



Legislation Text

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Fiscal Note

The Transit Utility 2008 Adopted Operating budget includes \$400,000 in revenues derived from advertising. Of this amount, \$175,000 is from bus wrap advertising. Future year advertising revenues, particularly those derived from bus wraps, may vary depending on the number and types of wraps that may be authorized.

Title

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 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;

NOW, THEREFORE, BE IT RESOLVED, 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)~~ continue the practice of 20 fully wrapped advertisements on coaches per year, as well as continuing the practice of allowing unlimited partial wrap advertising, ~~including new products such as partial wraps that all of which leave at least some passenger windows unwrapped.~~ and that the Mayor and City Clerk be authorized to execute the necessary contract documents.