step approval process, which relies heavily on City Council Office approvals for every single bus shelter, remains in place.

2012 - 2017 - Program continues on with only 1870 bus shelters for over 8,000 bus stops in the City of LA.

2017 - BSS conducts 6 year review (originally scheduled for 2007) — the joint report BSS, Chief Legislative Analyst (CLA), City Attorney (CA), Outfront / JCDecaux recommends options including extending the existing street furniture program by an additional 10 years+amend the arduous permitting process (Feb 28, 2017).

2017 - City Controller Ron Galperin [writes a follow up](#) on the 2012 Controller's Audit, and asks to see this contract exploring "the use of digital, in addition to static, advertising on street furniture in high-demand areas of the City."

2018 - The City's Public Works and Gang Committee and full City Council (1.19.20) instructs BSS and the CLA, with the assistance of the City Attorney, to complete negotiations with Outfront JCDecaux, LLC to achieve the following recommendations:

- Adjust the Minimum Annual Fee (MAF) to reflect the current status of the 20-year agreement, Contract No. C-102477 (Agreement) to the extent revenues continue to increase as the result of higher advertising rates or increased sales, the City will continue to receive payments in excess of the adjusted MAF.
- Clarify the past and future Possessory Interest Tax payments.
- Amend the agreement's site approval process to help facilitate future street furniture installations moving forward in a timely manner.

- Pursue the installation of transit-related street furniture structures that reflects the types and quantities originally contemplated by the agreement, including some upgraded services and technologies.
- Extend the program term by an additional ten years.
- Add power washing and additional trash pickups to frequently used bus stops.
- Include the use of Big Belly trash receptacles at bus stops.
- Add full-time attendants to monitor certain public restrooms.
- Expand the use of shade shields to bus stops.
- Expand the use of wireless networking technology (Wi-Fi) bus stops.
- Instruct BSS to report annually on the program.
- A motion to develop a separate digital advertising/information kiosks program with LA Tourism was rejected on the floor, a motion presented by Councilmember Buscaino.

2018 - A full report negotiated by BSS, CLA and CA (July 27, 2018) and submitted by BSS to Council Files---recommending 10 year extension including new and more street furniture (up to at least 2500 bus shelters) and more revenue for the City, amended permitting process. That report was abruptly removed from the Council File after only a few days.

2018 - In August, Mayor Eric Garcetti appoints Adel Hagekhalil as Director of BSS. With over 29 years in public service, Hagekhalil served most recently as an Assistant Director for the Bureau of Sanitation, where for the past 10 years he has been responsible for wastewater collection system management, stormwater and watershed protection program, water quality compliance, and facilities and advance planning.

2018 - City Staff explained why they pulled off the Negotiated Amendment Report from Council Files, and replaced it with another report recommending against an extension. Councilmembers asked BSS to go back to the negotiation table.

2019 - City decides against extending the contract, but seeks to let the street furniture contract expire on 12/31/21. City starts breaking out parts of the contract. Digital information/advertising kiosks get a lot of discussion in regards to the advertising market for the 2028 Olympics.

2019 - The City of LA's chief design officer Christopher Hawthorne + BSS (now known as StreetsLA) also announces a workshop where design firms will

develop “cost-effective” shade structures for the 750 new bus benches the city plans to install by December 2020, including the benches that are part of Cool Street LA.

2020 - In March, StreetsLA issued a Request for Information (RFI) with the goal of acquiring a business partnership with the objective of becoming an industry leader with its Street Furniture Program. The partner would also be required to design street furniture under best practice as well as utilizing innovative technologies. Bear in mind that this RFI has no contract award attached to it. Nine companies responded to the RFI:

- Black & Veatch;
- Clear Channel Outdoor;
- Ernst & Young Infrastructure Advisor, LLC;
- Heritage Outdoor Media;
- Ike Smart City, LLC;
- OutdoorLink, Inc;
- Outfront / JCDecaux;
- StandardVision

The overall objective of Streets LA is to improve quality of life for residents by providing shade and shelter while simultaneously deploying innovative technologies that serve as wayfinding and promotes commerce through static, digital, and interactive advertising.

StreetsLA is pushing the advertising component heavily in anticipation of the 2022 Super Bowl, 2023 College Football Championship, 2026 World Cup, and 2028 Olympics, as well as the annual Academy and Golden Globe Awards, as well as the Grammys.

2020 - The City of LA estimates releasing a RFP for the new street furniture program in October 2020.

Some key research/background: The total number of bus stops in the City of Los Angeles has always been an unknown and a point of debate over the years. A large part of that is because the City of LA has 40 some-odd transit operators running bus lines and operating bus stops within the City of Los Angeles; because bus operators are considered a public utility (like railroads) they are regulated by the State Public Utilities Commission and are therefore able to establish, relocate, or abandon bus stops without having to obtain permits or permission from the local (municipal) governing authority. Without the need for obtaining permits from the City, it was and continues to

be impossible for the City to keep track of where all the bus stops were/are at unless they are performing comprehensive, citywide surveys on a continuous basis to track where everything was (which the City has never invested in and continues to this day). With most bus operators adjusting their individual lines and schedule at least annually and for Metro, every 6 months, there was no way for the City to track where all of the bus stops were at and have an accurate, verified accounting of the exact number of stops that existed on our streets at any given point in time. As such, any number you might hear about for anything prior to say, 2017, is purely speculative and only a rough estimate. With the advent of GIS based data available on-line after 2016-17, the City is getting closer to being able to pin down a more precise number but City does have bus stops that are being created, moved, or abandoned almost daily so the actual number is in a constant state of flux.

There are unverified estimates of bus stops within the City being between 14,000 to upwards of 18,000. Those estimates have fluctuated over the years but they've never gone below 10,000. At present, the City estimates feel that number is somewhere closer to 12,000 with $\frac{2}{3}$ - $\frac{3}{4}$ of them or approximately 8,000 - 9,000 of them being for Metro alone. Other major operators include Santa Monica Big Blue Bus, Foothill Transit, LADOT Commuter Express and DASH and OCTD. There are a plethora of other municipal bus lines with stops in Los Angeles from Cities like Montebello, Gardena, Torrance, Culver City, Santa Clarita, and Beach Cities Transit (South Bay) to name a few.