



**City of Santa Barbara**  
Airport Department

Meeting: 07/20/22  
Agenda Item No.08

**DATE:** July 20, 2022  
**TO:** Airport Commission  
**FROM:** *BD* Brian D'Amour, Interim Airport Director  
**SUBJECT:** Approve Advertising Concession Agreement With Fuse Connect, LLC

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**RECOMMENDATION**

That Airport Commission recommend to City Council that the Airport Director execute a three-year Concession Agreement with two one-year options to extend with Fuse Connect, LLC to manage advertising sales at Santa Barbara Airport.

**DISCUSSION:**

Background

An airport passenger terminal is an attractive environment for advertisers. This is due to the captive audience and the relative stability in the number of travelers and visitors every year. Sales of advertising space on walls, baggage devices, digital monitors, and other areas has become a typical means of deriving revenue for airports. In nearly all instances, airports contract the concession rights to a third-party advertising sales force specializing in airports.

Terms of the Agreement

In the proposed agreement, Fuse Connect will pay the Airport the greater of a minimum annual guarantee ("MAG") or 25% of gross advertising sales. The MAG plus any revenue share above the MAG will be paid to the Airport at the conclusion of each quarter. The minimum revenue generated annually will be \$7,875. The MAG and the share of gross advertising sales are both more favorable to Airport than the prior agreement with Clear Channel Communications.

The concession agreement with Fuse Connect will have an initial term of three years, with an option to extend the agreement at the mutual consent of the City and Fuse Connect twice for an additional annual term. Absent exercise of the two one-year options, the contract will end in 2025.

**PREPARED BY:** Jonathan Abad, Airport Business Manager