



CITY COUNCIL AGENDA REPORT



DEPARTMENT: Administration

MEETING DATE: February 6, 2007

PREPARED BY: Tito Haes, Deputy City Manager

AGENDA LOCATION: AR-1

TITLE: Consideration of an Advertising/Sponsorship Program on City Owned Transit Vehicles

OBJECTIVE: This report will provide the City Council with options detailing different advertising programs on City owned transit vehicles.

BACKGROUND: At the May 16, 2006 City Council meeting, while discussing the purchase of four new paratransit vehicles, the City Council requested staff research the possibilities of an advertising program on City owned transit vehicles. At the June 20, 2006 City Council meeting, staff presented an overview of transit advertising programs in Southern California. After hearing that report, the City Council requested staff to present different Monrovia transit vehicle advertising/sponsorship options to consider.

ANALYSIS:

Controlling the Type of Advertising

With any Monrovia transit vehicle advertising and/or sponsorship program, staff would not want to see advertising on a Monrovia transit vehicle that is obscene or questionable to the community. As such, staff recommends the City Council adopt the following policy to prevent such ads from appearing on City transit vehicles.

- Prevent any alcohol and tobacco advertising
- Prevent non-commercial advertising other than governmental agencies to promote specific governmental programs - Specifically, advertisements must promote sale, lease, or other form of financial benefit of a product, service, or event. This would allow the City to prohibit public debate on their vehicles. However, this policy would allow for governmental agencies to purchase advertising space to promote specific governmental programs (i.e. MOTAB Sponsored 4th of July Fireworks event, Community Services Summer Concerts in the Park, etc.).
- Advertisements may not contain any obscene, offensive, vulgar, language or images as defined by Monrovia Municipal Code (MMC 17.44).

This policy is very similar to the Los Angeles County Metropolitan Transportation Agency's (Metro) advertising policy. The City Attorney has reviewed Metro's policy and commented:

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“When Government acts in a quasi-proprietary capacity, more like a business than a traditional governmental function, government has the ability to choose, within certain parameters, the parties with which it chooses to do business. If the City Council believes that both the public interest and the City's proprietary interests are best served by choosing not to accept certain classes of advertising, the City may adopt a strict policy of only accepting certain specific classes of advertising or, alternately, refusing to accept certain classes of advertising. Such a policy must be strictly adhered to, without the opportunity for the exercise of discretion by staff. In addition, the policy must not allow for endorsements of certain products or services by the City, or for choosing between certain similarly-situated advertisers. Thus, the City could not establish "the official motor oil of Monrovia Transit" or allow advertising from restaurant A but refuse to accept it from restaurant B.”

In addition to incorporating Metro's basic advertising policies, the City can accept Monrovia businesses ads before the City accepts non-Monrovia ads if the Council wishes to. However the City cannot provide discounted rates for Monrovia businesses. Also, the City could allow non-profit groups to promote specific events “only if space allows.”

Advertising/Sponsorship Options

The City currently owns 11 (9 dial-a-ride and 2 trolleys) transit vehicles and offers both a dial-a-ride and fixed-route transit system. Four of the dial-a-ride transit vehicles are new, 25' transit vans. These four vehicles are metal frames and are expected to remain in service for approximately five to six years. The remaining five dial-a-ride vehicles are scheduled to be replaced in the next two years, three in 2007 and two in 2008 and will all be metal frames with a similar five or six year operational life. The two trolleys are nearing the end of their operational life and staff is currently researching options for replacement vehicles. A decision should be made by the end of this year on those vehicles. Following are three different options for an advertising/sponsorship program on Monrovia's transit fleet.

Option #1 – Advertising Opportunities Associated with Sponsorship of Community Events

- Transit Vehicle advertisements would be offered as part of sponsorships of Community Services Events, such as the Summer Concert Series, Fourth of July Fireworks Show, Holiday Home Happenings, or any other Community Services event. The Community Services Department would develop sponsorship opportunities for specific events to offset city subsidies, to enhance events, or offer new events. As part of the sponsorship of a specific Community Service event, a magnetic sign would be attached to a dial-a-ride vehicle for a predetermined length of time. For example, Community Services could provide sponsorship opportunities for the Holiday Home Happenings event to purchase new decorations for the City tree and as part of the sponsorship, the business would get recognition on one dial-a-ride vehicle. Staff recommends the City Council adopt this option. The Community Services Department has difficulties in finding sponsors for events that don't generate very much foot traffic and the opportunity to get recognition on a dial-a-ride vehicle would help the Department find sponsors. Attachment I includes examples of how an advertisement would appear on the vehicle.

Option #2 – Long Term Vehicle Sponsorship

- Individual vehicle sponsorships would be offered for one year and/or the life of the vehicle. The sponsor's name/logo would be displayed on the vehicle with an attractive decal on the sides and rear of the vehicle, under the Monrovia Transit logo very similar to the pictures on attachments I. This program is similar to one offered in the City of Portland, Oregon. Attachment II provides a picture of a Portland transit vehicle including an advertisement. Staff recommends the costs of these sponsorships to be \$8,000 for the life of the vehicle or \$2,000 per year and offer both levels to businesses. Any revenue generated would be directed toward the Proposition A Local Return Funds as required by the program and could be used towards vehicle replacement, discount bus passes, bus stop improvements, senior and/or youth bus trips, or any other programs currently funded with Proposition A Local Return Funds. These sponsorships would be offered on the four new transit vans and on the new transit vehicles as they are purchased.

Option #3 – Advertising Opportunities

- Bus advertisements would be made available to the business community for \$1,000 a quarter per vehicle. The logo/advertisement would be a magnet attached to the dial-a-ride vehicle as shown in attachment I. Any revenue generated by this program would be directed to the Proposition A Local Return Fund.

FISCAL IMPACT: There is no cost associated with either of these programs. Staff costs and logo installation costs would be absorbed by the fee associated with the advertisement. In addition, since there is no need for hardware to be installed on the vehicles, there are no upfront costs associated with either program. Any revenue generated would either go towards the sponsored event or the Proposition A Local Return Fund.

RECOMMENDATION: Staff recommends the City Council adopt the Bus Advertising Policy and direct staff to implement Option #1 – Advertising Opportunities Associated with Sponsorship of Community Events.

COUNCIL ACTION REQUIRED: Should the Council concur with staff's recommendations, the appropriate action would be a motion to:

“Adopt the Bus Advertising Policy and direct staff to implement Option #1 – Advertising Opportunities Associated with Sponsorship of Community Events”

Respectfully,

Tito Haes
Deputy City Manager