



Future Ad Revenue Options to:

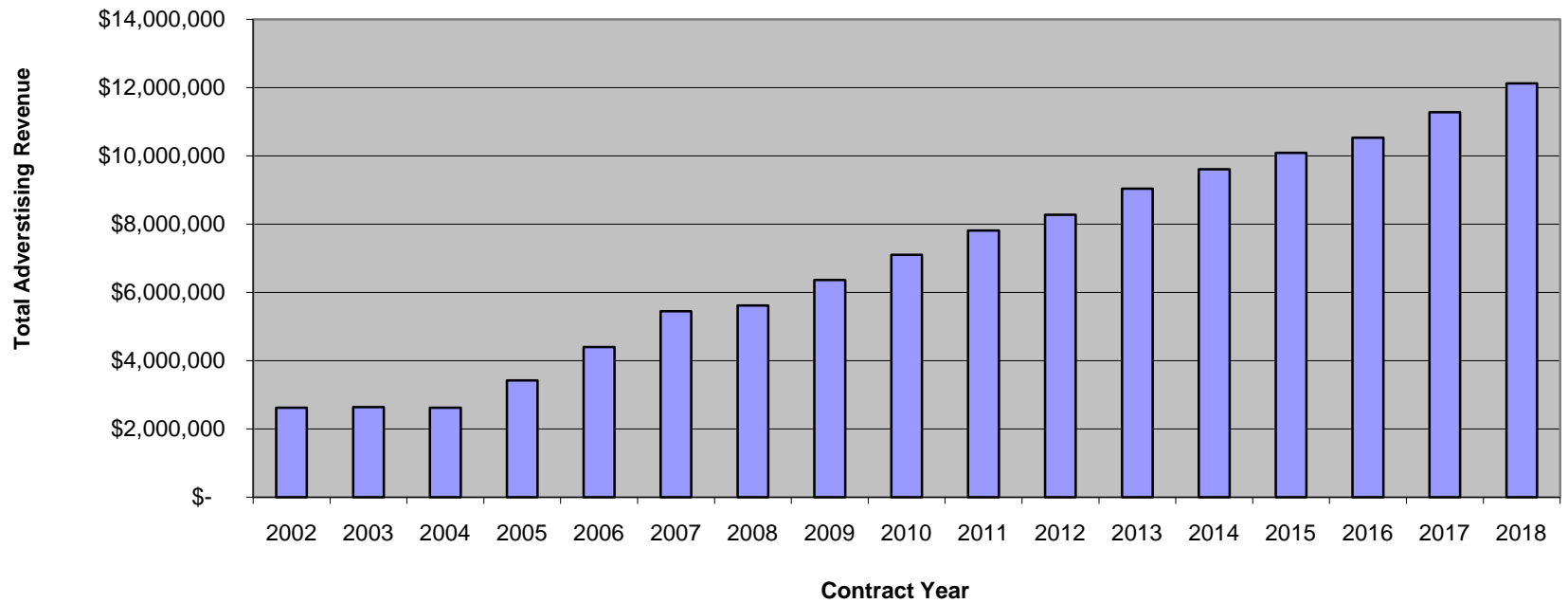
- Support services to BART customers
- Provide new customer amenities

BART Board of Directors
September 23, 2010

Ad Revenue Growth



AD CONTRACT REVENUE



Assessment Process



- Evaluated 17 concepts
- Filtered list down to five
- Considered:
 - Revenue potential to support BART service to customers
 - Ancillary benefits to customers
 - Ease of implementation
 - Speed to implement
 - Likelihood of success
- Not yet considered:
 - Aesthetic impacts

Five Opportunities

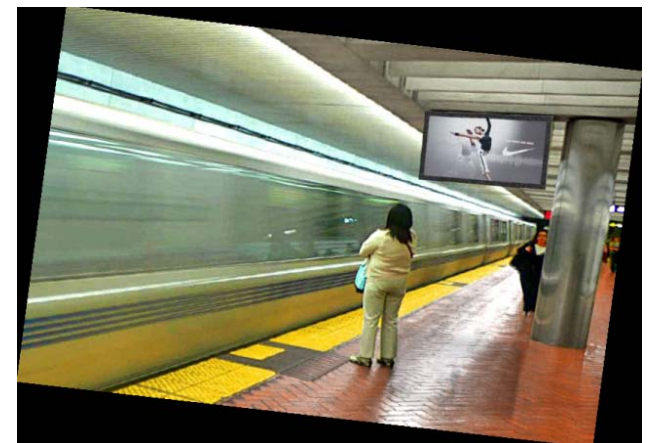


- Station Video Network
- Train Video Network
- Station Co-Naming Rights
- Right of Way Opportunities
- Train Exterior Opportunities

Station Video Network



- Examples: NY MTA, CTA, MARTA, SEPTA, and NJT
- Combination of news, ads, and real time monitors near faregates. Video only, no audio.
- BART issued Station Video RFP's on two occasions:
 - Limited number of respondents
 - Low revenue
- Expecting proposal from Titan
 - Subject to Board review



Train Video Network



- Examples: MARTA
- Combination of news, customer information, and ads. Video only, no audio.
- BART issued In-Train Video RFP's on two occasions:
 - Limited number of respondents
 - Low revenue
 - Age of current fleet a limiting factor
- New Cars:
 - Space allowance for eight signs per car, same as current fleet
 - Consideration during design process
 - Will need to identify franchise to install, maintain, and sell ads



Station Co-Naming Rights



- Examples: SEPTA and Dubai Metro
- Sale of primary naming problematic due to wayfinding impacts, as well as corporate name changes
- Board policy against sale of naming rights, adopted Feb 2001
- Could explore sale of “secondary” names as an alternative:
 - ❖ Could address wayfinding and name change concerns
 - ❖ But secondary name may or may not be saleable
- Note: naming rights would need to be coordinated with the existing poster franchise if rights include assurances related to advertising in the named station

Right of Way Opportunities



- Examples: NJT, MBTA, and NY MTA
- Unsolicited proposal:
 - 12 digital signs / 24 sides
 - Proposer would retain 20% of revenue
 - Estimated net annual revenue to BART - \$3.6 million
 - Plus advance lump sum - \$15.6 million
- Range of local, state, and federal regulations and laws regarding billboards



Train Exterior Opportunities



- Examples: CTA, SEPTA, MBTA, MARTA, WMATA, and NJT
- Multiple options:
 - Full Train Wraps
 - Door Wraps
 - Rail Kings or Kongs
 - Limit to portion of fleet?



Key Business Issues



- Financial capabilities/track record
- Difficulty of securing additional, credible guarantees
- Multiple sales agents for BART ad products can be problematic:
 - Potential overlap and confusion
 - Potential for diversion
 - Potential erosion of rates
 - **Less of a problem when consolidated into single master franchise**

Next Steps



1. Board guidance on which opportunities to pursue
2. Identify resources needed to carry out plan
3. Solicitation process:
 - Right of First Offer and/or RFP
 - Return to Board for approval
4. Testing and evaluation period to confirm technical viability and/or customer acceptance
5. Full scale rollout