

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

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Meeting Date: May 21, 2013 [X] Consent [] Regular
[] Ordinance [] Public Hearing

Department:

Submitted By: Department of Airports

Submitted For: Department of Airports
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I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: Second Amendment to Advertising Concession Agreement (Amendment) with In-Ter-Space Services, Inc., d/b/a Clear Channel Airports (Clear Channel), providing for the extension of the term through March 31, 2019, and for the purchase of 28 power charging stations for installation at the Palm Beach International Airport (PBIA).

SUMMARY: On February 24, 2009, the Board approved the Advertising Concession Agreement (R2009-0280) (Agreement) with Clear Channel for the operation of an advertising concession in the Palm Beach International Airport. Clear Channel is a Pennsylvania corporation with its principal place of business in Allentown, Pennsylvania. The Agreement is scheduled to expire on March 31, 2014, unless renewed. The Agreement provides for one five-year option to renew. The Amendment will renew the Agreement through March 31, 2019. Due to the growing number of mobile electronic devices, such as cell phones, laptops and tablets, being used by passengers at PBIA, there is a need to provide convenient locations to recharge the devices. Clear Channel has agreed to purchase 28 power charging stations for installation at PBIA, which will provide passengers the ability to charge their mobile electronic devices at no charge. The power charging stations will also provide new locations for the display of advertising at PBIA, generating additional advertising revenues.

Countywide (AH)

Background and Justification: On September 3, 2008, the Department of Airports issued Request for Proposals PB 08-10 (RFP) for the advertising concession at PBIA. Clear Channel was awarded the Agreement, which provides for one five-year option to renew at County's option. The total cost of the power charging stations is approximately \$39,000. Ownership of the power charging stations will be transferred to the County upon the expiration of the Agreement.

Attachments:

- 1. Second Amendment (3)

JB Recommended By: [Signature] 4/15/13
Department Director Date

Approved By: [Signature] 5/13/13
County/Deputy/Assistant County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	<u>(\$175,000)</u>	<u>(\$350,000)</u>	<u>(\$350,000)</u>	<u>(\$350,000)</u>
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	_____	<u>(\$175,000)</u>	<u>(\$350,000)</u>	<u>(\$350,000)</u>	<u>(\$350,000)</u>

No. ADDITIONAL FTE POSITIONS (Cumulative) _____

Is Item Included In Current Budget? Yes _____ No X
 Budget Account No: Fund 531 Department 120 Unit 8430 RSource 4463

Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

The Agreement provides for payment based upon the greater of a percentage of annual gross revenues (Percentage Fee) from advertising sales or a minimum annual guarantee. The current minimum annual guarantee is \$350,000. The minimum annual guarantee has consistently exceeded the Percentage Fee. Advertising revenues from the sale of advertisements will be based upon actual sales. The term of the Second Amendment will commence on April 1, 2014.

C. Departmental Fiscal Review: CM Sumner

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

<p><u>[Signature]</u> 4/30/2013 OFMB 4/25/13 PM 4-26-13</p>	<p><u>[Signature]</u> 5/7/13 Contract Dev. and Control 5-2-13 Brewer</p>
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B. Legal Sufficiency:

Anne Delgant 5-7-13
 Assistant County Attorney

C. Other Department Review:

 Department Director

ACTION BY WRITTEN CONSENT WITHOUT MEETING

August 15, 2011

The undersigned, being all of the members of the Board of Directors or all of the managers, as applicable, of the legal entities identified on Exhibit A attached hereto (each a "Company" and together, the "Companies"), hereby authorize, approve and agree to the adoption of the following action, by written consent without a meeting, in accordance with applicable law and the organizational documents of each of the Companies, and direct that this Consent be filed in the minute book of each of the Companies.

Election of Officers

WHEREAS, the members of the Board of Directors and the managers, as applicable, of each of the Companies desire to change the title of Ronald H. Cooper.

NOW, THEREFORE, BE IT RESOLVED, that, effective as of August 15, 2011, Ronald H. Cooper shall no longer serve as the President and Chief Executive Officer of the Companies and Mr. Cooper shall instead serve as the Chief Executive Officer of the Companies until his successor is elected and duly qualified.

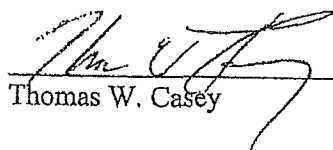
FURTHER RESOLVED, that, effective as of August 15, 2011, Toby Sturek is hereby elected as the President of the Companies, to serve in such capacity until his successor is elected and duly qualified.

General

RESOLVED, that the officers of the identified Companies, and each of such officers, be and are hereby authorized and directed to execute, certify, deliver, file and record all such documents and instruments, and to take all other actions which, in the judgment of such officers, or any of them, may be necessary or appropriate to carry out the foregoing resolutions and the purposes and intent thereof; and

FURTHER RESOLVED, that this Consent may be executed in one or more counterparts, all of which, taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this written consent effective as of the date first written above.


Thomas W. Casey



Robert H. Walls, Jr.



Exhibit A

Interspace Airport Advertising International, LLC

In-ter-space Services, Inc.

152 020K



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/24/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aon Risk Services Southwest, Inc. 5555 San Felipe, Suite 1500 Houston, TX 77056-3089 1-832-476-6000, 840.0016	CONTACT NAME: PHONE (P/C, No, Ext): FAX (A/C, No): E-MAIL: ADDRESS:
INSURED In-Ter-Space Services, Inc., licensed as Clear Channel Airports c/o 200 E Basse Road San Antonio, TX 78209	INSURER(S) AFFORDING COVERAGE INSURER A: Insurance Co of The State of PA INSURER B: Ace Property & Casualty Insurance Company INSURER C: New Hampshire Insurance Company INSURER D: INSURER E: INSURER F:

COVERAGES **CERTIFICATE NUMBER:** 29822793 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADD'L INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			GL 9645165	11/01/12	11/01/13	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ Excluded PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			CA 4982968 (AOS)	11/01/12	11/01/13	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED \$ RETENTION \$			XOO-G27048778	11/01/12	11/01/13	EACH OCCURRENCE \$ 25,000,000 AGGREGATE \$ 25,000,000 \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	WC 018112349 (AOS)	11/01/12	11/01/13	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

REFERENCE: Palm Beach County Board of County Commissioners, a political subdivision of the State of Florida, its Officers, Employees and Agents are included as an additional insureds on the GL, Auto and Excess policies, but only to the extent of the liability assumed by the Named Insured under written contract. Workers' Compensation coverage is evidenced for employees of the Named Insured only. Waiver of subrogation applies.

CERTIFICATE HOLDER Palm Beach Co. Dept. of Airports a political sub. of the State of FL. Bruce Pelly, Director of Dept. of Airpor Bldg. 846, Palm Beach Int'l W Palm Beach, FL 33406-1491 USA	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Aon Risk Services Southwest, Inc.</i>
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ACORD 25 (2010/05)
Dholden
29822793

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2 OF 2 F
ENY 3008

**SECOND AMENDMENT TO
ADVERTISING CONCESSION AGREEMENT**

THIS SECOND AMENDMENT TO ADVERTISING CONCESSION AGREEMENT (this "Amendment"), made and entered into _____, by and between **Palm Beach County**, a political subdivision of the State of Florida (the "County"), and **In-Ter-Space Services, Inc., d/b/a Clear Channel Airports**, a Pennsylvania corporation ("Concessionaire"), with its office and address at 4635 Crackersport Road, Allentown, PA 18104.

WITNESSETH:

WHEREAS, the County, by and through its Department of Airports, owns and operates the Palm Beach International Airport, located in Palm Beach County, Florida, for the promotion, accommodation, and development of air commerce and transportation; and

WHEREAS, the County and Concessionaire have entered into that certain Advertising Concession Agreement dated February 24, 2009 (R2009-0280), as amended, (the "Agreement") for the operation of an advertising concession in the Airport; and

WHEREAS, the County has requested Concessionaire make an additional capital investment toward the purchase of power charging stations; and

WHEREAS, the Agreement expires on March 31, 2014, and provides the County with the option to renew the Agreement for one additional period of five (5) years; and

WHEREAS, Concessionaire is willing to make the capital investment subject to the County's exercise of its extension; and

WHEREAS, the parties hereto desire to extend the Agreement in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained and for such other good and valuable consideration, the receipt of which the parties hereby expressly acknowledge, the parties hereto covenant and agree to the following terms and conditions:

1. Recitals. The recitals set forth above are true and correct and incorporated herein by this reference. Terms not defined herein shall have the meaning ascribed to them in the Agreement.

2. Renewal. In accordance with Section 2.02 of the Agreement, the term of the Agreement shall be renewed for a period of five (5) additional years upon the expiration of the Initial Term. The Renewal Term shall commence on April 1, 2014, and expire on March 31, 2019.

3. Power Charging Stations. Concessionaire agrees to purchase and install a minimum of twenty eight (28) power charging stations at locations within the Terminal approved by the Department. The County shall be responsible for ensuring electricity is readily available at the approved locations prior to installation of the power charging stations by Concessionaire and for making the final electrical connection of the power charging stations to the power source. The County agrees that Concessionaire may count all costs incurred by Concessionaire toward the purchase and installation of the power charging stations at the Airport toward the Renewal Term Investment. Notwithstanding any provision of the Agreement to the contrary, Concessionaire shall not be required to provide a separate Statement of Costs for the purchase and installation of the power charging stations and may include the costs in the Statement of Costs required pursuant to Section 6.03 upon completion of all construction performed in furtherance of satisfying the Renewal Term Investment requirement.

4. Updated Advertising Plan. Within sixty (60) days of the effective date of this Amendment, Concessionaire shall provide an updated Advertising Plan for approval by the Department. The updated Advertising Plan shall identify locations of all Advertising Displays, including the power charging stations, and may include proposed locations for future Advertising Displays, which may, notwithstanding any provision of the Agreement to the contrary, include exterior Terminal roadways, economy parking lot shuttle vehicles and public parking areas; provided, however, the location of all future Advertising Displays shall be subject to the approval of the Department, which may be granted or withheld in the Department's sole and absolute discretion.

5. Exclusions. Concessionaire acknowledges and agrees that advertisements placed on the Airport's WiFi splash pages, Airport website and on security bins utilized by the Transportation Security Administration shall not be subject to the provisions of Section 3.08 of the Agreement.

6. Ratification of Agreement. Except as specifically modified herein, all of the terms and conditions of the Agreement shall remain unmodified and in full force and effect and are hereby ratified and confirmed by the parties hereto.

7. Conflict. In the event of a conflict between any provision of this Amendment and the provisions of the Agreement, or any other amendment thereto, the provisions of this Amendment shall control.

8. Paragraph Headings. The heading of the various sections of this Amendment are for convenience and ease of reference only, and shall not be construed to define, limit, augment or describe the scope, context or intent of this Amendment or the Agreement.

9. No Third Party Beneficiaries. No provision of this Amendment or the Agreement is intended to, or shall be construed to, create any third party beneficiary or to provide any rights to any person or entity not a party to this Amendment or Agreement, including, but not limited to any citizen or employees of County and/or Concessionaire.

10. Effective Date. This Amendment shall become effective when signed by the parties and approved by the Palm Beach County Board of County Commissioners

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

ATTEST:
SHARON R. BOCK
Clerk & Comptroller

PALM BEACH COUNTY, FLORIDA, BY ITS
BOARD OF COUNTY COMMISSIONERS

Deputy Clerk

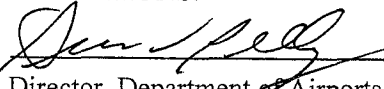
Steven L. Abrams, Mayor

(Seal)

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY:

APPROVED AS TO TERMS AND
CONDITIONS:


Assistant County Attorney



Director, Department of Airports

Signed, sealed & delivered in the presence of
two witnesses for Concessionaire:

CONCESSIONAIRE:
In-Ter-Space Services, Inc. d/b/a
Clear Channel Airports



Signature

By: 

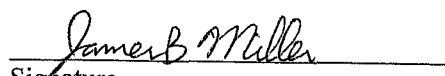
Signature

Maria Diefrich

Print Name

Toby Stewart

Print Name



Signature

PRESIDENT

Title

James B Miller

Print Name

(Corporate Seal)