



Advertising Policy and Guidelines

City Council Meeting
November 13, 2018

Jason Nutt
Director, Transportation and Public Works

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

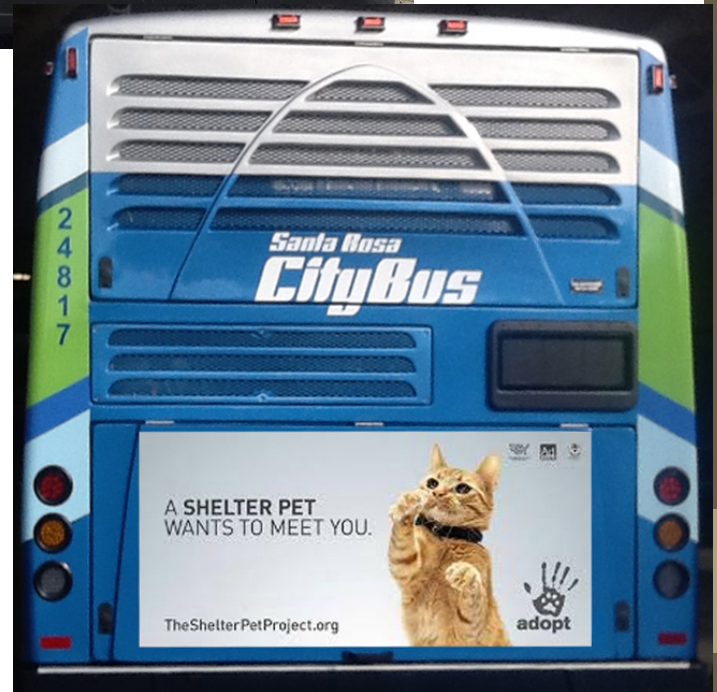
- Suited to agencies with small fleets & smaller service areas.
- Ability to give preference to local advertisers & control the types of ads, the volume and the frequency
- Transit agency has final approval of ad content & artwork
- Advertisers responsible for graphic design & production of ads
- Transit 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 & Public Works and Finance Departments, 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 on the exterior of Santa Rosa CityBus and Santa Rosa Paratransit vehicles and bus stop shelters.

QUESTIONS