



CHAPEL HILL TRANSIT
Town of Chapel Hill
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MEMORANDUM

To: Steve Stewart, Carrboro Mayor
From: Steve Spade, Director
Date: June 22, 2011
Subject: Transit Advertising

On Monday June 13, I made a presentation to the Chapel Hill Town Council regarding the proposal to introduce transit advertising. In the presentation I shared the latest discussions with the Partners including the discussions from the Board of aldermen meeting. I also shared changes and refinements we have made to the advertising proposal.

The most significant changes were in response to the discussion with the Board of Aldermen related to the Advertising Policies and Standards and how we would respond to the interest to support local businesses.

I have attached a copy of the revised Advertising Policies and Standards for your information. The changes reflect the comments provided by the Board of Aldermen and Carrboro legal counsel. They focus on issues advertising, distribution of materials on the buses and simplified the definition of offensive material.

Regarding the interest to support local business, I recommended the following activities be included in the advertising program:

- Commit to have advertising staff place an emphasis on reaching out to local businesses.
- Provide each of the partners the use of a wrapped bus for 1 year to promote local businesses.
- Make vacant sign space available to the partners to promote partner sponsored events.

The Town Council took the following action to support the recommendation to implement the transit advertising program:

1. Approved the advertising rates and Advertising Policies and standards.
2. Authorized the Town Manager to take steps to begin implementation.

As you know UNC has already indicated their support of the advertising program. Our interest is to move forward with a program that has the support of all the Partners. I believe that we have been responsive to the interests of the Board of Aldermen and I look forward to the opportunity to share the status of our discussions at the June 28th meeting.

TRANSIT ADVERTISING FEE SCHEDULE AND POLICY

Transit services in Chapel Hill are provided through a partnership of Chapel Hill, Carrboro and the University of North Carolina. Chapel Hill Transit offers transit advertising as a source of revenue to help offset system operating costs. Advertising is sold on the exterior and interior of all fixed route buses. The following are transit advertising rates and policies governing transit advertising.

TRANSIT ADVERTISING RATES

Bus Wraps	Monthly Rate	Minimum Contract
Full Wrap	\$1500	12 months

Exterior Bus Signage: Kings (144"x30")

Number of Displays	12 Months Each Sign	6 Months Each Sign	1-3 Months Each Sign
1-10	\$180	\$200	\$220
11-20	\$175	\$195	\$215
21 & up	\$170	\$190	\$210

Queens (108"x30")

Number of Displays	12 Months Each Sign	6 Months Each Sign	1-3 Months Each Sign
1-10	\$162	\$180	\$198
11-21	\$157	\$175	\$193
21 & up	\$152	\$170	\$188

Taillight

Number of Displays	12 Months Each Sign	6 Months Each Sign	1-3 Months Each Sign
1-10	\$163	\$170	\$187
11-120	\$158	\$165	\$182
21 & up	\$152	\$160	\$177

All production costs are the responsibility of the advertiser. For wraps the cost of installation and returning the bus to original condition are also the responsibility of the advertiser.

All advertising creative and design must be approved by Chapel Hill Transit prior to production and can be declined if we believe it is not in compliance with transit advertising policies and standards.

Agency commissions will be paid on contract of 6 month or more.

POLICIES AND STANDARDS FOR ADVERTISING ON CHAPEL HILL TRANSIT FACILITIES

Chapel Hill Transit (CHT) is a regional transit system created under section of the Town of Chapel Hill Ordinances. Chapel Hill Transit owns and operates buses, bus shelters, a garage and other properties (collectively referred to as "Transit Facilities") in conjunction with its regional transit system. It is in the public interest to make advertising space available upon payment of rent in accordance with CHT's adopted rental schedule on certain designated Transit Facilities to generate revenue and help fund the operation of the regional transit system or upon acceptance of the advertising as unpaid public advertising or public service announcements in accordance with this policy in order to support public agencies and community non-profit services.

I. PURPOSE

1.01 Nonpublic Forum; Commercial/Proprietary Functions. Chapel Hill Transit will rent space on its Transit Facilities for limited types of advertising ("Permitted Advertising"). By allowing limited types of advertising on or within its buses and or/bus shelters and providing limited space at no charge pursuant to this policy, Chapel Hill Transit does not intend to create a public forum for public discourse or expressive activity, or to provide a forum for all types of advertisements. The display of Permitted Advertising upon payment of rent in accordance with CHT's adopted rental schedule on designated Transit Facilities is intended only to supplement fare revenue, tax proceeds and other income that fund the regional transit system.

1.02 Certain Excluded Advertising. Chapel Hill Transit will not accept for display on its Transit Facilities the types of advertising defined in Section 2.01 of these policies and standards ("Excluded Advertising"). By not accepting Excluded Advertising, Chapel Hill Transit can:

- (a) maintain a professional advertising environment that maximizes advertising revenues and minimizes interference or disruption of the commercial aspects of its regional transit system;
- (b) maintain an image of neutrality on political matters and other noncommercial issues that are the subject of public debate and concern;
- (c) protect passengers, employees and Chapel Hill Transit facilities from harm or damage that can result from some individual's reactions to political or controversial materials; and
- (d) help build and retain transit ridership.

1.03 Limits on Permitted Advertising. Placing reasonable limits on Permitted Advertising displayed on its Transit Facilities will enable Chapel Hill Transit to:

- (a) avoid subjecting its passengers and other members of the public to material that

- may discourage them from using regional transit services;
- (b) maintain an image of professionalism and decorum;
- (c) avoid displaying material that is not suitable for viewing by minors who ride on Chapel Hill Transit buses or those individuals whose neighborhoods are served by Chapel Hill Transit bus routes; and
- (d) maximize revenues by attracting and maintaining the patronage of passengers.

II. ADVERTISING POLICIES

2.01 Excluded Advertising. For the purposes of these policies and standards, the advertising described in this Section 2.01 is "Excluded Advertising." Chapel Hill Transit will not accept the following Excluded Advertising for display, posting or placement on or within its buses, or other Transit Facilities:

- (a) **Alcoholic Beverages.** Advertisements and images soliciting or promoting the sale or use of alcoholic beverages.
- (b) **Tobacco Products.** Advertisements and images soliciting or promoting the sale or use of tobacco products including, but not limited to, cigarettes, cigars and smokeless tobacco.
- (c) **Advertisements Affecting Image or Operation.** Advertisements and images that threaten or adversely affect: the public image of Chapel Hill Transit; Chapel Hill Transit's ability to operate its Transit Facilities; or Chapel Hill Transit's ability to attract and maintain the patronage of passengers.

2.02 Permitted Advertising. Subject to the viewpoint-neutral standards contained in Section 3.01 of these policies and standards, Chapel Hill Transit will accept "Permitted Advertising" for display or placement on designated Chapel Hill Transit Facilities. For the purposes of these policies, "Permitted Advertising" is advertising that:

- (a) Does not qualify as Excluded Advertising under Section 2.01.
 - (b) Generally relates to the economic interests of the advertiser and its audience.
- Advertising defined in Section 3.02 and 3.03 also is Permitted Advertising.

2.03 Prohibitions on Literature or Product Distribution and Leafleting.

Chapel Hill Transit's purpose in operating a regional transit system is to meet the public's need for efficient, effective and safe public transportation. Chapel Hill Transit Facilities are not intended to be public forums for public discourse or expressive activity. Literature or product distributions, leafleting and similar activities can disrupt or delay passengers who are boarding and exiting buses and other transit vehicles, distract passengers, distract bus operators, cause maintenance issues, and otherwise create safety issues for passengers, operators and surrounding traffic. Accordingly, political campaign activities, distribution of political or issues campaign literature, leafleting, and other informational or campaign activities are prohibited within Chapel Hill Transit

buses or other transit vehicles and within Chapel Hill Transit bus shelters. Notwithstanding the policies that allow the display of Permitted Advertising on designated Chapel Hill Transit Facilities, nothing in these policies or standards authorizes or permits advertisers to distribute literature, leaflets, coupons, products, samples or other items within Chapel Hill Transit buses.

On a limited basis and in conjunction with a “partnering” opportunity approved by Chapel Hill Transit, Chapel Hill Transit may allow an advertiser to distribute items on or within Chapel Hill Transit Facilities. Any distribution of literature, leaflets, coupons, products, samples or other items must be pre-approved by Chapel Hill Transit and must comply strictly with terms and conditions established by Chapel Hill Transit.

III. ADVERTISING STANDARDS AND RESTRICTIONS

3.01 Advertising Standards and Restrictions. Chapel Hill Transit will make available on designate Chapel Hill Transit Facilities space for advertisements subject to the viewpoint-neutral restrictions in this Section 3.01 that limit certain forms of advertising.

Advertisements cannot be displayed or maintained on Chapel Hill Transit Facilities if the advertisement or information contained in the advertisement falls within one or more of the following categories:

- (a) ***False, Misleading, Deceptive or Disrespectful Advertising.*** Advertising or any material or information in the advertising that is false, misleading or deceptive, or that is intended to be (or reasonably could be interpreted as being) disparaging, disreputable or disrespectful to persons, groups, businesses or organizations, including advertising that portrays individuals as inferior, evil or contemptible because of their race, color, creed, sex, pregnancy, age, religion, ancestry, national origin, marital status, disability, including those related to pregnancy or child birth, affectional preference, gender identity, or gender expression or sexual orientation, or any other characteristic protected under federal, state or local law.
- (b) ***Unauthorized Endorsement.*** Advertising that implies or declares that Chapel Hill Transit endorses a product, service, point-of-view, event or program. The prohibition against endorsement does not apply to advertising for a service, event or program for which Chapel Hill Transit is an official sponsor, co-sponsor or participant, provided Chapel Hill Transit’s General Manager or other designated representative gives prior written approval regarding the endorsement.
- (c) ***Obscene or Offensive Material.*** Advertising that contains obscene or offensive materials. “Obscene materials” means displays information that, taken as a whole, appeals to the prurient interest in sex and depicts or describes, in a patently offensive manner, sexual conduct and which, taken as a whole, does not have

serious literary, artistic, political, or scientific value, or otherwise qualifies as “obscene material” as that phrase is defined in the North Carolina General Statute Sec. 14-190.1(b). “Offensive materials” means displays or information that would be offensive to a reasonably prudent person of average sensitivity in the community, including advertising that contains derisive, distorted, immoral, profane or disreputable language or impressions.

- (d) **Unlawful Goods or Services.** Advertising or any material or information in the advertising that depicts, promotes or reasonably appears to encourage the use or possession of unlawful or illegal goods or services.
- (e) **Unlawful Conduct.** Advertising or any material or information in the advertising that: depicts, promotes or reasonably appears to encourage unlawful or illegal behavior or conduct, including unlawful behavior of a violent or antisocial nature; is libelous or an infringement of copyright; is otherwise unlawful or illegal; or is likely to subject Chapel Hill Transit to liability.
- (f) **Adult Entertainment.** Advertising that promotes or displays images associated with adult book stores, adult video stores, nude dance clubs and other adult entertainment establishments, adult telephone services, adult internet sites and escort services.
- (g) **Graffiti.** Advertising that uses images or symbols that depict or represent graffiti.
- (h) **Illegal Firearms and Weapons.** Advertising that contains images or depictions of illegal firearms or any weapons, or the unlawful use of firearms or other weapons.
- (i) **Internet Addresses and Telephone Numbers.** Advertising that directs viewers to internet addresses or telephone numbers that contain materials, images or information that would violate these advertising standards if the materials, images or information were contained in advertising displayed or posted on Chapel Hill Transit Facilities.
- (j) **Distractions and Interference.** Advertising that incorporates or displays any rotating, revolving, or flashing devices or other moving parts or any word, phrase, symbol or character, any of which are likely to interfere with, mislead or distract traffic or conflict with any traffic control device or motor vehicle regulation.

3.02 Political, Religious, or “Issues” Advertising. All political, religious, or “issue related” advertising shall bear conspicuously a paid advertising disclaimer that shall be consistent with the requirements as outlined in Attachment A.

3.03 Other Permitted Advertising and Public Service Announcements. Chapel Hill Transit

may make advertising space available for advertising proposed by governmental entities, academic institutions or tax-exempt nonprofit organizations (examples include: ads focusing on personal health or wellness issues, or ads informing the public about programs, services or events). Non-profit entities must document their tax-exempt status. On a limited basis, Chapel Hill Transit may make unpaid advertising space available for public service announcements. Costs associated with the design, production, installation and removal of public service announcements are the responsibility of the group or organization requesting the public service announcement. The advertising and public service announcements permitted under this section cannot contain displays or messages that qualify as Excluded Advertising under Section 2.01 and must comply with these advertising policies and standards. Unless the source of the advertising or public service announcement is obvious from the content or copy, the advertisement or public service announcement must specifically identify the sponsor of the advertisement or the message.

3.04 Space Availability. Chapel Hill Transit limits the amount of space on its Transit Facilities available for advertising and does not represent that it can accommodate all requests for advertising space. Advertising space will be made available only on Chapel Hill Transit Facilities designated by Chapel Hill Transit. No advertising, signs and other types of postings or messages may be displayed, posted or placed on any other Chapel Hill Transit Facilities.

3.05 Reservation of Rights. Chapel Hill Transit reserves the right to amend these policies and standards at any time. Subject to any contractual obligations, Chapel Hill Transit reserves the right to discontinue advertising on Chapel Hill Transit Facilities and discontinue accepting advertising for display or posting on Chapel Hill Transit Facilities. Chapel Hill Transit reserves the right to limit the availability of advertising space on its Transit Facilities and remove advertising that does not comply with these advertising policies and standards and, subject to any contractual obligations.

IV. APPEAL OF ADVERTISING DECISIONS

4.01 Initial Reviews. Chapel Hill Transit's Advertising Manager will make initial decisions about accepting or rejecting proposed advertising. The decisions will be based on these policies and standards. Chapel Hill Transit's Advertising Manager, or other designated Chapel Hill Transit staff, will work with advertisers to resolve issues about advertisements that do not comply with these policies and procedures. Resolution may include modification of the art, copy, or both.

4.02 Appeals to Transit Director. An advertiser may appeal a decision to reject or remove an advertisement by filing a written request with the Transit Director within ten (10) business days after the rejection or removal decision. The advertiser's request must state why the advertiser disagrees with the decision in light of Chapel Hill Transit's advertising policies and standards. The Transit Director may consult with the Town

legal counsel. The Director will review the basis for the rejected or removed advertisement and will consider the advertiser's reasons for filing the request. The Transit Director will make a decision on the request and will notify the advertiser of its decision in writing within fifteen (15) business days after receiving the advertiser's request.

4.03 Further Review by Town Manager. The Town Manager may review Transit Director's decisions.

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**ATTACHMENT A
POLITICAL, RELIGIOUS, OR ISSUES ADVERTISING DISCLAIMER REQUIREMENTS**

I. DISCLAIMER REQUIREMENTS

- A. Political Candidates** - On an advertisement that is authorized and paid for by a candidate or his/her campaign committee, the disclaimer must identify:
1. Who paid for the message.
- B. Political Candidate Advertisement Paid by a Different Party** - On an advertisement that is authorized by a candidate or his/her campaign committee, but is paid for by another person, the disclaimer notice must:
1. Identify who paid for the communication.
 2. Indicate that the candidate authorized the message.
- C. Political Advertisement Not For Political Candidate** – On an advertisement that is not authorized by a particular candidate or his/her campaign committee, the disclaimer notice must:
1. Identify who paid for the message.
 2. State that it was not authorized by any candidate or candidate's committee.
 3. List the permanent address, telephone number or world wide web address of the person who paid for the communication.
- D. Religious Oriented, Political Issue or Other Noncommercial Issue Ads**
- The disclaimer notice must:
1. Identify who paid for the message.
 2. List the permanent address, telephone number or world wide web address of the person who paid for the communication.