



Request for City Council Committee Action From the Department of Public Works

Date: June 6, 2006
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral to: Honorable Paul Ostrow, Chair Ways & Means/Budget Committee

Subject: RFP for Advertising in Parking Ramps and adjoining walkways-UPDATE

Recommendation:

- a.) Approve the inclusion of alternative advertising types in conjunction with the backlit ad panel units for skyway advertising.

Previous Directives:

- January 27, 2006 – Authorize the issuance of a Request for Proposals (RFP) for advertising in City-owned/operated parking ramps and adjoining skyways.
- April 14th, 2006 – Approve the selection of CityLitesUSA as the successful vendor for providing advertising services within the Municipal Parking System and authorized proper City officials to negotiate and execute a contract between the City and CityLitesUSA for these services, with staff direction to return to W&M Committee prior to execution of the contract with a report detailing possible future revenue both with and without floor advertising included in the contract. Also, that staff be further directed to engage the Greater Minneapolis Convention and Visitors Association, (GMCVA), Minneapolis Convention Center and Downtown Council Skyway Advisory Committee to develop standards that will address placement, type, size and locations of advertising within the skyway system prior to any installations.

Prepared by: Jon Wertjes, Director of Traffic and Parking Services, 612-673-2614
Mike Sachi, Parking and Skyway Systems Engineer, 612-673-2159

Approved by:

Steve Kotke, P.E., Acting City Engineer - Director of Public Works

Presenters: Mike Sachi, Parking and Skyway Systems Engineer, 612-673-2159

Permanent Review Committee (PRC) Approval 12/22/2005 Not applicable _____

Policy review Group (PRG) Approval _____ Not applicable X

Financial Impact (Check those that apply)

 X No financial impact - or - Action is within current department budget (If checked, go directly to Background/Supporting Information)

_____ Action requires an appropriation increase to the Capital Budget

_____ Action requires an appropriation increase to the Operating Budget

_____ Action provides increased revenue for appropriation increase

_____ Action requires use of contingency or reserves

 X Business Plan: X Action is within the plan. _____ Action requires a change to plan.

- X Other financial impact (Explain): Action will increase revenue into the Parking Fund and is within the guidelines of the Parking Fund Workout Plan
Request provided to department's Finance Dept. contact when provided to the Committee Coordinator

Community Impact

Neighborhood Notification: Not Applicable

City Goals: Preserve and enhance our environmental, economic and social realms to promote a sustainable Minneapolis

Comprehensive Plan: Not Applicable

Zoning Code: Not Applicable

Background/Supporting Information

In April, 2006, the Council directed Public Works staff to provide additional information to the Council related to the recently issued RFP for advertising within the City-owned and managed skyways.

The City approved the selection of CityLites as the successful vendor for providing and coordinating the installation of advertising within the skyways. The primary terms are as follows:

- The types of advertising proposed by CityLites mainly centered around a standardized backlit ad panel unit, which are 38" high by 74" long by 4" deep and are consistent with other ad panel units in the privately owned skyways throughout downtown.
- The initial agreement calls for 50 of these installations throughout our system, with additional units to be added over time if warranted.
- The City will receive a commission fee based on net advertising revenues, with a minimum fee per ad panel on a monthly basis.
- The City has the right to review and approve all advertising prior to installation, and the agreement has an exclusive five year term, beginning with the date of the first installation.
- Any non-purchased ad space in the City's panels will be available for civic, arts, and other non-profit community events and skyway directory maps.

The initial annual revenue estimates for the backlit ad panel unit installations is in excess of \$100,000, with an up front guaranteed payment to the City of \$90,000 for the first 50 installations.

There is also the potential for incorporating alternative types of advertising into the skyways, both used in conjunction with the standard ad panel units and as standalone advertising to provide additional revenue producing opportunities. Currently, these consist:

- Cling Marketing: Non-permanent adhesive material temporarily placed on the floors, walls, or columns or beams, to display marketing messages.
- Banner Marketing: Marketing or promotional banners temporarily affixed to walls, columns, beams or ceilings with non-permanent adhesive or fasteners. Banner marketing is typically used in conjunction with marketing efforts in the Convention Center skyways.
- Other: New and different marketing types and platforms will become available over the term of the lease agreement, and Public Works and CityLites agree to review any of these new methods on a case by case basis for approval per the terms of the lease agreement.

The estimated annual revenue for incorporating the alternative advertising types in the City's program is \$20,000 to \$25,000, with the added benefit of increasing the revenue on the backlit

ad panel units, since these types of promotions are used in combination with backlit ad panel campaigns.

Public Works has met with the GMCVA, Convention Center and Skyway Advisory Committee and has developed reasonable standards to address the placement, size, type, and location of advertising in the skyways and will adhere to those standards when coordinating installations. These standards and procedures will be included in the agreement between CityLites and the City.

The staff therefore recommends execution of the agreement with CityLites allowing alternative advertising types in conjunction with the backlit ad panel units.