

Text of Legislative File 10204 – Board of Estimates Version (Proposed Alternate)

Fiscal Note

Metro Transit, in conjunction with the City Attorney, has indicated that Metro is contractually obliged to support up to 20 fully wrapped buses, until the pilot period expires in March, 2009. Therefore, the policy changes set out in this resolution will take effect following the end of the pilot period. Metro estimates that the Resolution would have little effect on 2008 advertising revenues. In 2009, Metro estimates potential lost revenues of \$75,000 associated with restrictions on fully wrapped buses.

Title

ALTERNATE - Authorizing an amendment to the Metro Transit Advertising and Leased Space Policy and to the Contract with Adams Outdoor Advertising, Ltd. Partnership to allow 20 King Kong and 20 Half Wraps ~~fully illustrated transit advertisements~~ on Metro Coaches, ~~not to exceed 20 full wraps~~ per year.

Body

PREAMBLE

The original pilot allowing full bus wrap advertising called for a maximum of 15 fully wrapped buses. A subsequent amendment allowed 5 more full wraps, for a total of 20 during the pilot. During the first year of the pilot, Metro Transit received approximately \$272,727.00 based on a minimum monthly guarantee. The contract with Metro's advertising provider guarantees only \$225,000 for year three of the contract without full wraps. With full wraps, the estimated revenue for Metro is at least \$300,000.

With fuel costs continuing to rise and a recommended goal in the draft final report of the Long Range Metro Transit Planning Ad Hoc Committee to secure 1% of Metro's overall funding through advertising revenue (approximately \$500,000), Metro Transit needs the additional revenue that full wrap advertising on coaches will provide.

Metro also proposes continuing the practice of allowing unlimited partial wrap advertising to include new products such as king kongs (which cover from top to bottom with some windows left unwrapped), and half wraps (where one side of the coach is wrapped and one side is not wrapped.) These proposals acknowledge public concerns about light and visibility regarding the full wrap bus advertising product, while still incorporating advertising wrap products which generate the most revenue.

WHEREAS, fuel prices continue to rise; and

WHEREAS, recommended improvements to the Metro Transit system require additional revenue; and

WHEREAS, the full wrap pilot has yielded significant additional operating funds for Metro Transit;

NOW, THEREFORE, BE IT RESOLVED, that effective with advertising sold after the date of adoption of this resolution, the Metro Transit Advertising and Leased Space Policy and the contract with Adams Outdoor Advertising Ltd. Partnership be amended to allow 20 king kong and 20 half wraps ~~continue the practice of 20 fully wrapped advertisements~~ on coaches per year, as well as continuing the practice of allowing unlimited partial wrap advertising, ~~all of which leaves~~ all at least some passenger windows unwrapped; and that the Mayor and City Clerk be authorized to execute the necessary contract documents.