

# Agenda Item 94

10204

July 1, 2008

Dear Madison Alders,

I am sending this letter to encourage your support for the full-wrap advertising program on Metro buses that was approved by the Transit and Parking Commission (TPC) in May.

As you know, Metro is facing multiple challenges where, on one hand, due to high gas prices and concern for the environment, ridership and demand for public transportation services are growing significantly. At the same time, Metro is also experiencing significant funding challenges for a variety of reasons, the most significant by far due to the continued escalation of fuel costs. At this point, Metro projects an overrun of \$1 - \$2 million in diesel costs for 2008.

I'd like to point out the importance of the extra revenue that 20 full wrap buses will provide. If this full wrap advertising pilot program were to end in March 2009, Metro could expect an approximate revenue loss of \$75,000 in the third year of the contract, and over \$100,000 per year in future years, assuming Metro extends the contract with Adams.

In keeping with the goals of the Long-Range Metro Transit Planning Ad Hoc Committee, the use of advertising has been proposed to fill some of the funding gap Metro is experiencing. Specifically, one percent of Metro's revenues (approximately \$500,000) are targeted to come from advertising. Revenues from full bus wrap advertising will be necessary to move toward this goal.

To address some specific points of concern regarding full wrap advertising, I'd like to point out that Metro provided more than 12.6 million rides in 2007, the first year of the bus wrap pilot. This was a six percent increase over 2006, compared to a 2% bus ridership increase nationwide. In 2008, ridership is already up 6.3%, vs. a nationwide bus ridership increase of 3%, and we look forward to finishing up another record ridership year. With these continued ridership increases, I do believe that despite the fact some riders have been negatively impacted by full-wrap advertising, ridership numbers as a whole have not been negatively affected.

Metro has also listened to the concerns for those riding full wrap buses who have visual impairments. At this point in time, the Federal Transit Administration has informally indicated there are no issues of non-compliance with the Americans with Disabilities Act for people with visual impairments related to full-wrap advertising. Metro has automatic bus stop announcements programmed on 57% of its bus stops throughout the service area, and there is the ability to add additional stops.

Adams Outdoor Advertising has also taken proactive steps to do their part in striking a more favorable balance with the public as this pilot project has proceeded. They continue to look for clever and fun full and partial wrap advertising that I believe will improve the image of this program in the community.

As described in the Ad Hoc Committee Final Report, the Madison community "generally supports public transportation and is increasingly concerned about issues such as air quality, traffic congestion, the price of gasoline and transit oriented development. Metro can offer solutions to address these concerns, but it must do so in a way that is both creative and fiscally responsible. In order to succeed, Metro needs to be able to improve and expand its service and needs to find a stable source of funding to do so."

I believe the full-wrap advertising program, as approved by the TPC, is both creative and fiscally responsible and takes a positive step in accomplishing some of the goals outlined in the Ad Hoc Committee's Final Report.

Sincerely,

Chuck Kamp  
Metro Transit, GM