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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.

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12/4/2008	0	City Commission	Approved, as shown above (Motions)	

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.

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.

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.

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.