

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

DATE: August 31, 2018

TO: Honorable Members of the Los Angeles City Council

Public Works and Gang Reduction Committee
c/o Michael Espinosa, Legislative Assistant

FROM: Fred Mousavipour, Assistant Director *FM*
Bureau of Street Services

SUBJECT: CF 00-1073 S1 CITY COORDINATED STREET FURNITURE PROGRAM

SUMMARY

On January 19, 2018, the City Council adopted recommendations relative to the Year Six Review of the City's "Coordinated Street Furniture Program" (Program). At that time, Council instructed the Bureau of Street Services (BSS) and the Chief Legislative Analyst (CLA), with the assistance of the City Attorney, to conclude the negotiations with Outfront JCDecaux, LCC (OFJCD) in an attempt to achieve 10 specific goals within 120 days. The Council further instructed the staff to proceed with preparation of a new RFP for a successor to the City's current "Program" if the satisfactory outcome is not reached within the said timeline.

Consistent with those instructions, in late January 2018, BSS and the CLA, with the assistance of the City Attorney, commenced negotiations with OFJCD. Negotiations concluded on June 28, 2018 without reaching a collective consensus on expected new services and technologies as previously articulated by the Controller's 2012 audit, the Year Six Review, the City Council, and the Mayor.

There are amenities available now that were simply unimaginable when this contract was originally entered into. New innovations are significantly changing the way people interact with the public right-of-way and rising temperatures necessitate a robust network of bus shelters to provide much needed shade. Pursuing an RFP will allow the City to perform due diligence, modernize the Program, and explore street furniture options in order to ensure the City receives the best deal available.

RECOMMENDATIONS

1. Instruct the Bureau of Street Services (BSS), with the assistance of the City Attorney and the Chief Legislative Analyst, to report back in 120 days with a draft RFP for a successor to the "Coordinated Street Furniture Program" for consideration of the Council Public Works Committee.

DISCUSSION

In 2000, the City Council directed the CLA, City Attorney, and BSS to develop a program to expand street level public services throughout the City. Through a public-private partnership, the City would receive transit shelters and other street furniture such as automated public toilets and modular news racks (CF 98-1241, 00-1073). On December 21, 2001, the Board of Public Works (BPW), on behalf of the City, and Viacom Decaux LLC, now known as Outfront JCDecaux, LLC (OFJCD), executed a 20-year Agreement for Coordinated Street Furniture (Agreement). This action established the City's Public-Private Coordinated Street Furniture Program (Program). The Agreement requires OFJCD to:

- Design, manufacture, and install transit shelters, automated public toilets (APTs), public amenity kiosks (PAKs), and newsstand vending kiosks (VKs) (collectively referred to as "street furniture");
- Maintain the street furniture, including litter baskets;
- Obtain all permits required to install street furniture;
- Obtain approvals for each individual street furniture site from Council Offices and eight City Departments, and perform community outreach;
- Remit to the City a Minimum Annual Fee (MAF) and/or a share of annual gross revenue receipts known as a Revenue Share or Percentage Fee;
- Operate an outdoor advertising program within the public right-of-way on behalf of the City to create a fiscally sustainable, self-funded Program.

The initial goal of the Program was to deliver 1285 new transit shelters, 900 replacement transit shelters, 150 automated public toilets (APTs), 500 public amenity kiosks (PAKs), and 100 vending kiosks (VKs). To date, the Program has provided the City with 657 new transit shelters, 53 replacement transit shelters, 15 APTs, 197 PAKs, and 6 VKs. The Program's transit shelters serve more than 200,000 transit riders per day and more than one million per week. With 75 percent of Los Angeles County's transit riders relying on bus services daily, the Program's primary service component is transit shelters. The Program's other key service structure, APTs, provide much needed restroom facilities at key Metro stations, Skid Row, and other areas of the City.

The valuation of the new street furniture installed is estimated to be over \$22 million. The Program also services and maintains 1,210 existing transit shelters, over 35 community transit shelters, 50 Rapid Bus Stations, and over 1,850 litter bins. The value of the Program's services and maintenance, including the media value of public service announcements (PSAs) is estimated by OFJCD to be over \$92 million since the Program's inception.

The initial goal of the Program was to generate a total of \$150 million in total Maximum Annual Fees (MAF) by 2021. The Program has generated a total of \$66.7 million in combined MAF and Percentage Fees to date. The current Agreement will remain in effect through December 2021 and the City will continue to receive Program revenues commensurate with the current quantities of street furniture.

Since the current Program was initiated in 2001, there have been cultural and economic changes that reflect favorable attitudes towards the use of public transit. Meanwhile, new transit and public infrastructure policies have been adopted by the City Council and Los Angeles County Metropolitan Transportation Authority (Metro), and the Mayor has issued several relevant Executive Directives. Finally, the City and Metro are working on multiple initiatives to restructure the bus system in the next few years to better meet existing and future needs. For example, Metro's NextGen bus study will redesign the entire Metro bus network by 2020.

As the City continues to rely on public transit as a tool in achieving its climate and transportation goals, transit shelters are critical infrastructure that provide shade, protection, lighting, seating, and a sense of place for transit riders. Transit shelters directly support the City's transit and mobility goals, providing services to constituents and transit riders citywide with terms and conditions that ensure fairness, equity of services, and compliance with City policies and regulations. The RFP process will allow the City to explore new possibilities that fit the current and future transportation service needs, incorporate the latest technologies (e.g., Wi-Fi, arrival times, smart compacting trash receptacles, etc.) and provide ongoing innovation to enhance services provided to transit riders.

Additionally, transit shelters provide critical shade for transit riders and pedestrians as well as, mitigating the impact of extreme heat. Due to the effects of climate change, the City's number of extreme heat days are projected to only increase. Therefore, additional opportunities to create shade, such as shade shields and street trees, should be considered along with the location of street furniture along critical transit corridors. An RFP will ensure the street furniture contract aligns with the City's current and future efforts to expand transit use by delivering world class transit shelters and amenities and contributing to the beautification and safety of our streets.

Technology and media have been revolutionized since the Program first began in 2001. An RFP will provide an opportunity for a contract that incorporates the latest transit amenities and technologies and considers the technological advancements that will develop throughout the duration of the contract. Through this contract, the City has a critical opportunity to shape the right-of-way landscape that millions of visitors will experience during the 2028 Summer Olympics and Paralympics hosted in Los Angeles. Street furniture can reflect our values as a City for equitable city services, Zero Waste, First/Last Mile connections, renewable energy, world class design, accessible wayfinding and signage, and commitment to innovation.