

**EXPLANATION OF CONSENT AGENDA ITEM E.2.c.(21) – March 23, 2016**

**ITEM:**

Consideration of approving an amendment to Advertising Concession Agreement dated January 31, 2012 with Clear Channel Outdoor, Inc., subject to final review and approval of the Amendment by General Counsel and the Port Attorney.

**EXPLANATION:**

CPA entered into an Advertising Concession Agreement with Clear Channel Outdoor, Inc. on January 31, 2012. The Agreement provides for certain advertising rights on billboards located within the Port and within specified cruise terminals. Currently, Clear Channel operates the double digital billboard at CT-10 and provides interior advertising within cruise terminals CT-5, CT-6 and CT-10. The Amendment will allow for interior advertising within CT-1 in exchange for the greater of 35% of the Gross Revenue with an additional minimum Annual Guarantee of \$15,000.00, clarifies options for future billboard advertising opportunities and conforms billing requirements with historical practices. Staff recommends approval of the Amendment.

**STAFF RECOMMENDS APPROVAL**

Prepared by Jim Dubea

## AMENDMENT TO ADVERTISING CONCESSION AGREEMENT

**THIS AMENDMENT** (the “**Amendment**”), dated to be effective this 24th day of March 2016 (the “**Effective Date**”), is made and entered into by and between **CANAVERAL PORT AUTHORITY**, an independent special taxing district and political subdivision of the State of Florida (“**CPA**”) and **CLEAR CHANNEL OUTDOOR, INC.**, a Delaware corporation (“**Concessionaire**”) (collectively, the “**Parties**” and each individually a “**Party**”).

### RECITALS

- A. CPA and Concessionaire are parties to that certain Advertising Concession Agreement entered into on January 31, 2012 (the “**Agreement**”);
- B. Pursuant to the Agreement, CPA granted Concessionaire certain rights for the purpose of erecting, operating and maintaining certain advertising structures and displays at the Facility; and
- C. The Parties desire to amend and modify certain terms of the Agreement as provided herein.

### AGREEMENTS

**NOW THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

- 1. Except as otherwise defined herein, capitalized terms used in this Amendment shall have the meanings assigned to such terms in the Agreement.
- 2. Exhibit “A” is hereby amended to include Cruise Terminal 1 (“CT-1”) as an additional area made available to Concessionaire for interior advertising, in accordance with the terms and conditions set forth in the Agreement as modified by this Amendment.
- 3. Exhibit “B” is hereby amended to add the location of CPA’s existing, single-sided, static billboard as a sixth location for Concessionaire’s option to erect and operate a Digital Billboard, in accordance with the terms and conditions set forth in the Agreement as modified by this Amendment.
- 4. Section II of the Agreement is amended to add the Subsection M as follows:

CPA hereby agrees to coordinate with and make available for Concessionaire’s use for advertising in CT-1 the following existing equipment, in the specified locations, for digital advertising and as more particularly described in Exhibit “C” attached hereto and incorporated herein by reference: 1) 1<sup>st</sup> Floor Lobby Video Wall – Video Files 1 & 4 (i.e., the two outside video files on the four panel display); 2) Ramp Video Wall – all four Video Files; 3) 2<sup>nd</sup> Floor Bridge - two static digital displays; and 4) 2<sup>nd</sup> Floor seating area – six (6) video screens running from a single feed (collectively, the “Digital Equipment”). All Digital Equipment shall remain the exclusive property of CPA and Concessionaire shall not in any way attempt to modify, change or alter the Digital Equipment. CPA shall use reasonable efforts to provide Concessionaire external access to upload content to the Digital Equipment, but in the event such

7. The Agreement is further amended as follows:

(a) Concessionaire has the option, at its sole cost and discretion, to reconfigure Digital Billboard "B" (aka #5980, the digital board facing the cruise ships) from its current configuration as a back-to-back 14'x48' digital board to a back-to-back 14'x48' digital/static board (i.e., one digital face and one static face). If Concessionaire elects to reconfigure the board in such a way, Concessionaire's payment to the CPA for this board shall adjust to the greater of \$20,000 per year or 10% of Gross Revenue in accordance with Section VI(A)(1)(b) of the Agreement as of the next contract year following the date such reconfiguration is completed and the board is operational. If Concessionaire changes the board back to its original configuration as a back-to-back 14'x48' digital board, payment to the CPA will revert back to the original amount under Section VI(A)(1)(a).

(b) Concessionaire hereby agrees to provide, at no cost to CPA, advertising on Digital Billboards located on the Facility and other digital billboards controlled by Concessionaire in Brevard County for the limited purpose of advertising for announcements and special events at the Port (e.g., welcoming the arrival of a new ship, community events at the Port, announcements regarding commencement of facilities or services, Exploration Tower, etc.) each calendar year on a space available basis.

i. Concessionaire shall allow for "spots" in the rotations on the Digital Billboards each calendar year on a space available basis, such locations and the number of "spots" on each to be determined by Concessionaire in its sole discretion, to promote CPA Messages. For the purposes of this Agreement, a "spot" shall be deemed to mean one segment of advertising time on a Digital Billboard, which shall be displayed in the same frequency, and for the same duration, as the paying advertisers then advertising on the Digital Billboard during each rotation.

ii. The CPA shall advise Concessionaire in writing, no later than seven (7) days prior to the commencement of a given calendar year (the "Reservation Date"), of the dates it intends to request any and each of its CPA messaging periods during that calendar year. Should the CPA need to reschedule one or more of its CPA messaging periods after the Reservation Date due to the unanticipated cancellation or rescheduling of an event being advertised, Concessionaire will use its best efforts to accommodate the CPA and reschedule the CPA messaging period(s).

iii. The CPA shall be responsible for providing Concessionaire with approved copy for posting. If the CPA should fail to timely provide Concessionaire with approved copy for the "spots" to promote CPA Messaging, Concessionaire shall be relieved of any obligation to post same. To facilitate the prompt posting of CPA Messages, and to avoid forfeiture by the CPA, the CPA may provide Concessionaire with a stock advertisement, which Concessionaire shall post to allow the CPA Messaging to be displayed as set forth in this Agreement. The CPA may replace the stock-advertisement from time to time as desired.

**IN WITNESS WHEREOF**, the Parties have executed this Amendment as of the Effective Date.

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Signature of Witness

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Name of Witness

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Signature of Witness

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Name of Witness

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Signature of Witness

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Name of Witness

**CONCESSIONAIRE:**  
CLEAR CHANNEL OUTDOOR, INC.

By: \_\_\_\_\_

Name: Joe Garner

Its: SVP of Real Estate and Public Affairs

Telephone No. 321-726-6611

**CPA**  
CANAVERAL PORT AUTHORITY

By: \_\_\_\_\_

Name: Jerry W. Allender

Its: Chairman

Telephone No. 321-783-7831

REVISED  
EXHIBIT A  
ASSIGNED AREAS

Interior Advertising

Terminals 1, 5, 6, and 10 only.

**Digital Billboard**  
(Back-to-back digital faces)  
or  
(Digital / Static)





## EXHIBIT C

### Depiction of CT-1 Digital Equipment (Lobby Video Wall and Ramp Video Wall)

Lobby Video Wall – Concessionaire to use Video Files 1 and 4 only

#### 12. Lobby Video Wall (Port Only)

- a. Videos
  - i. Wall has two configurations
    - 1. Marketing Mode



- a. 4 video files running synchronously
- b. 4 files at 1280w x 720h

Ramp Video Wall – Concessionaire to use Videos 1 through 4

#### 13. Ramp Video Wall (Port Only)



- a. Videos
  - i. 4 video files running synchronously
  - ii. 4 files at 1440w x 1280h
  - iii. Codec:MPEG4 ASP@L5+, 25 FPS
  - iv. MPEG4 compression at no more than 5000 kb/s
  - v. Audio must be AAC at a rate of 128kbps, stereo or mono