THE CITY OF ASHEVILLE

STAFF REPORT

City Council Meeting Date: August 24, 2021

Subject: Proposed fee adjustments for advertising on Asheville Rides Transit buses

Staff Resource: Ken Putnam, Transportation Director
Jessica Morriss, AICP, MPA, Assistant Transportation Department Director

Action Requested: Adoption of an ordinance amending the Transit Advertising fees and charges for Fiscal Year (FY) 2021-22.

Background:
- In April 2021, City Council adopted new fees and charges for City services, including transit bus advertising fees, to become effective July 1, 2021.
- Staff inadvertently did not include the full range of updated fees and charges in what was adopted in April.
- The subject action will correct that oversight.
- The new fees will become effective as soon as they are adopted.

Committees:
- Finance & Human Resources Committee August 18, 2021 - Voted unanimously to forward onto Council as recommended by staff.

Pros:
- The fee updates include additional options to provide more flexibility to potential advertisers, which staff expects will attract more advertisers.
- Revenue from advertising fees supports the transit operating budget.

Con:
- A minimal increase in the cost to advertise on City buses.

Fiscal Impact:
- Proposed fees are summarized in Attachment A.

Suggested Motion:

- Adopt an ordinance updating the Transit Advertising fees and charges.

Attachment:
- Ordinance
- Fee Proposal Summary

ORDINANCE NO. _____

ORDINANCE ADOPTING THE FISCAL YEAR 2021-22 TRANSIT ADVERTISING FEES & CHARGES

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The attached Fiscal Year 2021-22 Transit Advertising fees and charges, attached hereto and made a part hereof, be adopted.

That this ordinance shall be in full force and effective immediately.

Read, approved and adopted this 24th day of August, 2021.

_____ _____

City Clerk Mayor

Approved as to form:

_____

City Attorney

Attachment A - Fee Request and Recommendation

Transit Advertising Fee (Transit Services Fund)

Description: Transportation Department fees charged for the placement of advertising inside buses in the Asheville Rides Transit system fleet.

Type of Change: Increase

Background:

- Advertising rates have not been revised since 2008.
- Based on research, advertising fees are between 30% and 500% higher in other similarly-sized transit systems.
- A 10% discount is offered for non-partisan, non-profit groups as well as city-sponsored events and other city departments.
- The proposed fee change is an increase of 50% to the monthly rate for the shortest amount of time advertising. Fees vary based on the number of buse, the length of time an ad is placed, and the size of the ad. The per unit rate decreases with longer advertising periods.

Updated Fees Proposed for Adoption

Half of Fleet - minimum 15 Buses (may be updated)			
Specs	**1-4 Months**	**5-8 Months**	**9-12 Months**
Bus Interior - 11 x 17 Landscape (Ads in the 5 Electric buses must be in portrait)	$30 per month/per bus	$27 per month/per bus	$25 per month/per bus
Bus Interior - 11 x 34 Landscape (5 Electric buses must be in portrait)	$50 per month/per bus	$47 per month/per bus	$45 per month/per bus

Full Fleet - minimum 30 Buses (may be updated)			
Specs	**1-4 Months**	**5-8 Months**	**9-12 Months**
Bus Interior - 11 x 17 Landscape (Ads in the 5 Electric buses must be in portrait)	$25 per month/per bus	$23 per month/per bus	$20 per month/per bus
Bus Interior - 11 x 34 Landscape (5 Electric buses must be in portrait)	$45 per month/per bus	$43 per month/per bus	$40 per month/per bus

Incorrect Fees Adopted in April 2021 (effective July 1, 2021)

Interior Signs

Units	1 month
1	$ 27
10	$ 266
20	$ 532

Interior Ceiling Signs

Units	1 month
1	$ 133
10	$ 1,330
20	$ 2,660

Previous Fees Prior to April 2021 (in place since 2008)

Interior Signs

Units	1 Month	3 Month	6 Months	12 Months	Notes
1	$20	$57	$113	$223	**11 x 17 laminated landscape**
10	$200	$570	$1,128	$2,232	
20	$400	$1,140	$2,256	$4,464	

Interior Ceiling Signs

Units	1 Month	3 Month	6 Months	12 Months	Notes
1	$100	$285	$564	$1,116	**11 x 17 laminated landscape**
10	$1000	$2,850	$5,640	$11,160	
20	$2000	$5,700	$11,280	$22,320	

Customer: This fee is paid by businesses or individuals who advertise their goods or services on transit buses.

Service Impact: The advertising revenue, though modest, offsets the operational costs of the transit system, which serves the whole community.

Revenue Impact: These changes are not expected to significantly impact Transit Fund revenues. Recently, total advertising revenues in the Fund ranged from $2,000 to $5,000 annually.

Staff Recommendation:
Approve fee changes effective immediately upon adoption.