

BUS SHELTER ADVERTISING EXPERIENCE

Toronto: completed their assessment of the previous program, developed bid documents and is about to award a new contract.

Number of Shelters: 4000 existing, expanding to a total of 5000 over the next 20 years.

Age of program: decades old

Current program: The existing bus shelter advertising program provides for all amenities (shelters, benches and recycling bins—installation & maintenance) plus a revenue stream. Ads are only on about ½ of the shelters, and the City retains sign-off authority. Existing contract allows 6% of ad space to be reserved for public service advertising. Current revenues from transit shelter advertising was ~\$17.5m in 2005, or about \$3500-4000 per shelter)

Present status: The City of Toronto is currently redesigning the program to become a complete and coordinated street furniture program. All details including the recently completed bid process and the RFP are available on the website:

<http://www.toronto.ca/involved/projects/streetfurniture/>.

Before writing the RFP, the City completed an intensive, multi-faceted community outreach program to achieve input from officials and the general public. This program involved a series of meetings and workshops, a questionnaire, and some direct mailings to address the project directly. The effort resulted in a Design and Policy Guidelines Report that was used to guide the RFP and consultant selection process.

The RFP required the bidding companies to propose a cohesive design style that would be appropriate for Toronto and incorporate flexibility for “customization, neighbourhood expression, size, scale and arrangement of elements.” Identity, scale & context, modularity, functionality, durability, accessibility, safety, environmental awareness and placement were deemed important to the selection process. Appropriate design was placed above any advertising need.

The bid required designs for transit shelters, litter/recycling receptacles, benches, multi-publication structures, information kiosks, neighborhood information facilities, and public washrooms.

Provisions were made for two advertising formats: primary (illuminated, transit shelter-style advertising aimed at national clients) and secondary (smaller, non-illuminated poster style aimed at local business clients, usually on benches.)

Advertising content will be controlled through requirements in the RFQ, that will become part of the contract when it is finally executed. The ads must comply with the Canada Advertising Standards Council, as well as federal, provincial, and city policies and guidelines. Specific language includes: “The City reserves the right to approve or request removal of advertising and the decision of the City in this regard shall be final and binding.” Removal of questionable advertising will be at the sole expense of the successful bidder. The City also controls that amount of advertising allowed at any location, specifically, no more than one advertisement is allowed in any group of street furniture.

Minor, but vocal opposition to the proposal has developed. City Council will consider the program at its next Council meeting. Executive Committee approved it on April 30.

Cost estimates (Canadian \$) used: The City estimates that the new shelters will cost \$20,000 installed on new pad, with electric service (probably solar), a bench & a map frame. This estimate is higher than normally expected due to the significant design elements that are being required. The cost to relocate existing shelters is about \$5000 each. Maintenance cost for 5000 shelters are estimated at \$4.5 million per year (\$900 per shelter per year.) The RFP calls for the successful bidder to reimburse the city for its design study and the RFP development costs. The RFP also calls for 7% of ad space to be reserved for public service advertising. Payments to the City will be about \$428.8m over the 20-year period of the contract.

Minneapolis: *just beginning to undertake an evaluation of its existing program with a goal of preparing for the renewal year in 2009.*

Number of Shelters: 250 shelters with ads; 200 without ads

Age of program: almost 30 years old (1979)

Current program: Minneapolis' 10-year contract with a local ad company has just been sold to CBS Outdoor Advertising. The contract will expire in 2009. The program is designed as a break-even program, but the City does receive \$100,000 to \$150,000 per year (\$100,000 in early years, reaching \$150,000 now.) The advertising company is required to pay a minimum amount, or a percentage of the advertising revenue, whichever is greater. The percentage (13%) has only recently become the higher figure. The ad company installs and maintains the shelters (those with ads.) The City uses the income from the program to finance garbage pick-up at all of the shelters. Unique features of the Minneapolis program include: it requires that the ad company negotiate the shelter location with the land owner; and it allows the land owner the opportunity to opt out of the advertising program by buying its own shelter (the City determines where the shelters will be located.)

There is little control over advertising content, except for alcohol and tobacco, but there are no real problems. Control of content is specified in the contract documents, but the City's lawyers have determined that the clause may not be enforceable. Control is exercised through the fact that: the ad company was local and part of the community; the ad company consults with City on content, but makes the final decision about content; and the majority of the ads are regional rather than national (local theaters, etc.)

There are no zoning issues in Minneapolis: the State allows advertising within the public right-of-way only on specified facilities and bus shelters are included. The State also regulates the amount of advertising: only 1/3 of available space may be used for advertising.

Present status: The City is investigating a new program: they want to expand the program to include a coordinated street furniture program based on the Toronto experience. They may need to expand from a 10-year contract to a 20-year contract to allow for the purchase of additional street furniture.

Cost Estimates: The City estimates the cost of new shelters to be \$10,000 each. The City receives a return of about \$150,000 annually. The program is not designed to make money, but to fund the installation and maintenance of the shelters.

Bridgeport, CT: *also looking forward to establishing a new program, details to be worked out.*

Number of Shelters: 64; 20 with advertising, 40 owned by transit district (no ads), a few owned by towns (no ads)

Age of program: Established in 1997

Current program: The Transit District is not satisfied with the current program. The program is 10-years-old. It was not competitively bid, and the transit district has to buy back the shelters at the end of the program (\$1000 each.)

Present status: The program director is enthusiastic about designing a new program, details are still being developed but some features under consideration include: the cost of the shelters will be shared using 80% federal funds and a private (ad company) 20% match; they are looking at a five year contract which will allow better control of the program; they are proposing to use revenue from the program to maintain non-ad shelters; they plan to be specific in the RFP about where shelters will go and what type of shelters will be installed.

The City has specific zoning regulations that address advertising: no ads are allowed in a residential neighborhood. They have decided to “live with” this requirement. The transit district also has labor union considerations: their employees now maintain the non-ad shelters. This will need to be worked out under the new program.

Cost Estimates: Cost estimates are unknown at this time.

Westchester County, NY: *details of this program will be available at the Policy Board meeting.*

Number of Shelters: 305, will add 5 per year over the next few years

Age of program: Established in 1979

Current program: Richard Stiller, Director of Surface Transportation for the Westchester County Department of Transportation will make a short presentation at the May 23 Policy Board meeting about the current bus shelter advertising program in Westchester County.