REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: August 21, 2026

CAO File No. 0220-06411-0000
Council File No. 22-1154-S2
Council District: All

To: The City Council

From: Matthew W. Szabo, City Administrative Officer

Subject: **IMPACTS TO THE SIDEWALK AND TRANSIT AMENITIES PROGRAM RELATED TO THE INTERACTIVE KIOSK PROGRAM**

RECOMMENDATIONS

That the Council, should it decide to pursue an interactive kiosk program, either as part of the existing Sidewalk Transit and Amenities Program (STAP) or as a standalone program:

1. Instruct the Bureau of Street Services (BSS) to integrate the proposed interactive kiosk program as part of the existing STAP, including pursuing any necessary contract amendments for this integration; or,

2. Instruct the BSS to conduct a Request for Proposals process for a contractor for a standalone interactive kiosk program.

SUMMARY

On August 27, 2025, the Council approved Council File 22-1154-S2 instructing the City Tourism Department, with the assistance from the Bureau of Street Services and the City Administrative Officer for recommendations 1.B and 1.D, to report on the following:

A. Scope of the proposed interactive kiosk program
B. Assessment to identify the appropriate City agency to manage and administer the Request for Proposal and the interactive kiosk program
C. Regulatory framework and spatial requirements for kiosk installation; and
D. Estimated annual revenue projections and fiscal impacts to the Sidewalk and Transit Amenities Program (STAP)

The purpose of this report is to address items B and D of these instructions.

DISCUSSION

If the interactive kiosk program is approved, this Office recommends the Request for Proposals (RFP) and the program be overseen by the Bureau of Street Services (BSS). BSS has administered

the STAP program, formerly known as the Coordinated Street Furniture Program, since 2001, which focuses on offering shelter, shade, safety, and comfort, with the goal of ensuring 75 percent of all bus riders in each Council District are able to board buses from locations with transit shelter. In addition to transit shelters, STAP provides street furniture such as public amenity kiosks and automatic self cleaning toilets to transit riders and users of active transportation. The installation of this furniture requires coordination with the Bureaus of Engineering and Street Lighting, and the Department of Water and Power. The CAO recommends that, should the Council wish to implement an interactive kiosk program, that BSS should lead that effort due to its experience with capital infrastructure projects, working in the public right-of-way, and the similar work currently overseen by BSS as part of the STAP. This report explores the possible challenges that may arise with a standalone interactive kiosk program. In light of these challenges and the staff time needed to conduct a Request for Proposals (RFP) for a kiosk program, this Office recommends that an RFP process should only be released following the approval of a standalone interactive kiosk program by the Mayor and Council.

While the City Tourism Department (CTD) is also being considered as the administrator of this program and RFP, they do not have the funding, staffing capacity, or services to maintain a program of this size. CTD also does not have historical experience with Citywide capital infrastructure projects. This type of program would need to be administered and maintained by a department that manages items and furniture within the public right-of-way and has experience with Citywide capital infrastructure. A new program outside of the STAP would require startup costs, City staff, and/or contractors to provide construction services. Specifically for CTD, the number of department staff would likely need to triple to ensure the program is sufficiently supported. This is not recommended given the City's current fiscal condition and is duplicative of BSS's current role. This Office recommends, however, that CTD along with the Department of City Planning coordinate with BSS on advertising content should Council approve this program.

STAP Contract with Tranzito-Vector, LLC

The existing STAP contract between the City and Tranzito-Vector, LLC (Tranzito-Vector, C-141478) was executed on September 29, 2022 with a 10-year term ending on December 31, 2032. The contract includes provisions that allow Tranzito-Vector to advertise within a 30-foot radius of bus stop zones and, with input from Tranzito-Vector, requires other advertising programs in the public right-of-way to locate their structures at a minimum of 500 feet from STAP elements. According to Section 3.3 of the contract, the following programs are exempt from this restriction:

1. Metro Bikeshare
2. LADOT Blue LA Electric Vehicle Charging Stations
3. LADOT Mobility Hubs
4. City Electric Vehicle Charging Stations
5. City Tourism Department information kiosks

As a general goal, the Contractor and City have agreed to install the following types and quantities of Digital Displays, shown in Table 1 below. Allowable Content refers to the content permitted for display by the type of digital display. Since the existing contract already considers information

kiosks, having CTD create a second program for interactive kiosks would be duplicative and not the best use of City funds.

Table 1: Digital Displays Goals within Contract No. 141478

Type	Quantity of Displays	Allowable Content
Shelter Digital Display (two screens per shelter)	659	Advertising, Real Time Information, Public Messaging and Information, Emergency Messaging
Shelter ePaper Digital Displays (one screen per shelter)	3000 or as required for shelter and other Program Elements	Real Time Information, Public Messaging and Information, Emergency Messaging
Kiosk or Urban Panel (two screens per unit)	202	Advertising, Real Time Information, Public Messaging and Information, Emergency Messaging
Delivery Locker (one screen per unit)	44	Advertising, Real Time Information, Public Messaging and Information, Emergency Messaging
Docks - Scooter or Other mobility type (two screens per unit)	93	Advertising, Real Time Information, Public Messaging and Information, Emergency Messaging

Gobis & Co.: Strategies and Considerations for Tourism Kiosks

The implementation of a separate interactive kiosk program will require coordination between the two programs to avoid issues with shelter and kiosk placements, including compliance with the terms of the contract with Tranzito-Vector relative to other advertising programs in the public right-of-way. In addition, the creation of a standalone tourism kiosk program could reduce the City's net revenues by $1-1.5 million per year based on a study conducted by Gobis & Co. (Gobis), a BSS contractor that was engaged to provide independent analysis on the report requested by Council (C.F. 22-1154-S2). Using data from comparable cities by size and population, Gobis recommends that, should a standalone interactive kiosk program be identified, its geographic footprint be limited to sidewalks and plazas near convention centers, entertainment venues, and museums where STAP elements do not exist or are not planned. In doing so, the interactive kiosk program will not detract from the larger scope of the STAP. Their analysis is based on three scenarios that include the following and is illustrated in Table 2:

1. A standalone program where the contractor provides the capital and the City receives a flat rate share of gross revenues;
2. A standalone program where the City receives a lower share of revenue during years one through five and the contractor repays itself the capital expense. The City will receive higher shares following the initial repayment from the early years; and

3. A kiosk program developed under STAP, with the City providing capital funds and receiving a 60.5 percent revenue share.

Table 2: Kiosk Program City Revenue Share by Scenario

Program	Share to City	Average Annual Revenue Share	Cumulative Revenue Share
Standalone	Y1-20: 45%	$3.5 million	$70.5 million
Standalone	Y1-5: 20% & Y6-Y20: 60%	$4 million	$80.6 million
STAP	Y1-Y20: 60.5%	$4.7 million	$94.8 million

STAP revenues contribute to Council District Office expenses, repayment of the Public Works Trust Fund loan for costs associated with starting up the program, and reinvestment in the program through the Reinvestment in Accessibility, Infrastructure, and Streetscape Enhancements for Los Angeles (RAISE LA) fund.

Additionally, on January 21, 2026, representatives of Tranzito-Vector, Manatt, Phelps & Phillips, LLP, uploaded a statement to C.F. 22-1154-S2 that highlighted possible negative impacts that a standalone kiosk program could have on the STAP agreement and STAP revenues. The revenue share between the City and Tranzito-Vector is split, with the City receiving a 60 percent share. According to the contract with Tranzito-Vector, "Should excepted and excluded programs negatively impact STAP revenues, the City will in good faith consider any request from Contractor for financial or other Program relief. However, approval of a request will be subject to approval of the Council and Mayor." A separate program would likely impact revenue shares from STAP and likely trigger renegotiations in revenue share and the minimum annual guarantee with Tranzito-Vector, which could compound any revenue impacts from the implementation of a kiosk program in addition to STAP. The potential revenue impact further supports this Office's recommendation to develop the interactive kiosk program within the existing STAP, should the Mayor and Council desire to pursue such a program.

The development of a standalone interactive kiosk program will require environmental review under the California Environmental Quality Act (CEQA). Section 1. Subsection (a) of Section 67.01 of the Los Angeles Municipal Code (LAMC) outlines various restrictions regarding outdoor advertising structures within the public right-of-way. As outlined in Sec. 2. Subsection (b) of Section 67.02 of the LAMC, however, "The provisions of Subsection (a) of this section shall not apply to any transit shelters exempted by the City Council from said provisions, or to any outdoor advertising structure associated with any outdoor advertising program for the public right-of-way that was approved by the City Council prior to January 1, 2023." Therefore, under STAP, the City could install kiosk features as part of a transit shelter that would not be subject to further CEQA review. Furthermore, the STAP produces street furniture that is beneficial to the public such as shade structures, lean bars, and seating. The furniture can be further built out with urban panels that also allow digital advertising. In locations subject to special jurisdictional oversight, additional requirements may apply.

Capital Costs of Bus Shelters

One of the main purposes of releasing an RFP for the standalone interactive kiosk program is to understand the current market's range of capital costs to build and maintain these structures. A comparable cost for this development is that of the transit shelters constructed under STAP. A single transit shelter costs $175,203.86, which includes a 15 percent construction contingency. Since this structure only includes the shelter itself along with a bus bench, we can assume that an interactive kiosk will cost more to construct, given the required electrical connections and interactive screen installation.

Interactive Kiosk Program Alternatives

Due to the contracting issues, potential adverse revenue impacts and the capital costs to implement an interactive kiosk program, this Office recommends that, as an alternative, the City consider the development of a wayfinding and tourism application, also known as an app, that is accessible through smart phones. The use of an app to address the need for wayfinding and tourism promotion would likely require substantially lower upfront costs for development, once developed could be deployed faster than kiosks could be constructed and would be accessible by visitors at any time through their smartphone rather than the static locations of an information kiosk. While the City has not pursued the development of such an app, this Office recommends evaluating the cost, implementation timeframe, and scope of a wayfinding and tourism app instead of pursuing an information kiosk program. An app would likely require minimal construction or capital funds and is more aligned with modern technology and tourism, especially with the development of Quick Response codes, also known as QR codes. QR codes can direct users to specific websites, facilitate contactless payments, display restaurant menus, connect to Wi-Fi networks, and track inventory and supply chains. Advertisements can still be presented throughout the connected link, ideally maintaining revenue generation. A wayfinding and tourism app can also provide the desired services without requiring construction or revisions to the LAMC, thus protecting the City from possible litigation resulting from contract and CEQA violations as described earlier in this report.

FISCAL IMPACT STATEMENT

The recommendation to instruct the BSS to integrate the proposed interactive kiosk program as part of STAP should the Council decide to pursue an interactive kiosk program would have no additional impact to the General Fund. Should the Council decide to pursue a standalone kiosk program, the estimated net impact is $1-$1.5 million dollars annual reduction to City revenues. Additionally, the City may be responsible for financial or other Program relief to the STAP contractor due to excepted and excluded programs negatively impacting STAP revenues as agreed upon in the STAP contract.

FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the City's Financial Policies.

MWS:MAG:06260148C