

SUMMARY STATEMENT

ITEM NO.: DRPA-16-136

SUBJECT: Authorization to Negotiate Agreement with Clear Channel Outdoor for Existing Billboard on DRPA Property

COMMITTEE:

Finance

COMMITTEE MEETING DATE:

November 30, 2016

BOARD ACTION DATE:

December 7, 2016

PROPOSAL: That the Board authorizes staff to negotiate a Right of Entry License and Indemnification Agreement, or similar appropriate land-use agreement(s), including the material business terms and conditions thereof, with Clear Channel Outdoor.

PURPOSE: To permit Clear Channel Outdoor access to DRPA property near the WWB I-76 approach for the purposes of modifying, maintaining, operating (whether physically on-premise or via remotely changeable off-premise technology), improving, supplementing, posting, painting, illuminating, repairing, repositioning and/or removing their existing outdoor advertising structure, which is presently located on DRPA property.

BACKGROUND: The DRPA owns a parcel of real property in Philadelphia, which is generally described as being bounded by Passyunk Avenue to the north, Vare Avenue to the west and south, and Twenty-Fifth Street to the east (the "Property"). Clear Channel Outdoor owns a billboard structure that has been located on the Property since 1972. Due to a variety of factors, including changes in ownership of the billboard structure and DRPA's operational needs, the billboard has not been utilized in recent years. As such, there is presently no active agreement permitting Clear Channel Outdoor to access DRPA's Property in the vicinity of the billboard.

Recently, Clear Channel Outdoor requested access to the Property so that it, or its contractors, subcontractors or consultants acting on its behalf, can access the billboard in order to perform necessary maintenance, modification(s) and/or improvement(s) thereto.

Clear Channel has requested an initial term of 10 years and made an opening offer of financial terms (*i.e.*, the annual license/permit fee to be paid to the DRPA). Staff has reviewed Clear Channel's request and determined that the maintenance and improvement work to be performed by Clear Channel will require access to DRPA's Property, but that such access is not likely to adversely impact the DRPA's operations.

Any new agreement(s) negotiated with Clear Channel will confirm that Clear Channel is fully responsible for obtaining any and all necessary permits related to its outdoor advertising activities and that it shall bear all costs associated with any maintenance, modification(s) and/or improvement(s) to the billboard it chooses, or is required, to perform.

Additionally, any such agreement(s) will contain updated liability and indemnification language that will require Clear Channel to hold harmless the DRPA and provide evidence of adequate insurance coverage to afford the DRPA full protection from any suits and claims for damages that may arise from Clear Channel's access to, or use of, DRPA Property.

Accordingly, staff is seeking authorization to negotiate a Right of Entry License and Indemnification Agreement, or similar appropriate land-use agreement(s), including the material business terms and conditions thereof, with Clear Channel Outdoor to permit Clear Channel Outdoor access to DRPA Property for the purposes of modifying, maintaining, operating (whether physically on-premise or via remotely changeable off-premise technology), improving, supplementing, posting, painting, illuminating, repairing, repositioning and/or removing the existing outdoor advertising structure located thereon.

SUMMARY:	Amount:	TBD
	Source of Funds:	N/A
	Capital Project #:	N/A
	Operating Budget:	N/A
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	10 years
	Other Parties Involved:	N/A

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Finance Committee: November 30, 2016
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with Clear Channel Outdoor for Existing
Billboard on DRPA Property

RESOLUTION

RESOLVED: That the Board authorizes staff to negotiate a Right of Entry License and Indemnification Agreement, or similar appropriate land-use agreement(s), including the material business terms and conditions thereof, with Clear Channel Outdoor, to permit Clear Channel Outdoor access to DRPA property near the WWB I-76 approach for the purposes of modifying, maintaining, operating (whether physically on-premise or via remotely changeable off-premise technology), improving, supplementing, posting, painting, illuminating, repairing, repositioning and/or removing the existing outdoor advertising structure that is presently located on DRPA property; and be it further

RESOLVED: That the Chairman, Vice Chairman and Chief Executive Officer, with the advice and counsel of the Authority's Chief Financial Officer/Treasurer and General Counsel/Corporate Secretary, must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chairman, Vice Chairman and Chief Executive Officer and if thereafter either the Chairman or Vice Chairman is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chairman and Vice Chairman are absent or unavailable and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

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