

# City of Gainesville

City Hall  
200 East University  
Avenue  
Gainesville, Florida  
32601

## Master

**File Number: 080416.**

<b>File ID:</b> 080416.	<b>Type:</b> Discussion Item	<b>Status:</b> To Be Introduced
<b>Version:</b> 0	<b>Agenda Section:</b>	<b>In Control:</b> City Manager
<b>File Name:</b> Regional Transit System Report on Bus Advertising and Bus Shelter/Bench Advertising (B)		<b>File Created:</b> 12/04/2008
		<b>Final Action:</b> 12/04/2008

**Title:** Regional Transit System Report on Bus Advertising and Bus Shelter/Bench Advertising (B)

This item is in response to a request from the City Commission for the Regional Transit System (RTS) to provide information on Bus Advertising and Bus Shelter/Bench Advertising.

**Notes:** Contact:  
Jesus Gomez, RTS Director  
  
352-334-2609

**Agenda Date:**

**Agenda Number:**

**Sponsors:**

**Enactment Date:**

**Attachments:** 080416\_MEMO\_20081204.PDF,  
080416\_PPT\_20081204.PDF

**Enactment Number:**

**Contact Name:**

**Hearing Date:**

**Drafter Name:**

**Effective Date:**

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
0	City Commission	12/04/2008	Approved, as shown above (Motions)				
<p><b>Notes:</b> <i>RTS Marketing and Communications Specialist Teresa Harrison gave a presentation.</i></p> <p><i>Chair Hanrahan recognized Tom Cunilio, Gabriel Hillel, Chris Coleman, Andrew Moose and Patrick Mincy who spoke to the matter.</i></p> <p><i>MOTION: Mayor-Commissioner Pro Tem Donovan moved and Commissioner Poe seconded to: 1) Approve the recommendation to not implement a bus shelter/bench advertising program; 2) consider expanding the existing RTS in-house bus advertising program and analyze the revenue stream; 3) maintain connections with the private contractors; and 4) explore with non-profits the benefits of allowing them to advertise in our expanded program.</i></p> <p><i>(VOTE: 5-1, Commissioner Henry - No, Commissioner Lowe - Absent, MOTION CARRIED)</i></p> <p><i>SECOND MOTION: Commissioner Henry moved and Commissioner Mastrodicasa seconded to extend the offer to vendors for letters of interest that include the following criteria: 1) The City's Sign Ordinance; 3) the amount of revenue to the City; 3) the degree in which the vendors address ADA compliance; 4) maintenance of the infrastructure (benches, shelters, etc.); 5) energy enhancements</i></p>							

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*for shelters; and 6) restrictions on inappropriate advertising and outdoor advertising.  
(VOTE: 6-0, Commissioner Lowe - Absent, MOTION CARRIED)*

*Chair Hanrahan recognized Charles Rocker and Tom Cunilio who spoke to the matter.*

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## **Text of Legislative File 080416.**

### Title

**Regional Transit System Report on Bus Advertising and Bus Shelter/Bench Advertising (B)**

**This item is in response to a request from the City Commission for the Regional Transit System (RTS) to provide information on Bus Advertising and Bus Shelter/Bench Advertising.**

### Explanation

RTS has explored expanding its existing bus advertising program to generate additional revenue. It has also explored incorporating bus shelter/bench advertising into the program. RTS staff has surveyed thirteen Florida transit agencies and also met with two companies who specialize in outdoor advertising. Some of the transit agencies reported costs, revenue and challenges with their programs.

Transit agencies have created in-house and contracted advertising programs. Most programs include some combination of advertising on 1) the exterior of buses 2) the interior of buses, 3) bus shelters, 4) and bus benches. Many agencies created their programs in the hope of raising new revenue and creating cost savings. Cost savings can be created when contractors assume responsibility for bus shelter/bench maintenance and in some jurisdictions the capital costs of installing new shelters. There is the potential to raise additional revenue and create cost savings if RTS were to establish a bus shelter/bench advertising program but not without challenges and trade-offs.

The most significant challenge involves current restrictions in City code that prohibit bus shelter/bench advertising. Planning staff has advised and the City Attorney concurs that the Land Development Code prohibits all off-premise street graphics or signs and the general code of ordinances prohibits commercial signage in the right-of-way. The placement of advertising on bus stop shelters/benches would constitute off-premise street graphics or signs and would therefore be prohibited. To permit advertising on bus shelters would invalidate the city's prohibition against other types of off-premise street graphics including billboards.

RTS staff believes the revenue generated by bus shelter/bench advertising would be unlikely to provide sufficient funding to restore recent service reductions and may not be worth the potential negative impacts to the aesthetics of the community. However, any additional revenue could assist in reducing the need for future service reductions or support elements of RTS service. Community Redevelopment Agency (CRA) staff has a similar perspective and believe that bus shelter/bench advertising would clutter the CRA areas and the revenue generated would not be worth countering the recent success the City has had with ridding the urban core and streets of billboards and advertising.

### Fiscal Note

The existing RTS bus advertising program generated \$192,457.12 in revenue in FY08. There is a need for 45 new shelters in the City of Gainesville and 15 new shelters in Alachua County. Our study showed that the agencies who outsource their bus shelter and bench advertising program and reported their revenue, received a return of 10-30% of the total advertising revenue. The current total cost for RTS to purchase and install a bus shelter is \$8,858. This includes the shelter, permit, slab, sod, trash can and bench, kiosk sign and labor. Currently RTS plans to install 5 - 10 bus shelters per year depending upon availability of funding which would cost \$44,290 - \$88,580. The current cost for 45 new bus shelters in the City would be \$398,610. The total annual cost for RTS to upkeep and maintain 1186 bus stops, 126 shelters, 716 benches and 376 trashcans is \$150,945.

### Recommendation

The City Commission: 1) do not implement a bus shelter/bench advertising program; and 2) consider expanding the existing RTS in-house bus advertising program.

### Alternative Recommendation A

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The City Commission: 1) do not implement a bus shelter/bench advertising program; and 2) retain the existing RTS in-house bus advertising program.

**Alternative Recommendation B**

The City Commission direct the City Manager to initiate a planning petition that would allow off-premise advertising and solicit proposals for a bus shelter//bench advertising program through an RFP process.

# Memo



**To:** City Commission

**VIA:** Russ Blackburn, City Manager  
Paul Folkers, Assistant City Manager  
Teresa Scott, Public Works Director

**From:** Jesus Gomez, Transit Director

**Date:** October 23, 2008

**Subject:** RTS Bus Shelter/Bench Advertising Report and Recommendation

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The City of Gainesville Regional Transit System (RTS) is looking for alternative ways to generate revenue in order to maintain the best possible service for its customers. Because the City of Gainesville's sign code ordinances prohibit advertisement on bus shelters and benches, RTS does not currently take advantage of these advertising opportunities. However, the City Commission has requested RTS staff present a report to the City Commission detailing the success of shelter and bench advertising programs at other Florida transit agencies along with the policy implication, practicality and financial feasibility of bus shelter and bench advertising in Gainesville.

RTS Marketing staff contacted Florida transit agencies requesting information about their advertising programs. The request included data on the number of benches and shelters each agency has and how many of these are allocated for advertising. Other information requested included how the agencies' programs were administered, who the agencies subcontracted with, the percentage of revenue the subcontractors received, how much revenue was generated through shelter and bench advertising, and finally, personal thoughts and recommendations from those who were involved in these projects.

Thirteen Florida agencies responded and attached is a report on these agencies' bus shelter and bench advertising programs.

Five of the 13 responding agencies do not advertise on shelters or benches at all: Collier County; JTA (Jacksonville); Okaloosa County; St. Lucie County; and West Florida Regional Planning Council for Bay Town Trolley (Panama City). Six agencies advertise on both shelters and benches: HART (Hillsborough County); Key West; Lee Tran (Lee County); LYNX (Orlando); MDT (Miami Dade); and Palm Tran (Palm Beach County). The remaining two agencies advertise on benches but not on shelters: Citrus Connection (Lakeland) and MCAT (Manatee County). None of the agencies chose to advertise on bus shelters alone.

The predominant bus bench subcontractor is Metropolitan Advertising Bench Company, or Metro Bench. Metro Bench is a service company with locations in Jacksonville, Tampa, Fort Myers, West Palm Beach, Ocala and Orlando. They provide bus benches at no cost to municipalities and counties then sell advertising space on those benches, returning a portion of the revenue, either in money or free

ad space, to a number of organizations such as the Jaycees, Altrusa, and Big Brothers/Big Sisters. Bench placement is determined by the municipality and is based on the need for seating rather than the possibility of selling advertising space. Maintenance is also provided by Metro Bench.

While most agencies reported that their subcontractor maintained their bus stops, including mowing and emptying trash receptacles, HART reported that Signal Outdoor builds, sells and maintains their shelters. This provides cost avoidance benefits to those jurisdictions in addition to advertising revenue received from the vendors.

Reported FY08 gross revenue generated through these advertising endeavors included \$113,110 for Palm Tran (program is outsourced), \$200,000 for benches only for MDT (program is outsourced), and \$1.9 million for LYNX (in-house program). Lee Tran reported FY07 revenue of \$482,160 (\$385,544 for benches, \$96,616 for shelters).

Projected shelter/bench revenue for FY09 varied between the agencies: HART (Tampa) anticipates \$30,000 to \$60,000 in revenue; Key West \$50,000; Palm Tran (West Palm Beach) \$147,413; and LYNX (Orlando) \$1.5 million. MDT (Miami Dade) anticipates FY09 revenue of \$100,000 for their benches advertising program.

RTS requested more specific information regarding total advertising program costs and total maintenance costs of bus shelters and benches, both prior to and following entering into an outdoor advertising contract. Those agencies using an in-house advertising program reported total expenses of up to \$468,000 for LYNX.

While Lee Tran reported high revenue from their in-house bus shelter/bench advertising program, they also reported several personnel costs. These costs include three route maintenance crew members (3.0 FTE) and all of their expenses, .50 FTE for an Advertising Recruitment Specialist, who sells and services, and .50 FTE for an Advertising and Marketing Specialist, who serves as the graphic designer. Lee Tran's Marketing Manager spends 5% of her time overseeing the advertising department and also helps the advertising specialist to install bus ads.

Our study also showed that agencies who outsource their bus shelter and bench advertising program receive a return of 10% - 30% of advertising revenue from the vendor. Not all agencies reported their return.

Several outdoor advertising agencies are interested in establishing a shelter/bench advertising program for the City of Gainesville. The following is information detailing the number and locations of current RTS bus stop amenities and the cost to purchase new amenities.

## Amenities by Geographical Area

Area	Shelters	Benches	Trash Cans	Schedule Kiosks	Bike Racks	Light Fixtures
Alachua County	17 ( 13.49%)	133 ( 18.58%)	63 ( 16.76%)	24 ( 16.11%)	0 ( 0.00% )	100 ( 22.73%)
City of Gainesville	91 ( 72.22%)	480 ( 67.04%)	256 ( 68.09%)	112 ( 75.17%)	18 ( 64.29%)	307 ( 69.77%)
University of Florida	18 ( 14.29%)	103 ( 14.39%)	57 ( 15.16%)	13 ( 8.72% )	10 ( 35.71%)	33 ( 7.50% )
<b>Total</b>	<b>126</b>	<b>716</b>	<b>376</b>	<b>149</b>	<b>28</b>	<b>440</b>

\* Percentages shown are out of the total amount of the feature found in the system

Total Number of Stops by Geographical Area

Alachua County	216
City of Gainesville	819
University of Florida	151
<b>Total:</b>	<b>1186</b>

Total Number of Stops that Need Benches by Geographical Area

Alachua County	102
City of Gainesville	450
University of Florida	93
<b>Total:</b>	<b>645</b>

Total Number of Stops that Need Trash Cans by Geographical Area

Alachua County	153
City of Gainesville	568
University of Florida	106
<b>Total:</b>	<b>827</b>

There is a need for 45 new shelters in the City of Gainesville and 15 new shelters in Alachua County. The current cost of to install 45 new shelters in the city would be \$398,610 .

The current total cost for RTS to install a bench at an existing bus stop is \$347.37 (broken down) is: bench, \$192.50; pad (2'X 6'), \$60.00; labor, \$94.87; total, \$347.37.

The current total cost to install a trash can at an existing bus stop is \$381.62 (broken down) is: trash can, \$286.75; labor, \$94.87; total, \$381.62.

The RTS annualized personal services cost for the upkeep of bus stop amenities is \$50,000. The annual cost to service the trash cans at bus stops is \$53,234.64. The total annual cost is \$150,944.64.

The current total cost for RTS to purchase and install shelters is \$8,858 (broken down):

Shelter	\$5,800.00
Permit	\$180.00
Slab	\$1700.00
Sod	\$100.00
Trash can	\$286.75
Bench (2)	\$192.50 (each)
Kiosk if required	\$90.00
Labor to install shelter	<u>\$316.25</u>
	<b>\$8,858.00</b>

Comparably, LYNX of Orlando reported that it cost between \$18,000 to \$25,000 for them to purchase and install a new shelter.

### History

The issue of bus shelter advertising and newspaper racks has been reviewed previously by the City Commission. At a City Commission meeting on June 26, 2000 (Legistar item # 000224) Eller Media Company General Manager Craig Swygert gave a presentation regarding AdShel bus shelters and newspaper racks. The City Commission referred the issue of AdShel bus shelters and newspaper racks to the City Beautification Board and to City staff for review and recommendations.

At a subsequent Commission meeting on August 27, 2001 (Legistar item # 001722) the same issue was discussed. At their June 20, 2001 meeting, the City of Gainesville Beautification Board (CBB) discussed the idea of AdShel advertisements on Regional

Transit System (RTS) bus shelters at great length. A major selling point for this proposal was the revenue it would generate.

The CBB realized that RTS would benefit from this extra income. Given the problems the City of Gainesville already experienced with billboard companies and rights-of-way, the CBB decided to recommend rejecting this proposal. Their main concerns included the belief that community space in principle should not be leased or used for commercial gain, that advertisements would clutter and cheapen the look of right-of-way green space, and that maintenance problems and vandalism would be highly visible and reflect poorly on Gainesville.

### **Bus Shelter/Bench Advertising Program Advantages and Disadvantages**

In collecting this information, both the pros and cons of advertising on bus shelters and benches have been reported.

#### **Advantages**

- Additional revenue to support RTS during challenging fiscal times
- Cost avoidance if vendors are responsible for installation of additional shelters and maintenance at bus stops including shelters, benches cleaning and trash collection.

#### **Disadvantages**

- Planning staff advised and the City Attorney concurred that the Land Development Code prohibits all off-premise street graphics or signs and the general code of ordinances prohibits commercial signage in the right-of-way. The placement of advertising on bus stop shelters would constitute off premise street graphics or signs and would therefore be prohibited under the land development code. To permit advertising on bus shelters would invalidate the city's prohibition against other types of off premise street graphics including billboards.
- RTS staff believes that the revenue generated and cost avoidance by shelter/bench advertising would not generate or save sufficient funding to restore our recent service reductions.
- In 2008 the Community Redevelopment Agency (CRA) board approved staff to partner with RTS to design or select a new bus shelter, which was presented to the CRA in August for approval for use in the CRA streetscape standards. After meeting with advertising companies, CRA staff believes that bus shelter/bench advertising would clutter the CRA areas and the revenue generated would not be worth countering the recent success the City had with ridding the urban core and streets of billboards and other advertising.
- Some in the transit industry have a perception that outdoor advertising dilutes brand awareness and identity and denigrates the system's image by pasting ads on everything related to transit service.
- Potential conflicts with vendors on content of ads.

- By outsourcing bus shelter and bench advertising to an outside vendor, there is a lost opportunity to develop future service and revenue partnerships with existing and potential advertising clients. Other transit agencies have reported that by conducting an in-house program, the agency is able to cultivate future partnerships with advertisers and network for other revenue-generating opportunities.

### **Recommendations**

The City Commission: 1) do not implement a bus shelter/bench advertising program; and 2) consider expanding the existing RTS in-house bus advertising program.

#### Alternative Recommendation A

The City Commission: 1) do not implement a bus shelter/bench advertising program; and 2) retain the existing RTS in-house bus advertising program.

#### Alternative Recommendation B

The City Commission direct the City Manager to initiate a planning petition that would allow off-premise advertising and solicit proposals for a bus shelter/bench advertising program through an RFP process.





## Regional Transit System

# Bus Advertising and Bus Shelter/Bench Advertising Regional Transit System 12/4/2008

#080416

# Bus Shelter/Bench Advertising

- History
- Research Findings
- Pros and Cons
- Recommendations

# Bus Shelter/Bench Advertising

## ■ History

- City Commission meeting on June 26, 2000
  - Eller Media Company presentation on AdShel bus shelters
  - Item referred to the City Beautification Board (CBB) and City staff for recommendations
- City Commission on August 27, 2001
  - CBB recommended rejecting proposal based on
    - Community space in principle should not be leased or used for commercial gain,
    - Advertisements would clutter and cheapen the look of our right-of-way green space, and
    - Maintenance problems and vandalism would be highly visible and reflect poorly on Gainesville.

# Bus Shelter/Bench Advertising

- Research Findings
  - 13 Florida Transit Agencies responded
    - 5 Do not advertise on shelters or benches
    - 6 Advertised on both shelters and benches
    - 2 Advertising on benches but no shelters
    - None chose to advertise on bus shelters alone
  - FY08 Gross revenue range from \$113,110 for Palm Tran (outsourced, \$88,100 shelters and \$25,510 benches) to \$1.9 million for LYNX (in-house)

## Bus Shelter/Bench Advertising

### ■ Research Findings

- Lee Tran reported FY07 revenue of \$482,160 (in-house, \$385,544 for benches, \$96,616 for shelters)
- Agencies outsourcing bus shelter and bench advertising averaged a return of 10% - 30% of total advertising revenue from the vendor.
- Operating costs associated with the in-house advertising program range from 20% - 30%.
- Most agencies report that their contractors maintain their bus stops and some have contractors who are responsible for installing shelters at the contractor's cost.

# Bus Shelter/Bench Advertising

- Pros
  - Additional revenue
  - Cost avoidance
- Cons
  - Existing City ordinances prohibiting bus shelter/bench advertising
  - Aesthetic impact on the City
  - Potential conflicts with vendors on content ads
  - Lost opportunity to develop future community service and revenue partnerships with existing and potential advertising clients

## Recommendations

The City Commission: 1) do not implement a bus shelter/bench advertising program; and 2) consider expanding the existing RTS in-house bus advertising program.

### Alternative Recommendation A

The City Commission: 1) do not implement a bus shelter/bench advertising program; and 2) retain the existing RTS in-house bus advertising program.

## Recommendations (cont.)

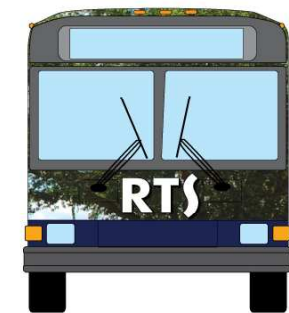
### Alternative Recommendation B

The City Commission direct the City Manager to initiate a planning petition that would allow off-premise advertising and solicit proposals for bus shelter/bench advertising program through an RFP process.





# Bus Advertising



The proof is provided for design, layout and positioning approval only. It is not intended for color matching. Due to the digital printing process, colors on the final product may vary slightly from the original artwork. For an additional charge an actual on-press color proof can be provided for your review. The colors on your computer screen or printed from your computer ARE NOT the actual colors in the final product.

# Bus Advertising

- History
- Research Findings
- Pros and Cons
- Recommendations

# Bus Advertising

- History
  - City Commission meeting on April 28, 1997
    - Discussed City's existing P&C Media exterior bus advertising contract
      - City received about \$18K per year for placard advertising on all its buses
      - P&C Media unable to secure contracts for fully painted/illustrated advertising on 5 buses allotted.
    - Discussed possible advertising partnerships between RTS and 3 other entities to generate interest in concept of fully painted/illustrated buses.
    - Recommendation to hear presentation by Transit Director on concept.

# Bus Advertising

## ■ History

- City Commission meeting on February 26, 2001
  - RTS Agreement for Bus Advertising Services
    - Three year contract with Philbin & Coine, Inc. (P&C), n/k/a Obie Media Corporation (OBIE) beginning 1/1/98
      - Sell bus advertising in and upon all City buses
    - OBIE presented 2001 marketing plan to RTS 11/1/200 and RTS renewed commitment to partnership with OBIE
      - Obie agreed to pay City/RTS fifty-four (54%) of all revenue collected for advertising space after deductions.
      - Obie agreed to annual minimum guarantee payments
  - City Commission approved one-year extension

# Bus Advertising

- History
  - RTS brings bus advertising program in-house 2002
    - Contract with OBIE expired 12/31/01
    - Decision based on performance issues

# Bus Advertising

- Research Findings

Six (6) Florida Transit Agencies responded

- 3 contract with Lamar Transit Advertising
- 1 contracts with CBS Outdoor
- 2 have in-house advertising programs
- Each offer interior and exterior bus advertising

# Bus Advertising

- Research Findings
  - In-house Programs
    - Revenue range (interior and exterior) from FY07 \$400,000 gross for Lee Tran (Lee County) to FY08 \$1.7 million gross for LYNX.
    - Agencies did not provide cost of programs.
  - Outsourced Programs
    - Agencies did not provide percentage and revenue amounts they receive from their vendors.
    - Agencies did not provide cost of programs.

# Bus Advertising

- Research Findings

## RTS In-house Program

- Gross Revenue was \$75,505 for FY 07 and \$192,457 for FY08.
- Deduct FY 08 program costs of \$40,998 for FY08 Net Revenue of \$151,459
  - Accomplished with .60 FTE



# Bus Advertising

- Research Findings
  - Fleet sizes and buses available for advertising range from 45 to 290 buses.
  - RTS has a fleet of 105 buses
    - 89 Buses running peak during Fall/Spring service
      - Assigned to specific routes
      - All are available for interior advertising
      - 61 buses available for exterior advertising
        - Exterior ads too large for smaller buses
        - No exterior ads on 12 new Low-rise Gillig buses
    - 55 Buses running peak during summer

# Bus Advertising

## Drivers



## UF Bus

## Riders



# Bus Advertising

- Pros of in-house program
  - Maintain creative control over ad content to maintain the City's standards
  - RTS has an existing and respectable program
    - Easily expanded - increase .60 FTE contribution to 1.0 FTE.
  - Increased revenue could be compromised if outside agencies do not perform as promised.
  - RTS Marketing, Operations and Maintenance have long-standing successful relationship
    - Heightened complexity of coordination between Operations and advertising when using outside bus advertising vendor

# Bus Advertising

- Cons of in-house program
  - Outsourced program may generate more gross revenue
    - Important figure is the net revenue to City/RTS.
    - Make sure net revenue offsets any disadvantages of having an outsourced program.

# Bus Advertising

- Recommendations
- Expand the existing RTS in-house bus advertising program. RTS believes that advertising revenue will increase if RTS has one person dedicated to this program. Revenue comparisons between FY07 and FY08 (\$75,505.05 to \$192,457.12) shows this trend.
- Alternate recommendations: Retain the existing RTS in-house bus advertising program.

# Bus Advertising

