



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title: **Recommendation to Proceed with Pace Advertising Shelter Agreement**

Presenter: Richard Gallas

Please check appropriate box:

<input type="checkbox"/>	Government Operations	<input checked="" type="checkbox"/>	Government Services 05.23.11
<input type="checkbox"/>	Planning & Development	<input type="checkbox"/>	City Council
<input type="checkbox"/>	Public Hearing	<input type="checkbox"/>	

Estimated Cost:	\$0	Budgeted:	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
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If NO, please explain how item will be funded:

Executive Summary:

City staff recently met with Pace representatives regarding a program to improve the condition of bus shelters on existing bus routes in exchange for the ability to use those shelters for advertisement. The concept is simple, the City allows advertising on the bus shelter and in exchange for that advertising space the bus shelters get cleaned once per week as well as maintained long term. In addition, the City shares 35% of revenue generated from advertisements while transferring the responsibility to maintain those structures to the advertising agency.

The City of St Charles currently has five (5) Bus Shelter locations servicing the existing Pace bus routes. In the future, more bus shelters could be added and additional corresponding revenue generated. The citizen rider's benefit by having a cleaner more attractive bus shelter.

Attachments: *(please list)*

- Informational Brochure on Pace Advertising Shelters
- City of St Charles Bus Shelter Locations
- City of St Charles Ridership Information
- Pace Advertising Guidelines
- Pace Advertising Agreement

Recommendation / Suggested Action *(briefly explain):*

Staff recommends proceeding with the Pace Advertising Shelter Agreement

For office use only:

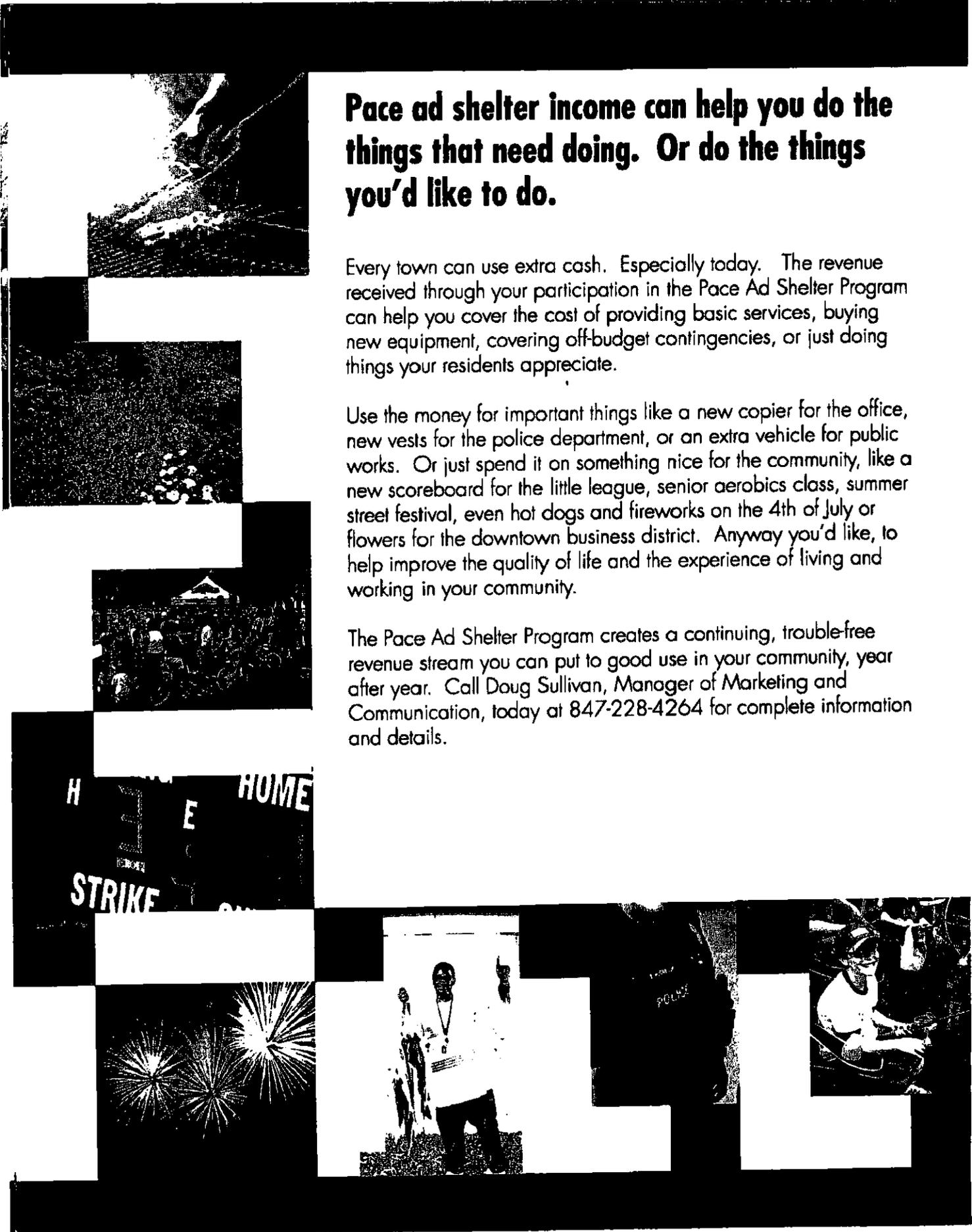
Agenda Item Number: 4.d

Pace Ad Shelter Program



A lot more than comfort and good looks.





Pace ad shelter income can help you do the things that need doing. Or do the things you'd like to do.

Every town can use extra cash. Especially today. The revenue received through your participation in the Pace Ad Shelter Program can help you cover the cost of providing basic services, buying new equipment, covering off-budget contingencies, or just doing things your residents appreciate.

Use the money for important things like a new copier for the office, new vests for the police department, or an extra vehicle for public works. Or just spend it on something nice for the community, like a new scoreboard for the little league, senior aerobics class, summer street festival, even hot dogs and fireworks on the 4th of July or flowers for the downtown business district. Anyway you'd like, to help improve the quality of life and the experience of living and working in your community.

The Pace Ad Shelter Program creates a continuing, trouble-free revenue stream you can put to good use in your community, year after year. Call Doug Sullivan, Manager of Marketing and Communication, today at 847-228-4264 for complete information and details.

Here's just a sampling of the positive things participants have to say about the Pace Ad Shelter Program.



"Pace Suburban Bus has proven to be an outstanding partner for our community for many years and their ad shelter support shows a continued interest in furthering this bond. These eye-catching structures are not only solidly constructed and well maintained but, they also offer Waukegan a much needed revenue sharing opportunity. Furthermore, our community does not have to worry about the subject matter of the artwork and advertising featured at these and I know that our residents feel assured that this will not be an issue while their children wait at one of our many bus stops."

Mayor Robert G. Sabonjian
City of Waukegan



"The Pace ad shelter program has worked out great for the residents of Melrose Park. The shelters not only look great and protect our many residents that use the Pace system from the elements, they are a good revenue generator for our community. Melrose Park works hard everyday to be fiscally responsible so it can offer some of the best services found in any municipality in the state of Illinois and this is one of the programs that help us achieve our goals."

Mayor Ronald M. Serpico
Village of Melrose Park



"I personally have received many complements from the residents of Bellwood about our Pace ad shelters. In these tough economic times especially, the village always is looking for ways to bring in revenue without adding any more burden to our residents and we have definitely benefited from this program. Also our relationship with Pace has given us the opportunity to utilize any empty space for our Public Service Announcements for our community and that has been a great source of information for the people of Bellwood".

Mayor Dr. Frank A. Pasquale
Village of Bellwood



"The Pace Ad Shelter Program has worked out exceptionally well for the Village of Carpentersville. The shelters are well maintained and help protect waiting riders from the elements. The advertising displayed is always family-friendly, and the revenue it generates goes to good use in the community. Having access to unsold space also gives us means to communicate important information to our residents."

President Ed Ritter
Village of Carpentersville



"Pace ad shelters are a great amenity for our residents and the riding public. They provide protection from the elements and generate revenue for the community that we can use for vital public services."

Mayor Irene H. Brodie, Ph.D
Village of Robbins, Illinois

St. Charles Performance Indicators

<u>Route</u>		February 2011	Performance data from 4th Quarter 2010	
		<u>Ave Daily Ridership</u>	<u>Subsidy per Rider</u>	<u>Recovery Ratio</u>
801	Wk	183	\$5.47	16.4%
	Sat	70	\$6.99	13.4%
802	Wk	304	\$4.00	20.2%
	Sat	192	\$5.89	14.1%

Indicators highlighted have not met the standard.

Ridership: Average daily one way trips

Subsidy per Rider:

The cost to Pace for each rider on a route. This is a traditional standard used in the transit industry. The system average subsidy for a weekday route is \$2.49, while the average on a weekend route is \$2.31. The maximum subsidy allowed is \$4.00 as recommended to Pace by a financial consultant.

Recovery Ratio:

The percentage of operating costs covered by passenger revenue. The minimum recovery ratio is 18% which is a Pace management standard. This represents half of the RTA's mandated 36% system wide recovery ratio for Pace.

Advertising Transit Shelter Agreement

THIS AGREEMENT is made and entered into this ___ day of _____, 2010 by and between the Suburban Bus Division of the Regional Transportation Authority, a unit of local government and municipal corporation created under the Regional Transportation Authority Act (hereinafter "Pace"); the _____, a unit of local government and municipal corporation created under the laws of the State of Illinois (hereinafter "Municipality"); and Titan Outdoor, a private corporation (hereinafter "Titan").

WHEREAS, Municipality and Pace recognize the importance of providing passenger shelters within Municipality corporate limits to riders of public transportation, and

WHEREAS, Pace and Titan have entered into an agreement for the acquisition, installation and maintenance of passenger shelters placed within Pace's service region and for the sale of advertising space on such shelters (Pace Contract #103193C, (hereinafter "Contract")); and

WHEREAS, the Parties wish to set forth revenue sharing principles applicable to the income received from advertising shelters placed within Municipality's corporate limits, and to establish other parameters of the Program,

NOW THEREFORE, the Parties agree as follows:

- 1. Duration.** This agreement shall remain in force for a minimum term of ten (10) years from the date of enactment. This agreement shall be automatically renewed for an additional five-year term unless written notice to terminate is given by either party within thirty (30) days of the end of the initial term.
- 2. Type and location of Shelter.** Pace shall, after Municipality approval of shelter locations and design from the shelter types available to Pace at the time of construction, determine the location wherein each shelter shall be placed within the Municipality with regard to optimum passenger usage and bus route access. Pace shall construct the concrete pad at locations and with specifications agreed to by Municipality. Any shelters to be erected will be of a type approved by the Municipality.
- 3. Inspection, Maintenance and Repair.** Pace agrees that the shelters will be in conformity with applicable building codes of the Municipality. For those sites at which Pace is responsible for construction of the concrete pad, Pace or its designee is responsible for obtaining state highway permits for all shelter locations on state routes, and municipal and/or county permits for other locations. Titan will inspect, maintain, repair, clean and service the shelters at least once per week. Titan shall repair or remove, if necessary, any shelter so in need, or if the shelter's condition presents a threat to public safety, within forty-eight (48) hours of notification from the Municipality.
- 4. Electricity.** Ad shelters are electrified for nighttime illumination via solar power. No connection to an electrical source is necessary.

5. Type of Advertising. Titan and Pace agrees that it will utilize the shelters only for advertising material that is consistent with the Pace Advertisement Guidelines. Titan is responsible for the installation and removal of all advertising material as well as removal of any debris created by the aforementioned installation and removal.

6. Duty to Remove. In the event the Municipality exercises its right of termination pursuant to Paragraph 1 above, Pace and Titan agree to remove all of their shelters within 60 days of request for removal and if they fail to do so, Municipality shall have the right to remove them, and Pace and Titan jointly and severally shall be obligated to pay Municipality its costs for such removal.

7. Advertising Revenue Shares. Under the Contract, Pace is entitled to certain percentages of "gross billings", defined as the invoiced price to advertisers, less advertising agency commission and taxes, if any. For any advertising transit shelters placed within Municipality's corporate limits as a result of the Program, Municipality shall receive one-half (1/2) of Pace's share of gross advertising billings.

8. Payment. Pace shall pay Municipality annually its share of advertising revenues referred to in Paragraph 7. Payments shall be made in March of the next succeeding year after any year in which Pace receives advertising income from the Program for shelter(s) placed within Municipality's corporate limits.

9. Hold Harmless. Municipality assumes no responsibility as to the condition of the shelters under the Program (i.e. maintenance, upkeep, or repair necessary to keep the premises or shelters in a safe and serviceable condition). Titan assumes liability for and shall indemnify and hold harmless Municipality and Pace against any and all liabilities, losses, damages, costs, payments and expenses of any kind and nature, including attorney's fees, as a result of claims, demands, actions, suits, proceedings, judgments or settlements arising out of or in any way related to Titan's negligence or the execution, performance, non-performable, or enforcement of this Agreement or the Contract by Titan, including enforcement of this indemnification provision, upon notice to Titan from Municipality or Pace and shall pay all costs and expenses incidental thereto. The indemnities contained in this Paragraph shall survive termination of this Agreement and the Contract. Notwithstanding the forgoing, nothing herein shall be deemed to indemnify municipality and/or Pace or release either of them from any liability or damage attributable to their negligence or willful misconduct. Titan will carry indemnity insurance against the above-mentioned liability in a sum of not less than \$1,000,000.00. The Municipality, Pace and the Regional Transportation Authority (RTA), its officers, officials and employees shall be named as Additional Insureds to the General Liability coverage of this policy for the erection, maintenance and operation of the bus shelters located in the Municipality. Proof of said insurance will be provided upon request by the Municipality, Pace and the RTA.

10. Public Service Advertising. Municipality shall have the right to advertise community events or other public service notices if the advertising space is unsold. Municipality shall be responsible for any production costs, and must contact Titan for placement, posting and removal.

11. Applicable Laws. This agreement shall be governed by the laws of the State of Illinois. Placement of shelters under the Program shall be subject to all applicable state and local permit procedures, and all advertising content shall be subject to local ordinances.

IN WITNESS WHEREOF, the Parties have caused this agreement to be executed and made as of the date written first above.

MUNICIPALITY

Pace

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Titan

Name: _____

Title: _____

Date: _____

EXHIBIT A

PACE ADVERTISING GUIDELINES

1. The ad space owned by Pace, the Suburban Bus Division of the Regional Transportation Authority, is offered for sale to create revenue for the agency. Pace or its designee may offer such space to advertisers. Pace restricts advertising content for such reasons as viewpoint neutrality, passenger safety, ridership maximization and revenue maximization.
2. All advertising must be truthful and be for a commercial purpose, not a non-commercial message. False, deceptive or misleading commercial advertising is not permitted. All advertising must comply with all applicable laws and regulations.
3. Advertising containing copy and/or art which is legally obscene or otherwise sexually explicit is not permitted. Copy and/or art which portrays violent acts or other graphic violence, including the depiction of bodies, body parts and fetuses which are in states of mutilation, dismemberment, disfigurement and/or decomposition, is not permitted.
4. Advertising for tobacco and/or alcohol beverage products is not permitted on the exterior or interior of Pace buses. Advertising for alcohol beverages is permitted in shelters with the approval of Pace and the municipality in which the shelter is located.
5. Any advertisement for alcoholic beverages must contain a message promoting responsible use of the product and may not contain images of persons under age 21 using the product.
6. If an advertisement contains a testimonial then, upon request, the sponsor shall provide to Pace documentation that the person making the testimonial has authorized its use in the advertisement. The sponsor must indemnify Pace against any legal action by any person quoted or referred to in any testimonial advertisement placed in the Pace system. Such indemnity shall be in a form and substance acceptable to Pace.
7. Advertisers shall avoid illustrations or references which encourage persons to refrain from using safety precautions normally used in any activity.
8. Commercial advertising offering premiums or gifts must not misstate their value.
9. Use of Pace graphics, explicit Pace representations or indirect references to Pace or its employees in advertising is subject to approval by Pace.
10. No implied or declared endorsement of any product or service by Pace is permitted.
11. Advertisement advocating or proposing transactions which would constitute unlawful discrimination, or which would be illegal for any other reason, are not permitted. Advertisements which are directed to inciting or producing imminent lawless or discriminatory action and which are likely to incite or produce such action are not permitted. Advertisements containing profanity, defamatory or inflammatory statements directed at any individual or group, including but not limited to statements based on a person's or people's race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital or parental status, military discharge status or source of income, are not permitted.
12. All advertisements of a political nature are to contain the statement: "Paid political advertisement. No Pace endorsement implied" in bold type of at least 84 points (1 inch) for exterior bus ads and 18 points (0.25 inches) for interior bus ads.
13. Prior to installation, the camera-ready artwork and copy must be submitted to the Pace Advertising Offeror for approval, based on these Guidelines. Any advertising which may violate the guidelines will be submitted to Pace by the Offeror for review and approval in accordance with these guidelines.
14. Pace reserves the right to reject or remove any advertising which it deems to not be in full compliance with these guidelines. Pace's Executive Director or his/her designee shall make the final determination as to whether such advertising meets these Guidelines.

Amended and adopted December 8, 2010

City of St. Charles
Bus Shelter Locations

Location Description	Add'l Location Description	Corner	Route	Type of Shelter
Cedar Av & 5th Av	150 ft. north of Main St/Route 64	SW	801	Non-Ad
5th Av & Delnor Av	975 N. 5th Ave. Delnor-Glen Senior Living Center	SW	801	Non-Ad
Randall Rd & Prairie St	300 ft. North of State St	SE	801	Non-Ad
Randall Rd & Prairie St	in front of Chase Bank	NW	No Current	Non-Ad
Rt 38 & Randall Rd	600 ft. East of Randall Rd.; two lights East.	NE	801	Non-Ad