



AGENDA MEMORANDUM

Future Item for the City Council Meeting of February 14, 2017
Action Item for the City Council Meeting of February 21, 2017

DATE: February 14, 2017
TO: Margie C. Rose, City Manager
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Concession Agreement for In-Terminal Advertising
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CAPTION:

Motion authorizing the City Manager or designee to execute a concession agreement with In-Ter-Space Services, Inc., doing business as Clear Channel Airports, of Allentown, Pennsylvania, for in-terminal advertising services at the Corpus Christi International Airport for a term of five years, with one five-year renewal option, with a minimum annual revenue guarantee of \$60,000 or 45% of gross receipts, whichever is greater.

PURPOSE:

Staff is recommending a concession agreement for In-Terminal Advertising in order to increase revenue for the Corpus Christi International Airport.

BACKGROUND AND FINDINGS:

In December 2015, Corpus Christi International Airport (CCIA) sent out a Request for Proposals for an Advertising Concessionaire to operate inside the airport terminal. Airport staff requested a program that would maximize revenue for the airport while maintaining the clean, coastal, open-air aesthetic that exists inside the terminal. CCIA established advertising zones and asked proposers to create an advertising program within those zones.

Like most commercial airports in the United States, CCIA seeks a third party to manage the In-Terminal Advertising program because of the expertise required to develop,

market, and execute the selling of Ad space in large, public buildings. With a concession agreement in place, the airport is guaranteed a minimum annual payment or a percentage of gross revenue generated by the program, whichever is greater.

A Request for Proposal No. 89 (RFP) as issued December 2015 for these services. Three firms submitted their proposal and were evaluated against the criteria outlined in the RFP. The Evaluation Committee looked at the proposer's plan, experience, background qualifications, marketing plan and investment and projected revenue to determine which firm would provide the best value for the City. In-Ter-space dba Clear Channel Airports received the highest number of points in the evaluation process and is therefore being recommended for award.

ALTERNATIVES:

No viable alternative exists

OTHER CONSIDERATIONS:

Not applicable

CONFORMITY TO CITY POLICY:

This purchase conforms to the City's purchasing policies and procedures and State statutes regulating procurement.

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Aviation

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

Fiscal Year: 2016-2017	Current Year	Future Years	TOTALS
Line Item Budget	\$13,952.85	\$0.00	\$13,952.85
Encumbered / Expended Amount			
This item (additional revenue)	\$60,000.00	\$240,000.00	\$300,000.00
BALANCE	\$73,952.85	\$240,000.00	\$313,952.85

Fund: Airport

Comments: The anticipated revenue has been appropriated into the budget for 2016-2017 Fiscal Year.

RECOMMENDATION:

Airport Staff recommends the approval of the concession agreement.

LIST OF SUPPORTING DOCUMENTS:

Concession Agreement
Form 1295
Evaluation Matrix