

12. First Amendment to Agreement with Outfront Media LLC for the Provision of Digital Billboards and Digital Banners on City Owned Properties (No Fiscal Impact)

Department(s):

Recommended Action: Authorize the City Manager to execute the first amendment to an agreement with Outfront Media LLC, for the provision of Digital Billboards and Digital Banners on City owned properties amending the termination clause (Agreement No. A-2025-XXX).



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
February 4, 2025

TOPIC: Agreement Amendment for the Provision of Digital Billboards and Digital Banners on City Owned Properties

AGENDA TITLE

First Amendment to Agreement with Outfront Media LLC for the Provision of Digital Billboards and Digital Banners on City Owned Properties (No Fiscal Impact)

RECOMMENDED ACTION

Authorize the City Manager to execute the first amendment to an agreement with Outfront Media LLC, for the provision of Digital Billboards and Digital Banners on City owned properties amending the termination clause (Agreement No. A-2025-XXX).

GOVERNMENT CODE §84308 APPLIES: Yes

DISCUSSION

On April 19, 2022, City Council approved an agreement with Outfront Media, LLC (Outfront) for the design and construction of digital billboards and -banners on City-owned properties. The agreement allows Outfront to design, construct, maintain, and operate digital billboards and banners on freeway adjacent City-owned properties, and share advertising revenue for a 25-year period beginning on April 19, 2022, and ending April 18, 2047, with an option to extend for a period of ten-years.

To ensure timely installation of the digital billboards, the agreement includes a termination clause that allows the City to terminate the agreement if Outfront fails to construct and operate at least one digital billboard within three years of agreement execution. While staff has been working with Outfront to identify appropriate locations for digital billboards and obtain the necessary permits from CalTrans for construction, no such approvals have been obtained and no billboards have been constructed. Staff continues to work diligently with Outfront and have identified a site and strategy for obtaining regulatory approvals such that a revenue generating billboard can be installed within the next two years.

Staff recommends approval of the the proposed amendment (Exhibit 1) which modifies the termination clause to extend the time period from three to five years, effectively providing two additional years for Outfront to install the first revenue-generating billboard.

ENVIRONMENTAL IMPACT

There is no environmental impact associated with this action.

FISCAL IMPACT

There is no fiscal impact associated with this action.

EXHIBIT(S):

1. Amendment to Agreement with Outfront Media LLC

Submitted By: Nabil Saba, P. E. Executive Director – Public Works Agency

Approved By: Alvaro Nuñez, City Manager

**FIRST AMENDMENT TO AGREEMENT WITH OUTFRONT MEDIA
FOR THE PROVISION OF DIGITAL BILLBOARDS AND DIGITAL BANNERS**

THIS FIRST AMENDMENT to the above-referenced agreement is entered into on February 4, 2025, by and between OUTFRONT Media LLC (“Company”) and the City of Santa Ana, a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California (“City”).

RECITALS

- A. On April 19, 2022, the Parties entered into Agreement #A-2022-059, by which Company agreed to provide services related to selling advertising through out-of-home media assets – specifically, the development, maintenance and operation of advertising-supported digital billboards and digital banners. The Agreement runs for an initial term of twenty-five (25) years and is current and in-effect.
- B. Company and City have been working cooperatively since the Effective Date of the above-noted Agreement to pursue the construction and operation of the Advertising Site(s) referenced therein. Through no fault of Company, or the City, certain challenges have been encountered which have extended the anticipated time required to develop the Advertising Site(s) as provided in the Agreement.
- C. The parties now wish to amend the Termination section in the Agreement to increase the amount of years required to develop the Advertising Site(s) as provided in the Agreement. No other changes are contemplated by this First Amendment.

The Parties therefore agree:

- 1. **Section 18.a.4, Termination**, is hereby amended, and replaced with the following:
The failure of the Company to meet the intended objective of this Agreement in constructing and operating at least one Advertising Site within five (5) years from the Effective Date.
- 2. Except as modified by this First Amendment, all terms and conditions of the Agreement shall remain in full force and effect.

[signature page to follow]

ATTEST


CITY OF SANTA ANA

JENNIFER L. HALL
City Clerk

ALVARO NUNEZ
City Manager

APPROVED AS TO FORM
Sonia R. Carvalho
City Attorney


OUTFRONT MEDIA LLC

By: 
KYLE NELLESEN
Assistant City Attorney



EDWARD JACOBS
Senior Vice President, Head of Asset
Development

RECOMMENDED FOR APPROVAL

Nabil Saba  Digitally signed by Nabil
Saba
Date: 2025.01.16
11:51:12 -08'00'

NABIL SABA
Executive Director
Public Works Agency