

City of Madison

Legislative File Number 10204 Alder Rhodes-Conway Version (Proposed Second Alternate to Second Substitute)

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 (relating to full wraps) 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 \$75,0000 associated with restrictions on fully wrapped buses.

Title

ALTERNATE TO SECOND SUBSTITUTE 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 ten 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.

~~In response to public feedback, Metro proposes lowering the maximum number of fully wrapped coaches from 20 to 10.~~ 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 but resulted in feedback from riders that covering the windows negatively impacted rider comfort;

NOW, THEREFORE, BE IT RESOLVED, that the full bus wrap pilot program not be authorized beyond the end of the trial period and, consequently, up to 20 full bus wraps shall be allowed on buses only through March 27, 2009; that the Metro Transit Advertising and Leased Space Policy ~~in~~ and the contract with Adams Outdoor Advertising Ltd. Partnership be amended to allow for no more than ten (10) allow 20 king kong (partial wraps which cover one side of the bus with some of the windows on the covered side left uncovered) and 20 half wraps (partial wraps which cover one full side of the bus but no portion of the other side) continue the practice of 20 fully wrapped advertisements on coaches per year, as well as ~~continuing the practice of allowing~~ unlimited partial "windows-free" wrap advertising, i.e., wraps which cover only the body of the bus and including new products such as partial wraps that all of which leave all at least some passenger windows unwrapped. and that the Mayor and City Clerk be authorized to execute the necessary contract documents.