



# Advertising Policy and Guidelines

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# BACKGROUND

- No existing policy or guidelines associated with advertising
- City has been historically risk averse
- Commonly allowed with transit agencies
- CityBus is looking for tools to address ongoing structural deficit
- Potentially several City beneficiaries of policy (Transit, Parking, Rec & Parks)
- Policy must include clear standards

# ANALYSIS

- Many municipal organizations have advertising policies
- Napa Valley Transportation Authority policy was highlighted and used as template
- All departments reviewed, some determined they would benefit from policy
- CAO reviewed and approved
- Proposed policy allows strict regulation
- CityBus could realize up to \$100,000/year in additional revenue & other non-monetary benefits

# ANALYSIS (continued)

The proposed policy prohibits advertising for these categories:

- Demeaning or disparaging
- Tobacco
- Cannabis
- Alcoholic beverages
- Firearms
- Profanity
- Graffiti
- Human or animal graphics
- Violence
- Unlawful goods or services
- Unlawful or detrimental conduct
- False or deceptive commercial speech
- Libelous, copyright or patent infringement
- Obscenity or nudity
- Prurient interests
- Adult oriented goods or services
- Endorsement
- Injurious to the City or its Mission
- Religious advertising
- Political and social issues advertising

# ANALYSIS (continued)

The proposed policy prohibits advertising for the sale of these products

- Tobacco
- Cannabis
- Alcohol
- Firearms

# ANALYSIS (continued)

- Staff studied advertising programs of 8 transit agencies in northern California.
- 50% of the surveyed agencies contract with an advertising sales firm to manage their advertising program
- 50% administer the sales of advertising in-house
- There is great variety in the way advertising programs are organized and much depends on the number and type of advertising spaces available to sell, and
- The size of the commercial market in which the ads will appear

# ANALYSIS (continued)

## Agencies with advertising managed in-house

- Sonoma County Transit
- Petaluma Transit
- Solano Transit Authority
- Marin Transit (*is interested in launching an in-house advertising program*)

## Agencies contracting with an advertising sales firm

- Napa Vine
- Golden Gate Transit
- Mendocino Transit
- Butte Regional B-Line

# ANALYSIS (continued)

## Agencies with advertising managed in-house

- Suited to agencies with small fleets & smaller service areas.
- Ability to give preference to local advertisers & control the types of ads, the volume and the frequency
- Transit agency has final approval of ad content & artwork
- Advertisers responsible for graphic design & production of ads
- Transit agency responsible for installation & removal of ad
- Cost per ad is lower, allowing for small business to advertise
- 100% of revenue generated used for shelter maintenance and other transit operational expenses
- Ad space set aside for transit agency's use to self-promote
- Ad space inside the buses is typically not sold; most agencies reserve this space for rider info and for public service messages from non-profit agencies



# ANALYSIS (continued)

## Agencies contracting with an advertising sales firm

- Suited to agencies with large fleets & larger service areas.
- No ability to give preference to local advertisers or control the types of ads, the volume and the frequency
- Transit agency has final approval of ad content & artwork
- Advertising sales firm handles the graphic design, production, & installation/removal of the ads
- Cost per ad higher, making it difficult for small business to advertise
- Ad space set aside for transit agency's use to self-promote
- Ad sales revenue split 40%-60%, 50-50%, 10-90% depending on the types of ad spaces. A guaranteed revenue clause can be written into the contract
- Some bus shelters are owned and maintained by an ad sales firm, while the transit agency shares a small percentage of ad revenue from the bus shelters

# Examples of Rear Vehicle Ads



# Examples of Side Vehicle Ads



# Examples of Ads on Bus Stop Shelters



# RECOMMENDATION

- It is recommended by the Transportation and Public Works Department, that the Council, by Resolution, adopt Council Policy Number 000-69 titled “Advertising Policy and Guidelines” and authorize the Transit Division to develop an advertising program for sale of advertising space.

# QUESTIONS