

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: William E. Murray
Dept.: City Manager Dept.: Public Works
Subject: Discussion of agreement with Focus Media Group regarding bus benches as requested by the City Manager. Date: 3/13/2018

OBJECTIVE

To provide response to public comments over advertising bus benches and seek further City Council direction.

BACKGROUND

On November 28, 2017, City Council approved a 10-year license agreement with Focus Media to construct, install, operate, maintain, and administer non-sheltered advertising bus benches to include city owned bus benches previously installed within the city's public right-of-way. Focus Media's service would provide revenue to the City through advertising sales. An additional benefit of Focus Media Group is their ability to provide local businesses with cost effective advertising rates to support the "Buy in Garden Grove" Program.

In December 2017, a light green color scheme for the benches was selected. Phase one of the project has been completed with the installation of approximately 60 benches in the selected color. Local businesses have taken interest in Focus Media's service and have secured advertisements in areas selected. Local businesses that have taken advantage of this marketing opportunity include small retail, automotive dealerships, real estate brokers and home improvement contractors. Businesses have commented on the ease of convenience in working with local advertisers and the reasonable costs.

Recently, during the Council Meeting held on February 27th, a resident expressed concerns over the new advertising bus benches. Concerns raised were: 1) color of benches, 2) questionable advertising content, 3) quantity of bus benches and 4) inconsistent color scheme and style between the new light green bus benches, existing green/concrete benches and blue shelters.

DISCUSSION

Due to the discussion raised at the February 27th Council meeting, Public Works Department staff suspended further installation of bus benches until direction from City Council is provided. Public Works Department staff have drafted the following responses to help clarify any public misunderstandings, and to provide several options for Council consideration:

- *Non-Preferred Color Scheme on New Benches:* Changes to the color scheme would cost approximately \$15,400. (Costs would be deducted from the advertising sales revenue.)
- *Questionable Advertising Content:* Advertising content for the agreement with Focus Media is regulated by the Municipal Code section 11.36.190 "Limitations on Advertising Display" that includes the following text:
 - No advertising or sign on any shelter shall display or depict any specified sexual activity or specified anatomical area as described in Section 9.16.020.070.B.1;
 - No advertisement or sign on any shelter shall display any word, phrase, symbol, or character likely to interfere with, mislead, or distract traffic or conflict with any traffic-control device;
 - Licensee shall remove all such advertising within 24 hours after the City serves notice upon licensee requiring the removal of such advertising pursuant to this section;
 - No advertising for tobacco products or alcoholic beverages shall be displayed. Any advertising in violation of this section may be summarily removed by the City at expense of licensee;In regards to the advertisement by Romantix (see Attachment 2). Focus Media explained that this business has placed similar bench advertisements throughout the County. And to date, no other cities have reported complaints about the advertised content. This business has four such advertisements within Garden Grove.
- *Quantity of Bus Benches:* Approximately 280 OCTA bus stops are located throughout the City. Approximately 100 blue colored bus shelters are placed throughout the City and are part of a non-exclusive license agreement with Clear Channel Outdoor. There are approximately 70 existing city owned bus benches that are either concrete or metal (dark green), that have been previously installed throughout the City. These benches are gradually being phased out and will cost the City \$5,600 to remove and dispose of in the near-term (see Attachment

1). The City and Focus Media agreed upon installing 140 new bus benches that would be strategically placed in highly visible areas to maximize benefits for the advertiser, businesses and bus ridership. These bench installations were planned to take place in two phases with Phase 1 comprising 60 benches and Phase 2 comprising 80 benches. The first phase was completed in February. The second phase is scheduled to begin in the Spring. The agreement has built in flexibility to add or remove benches as deemed necessary by the City. (See Attachment 3 for map of new advertising benches.)

- *Inconsistent Color Scheme/Style of New, and Existing Benches/Shelters:* Public Works Department staff, and Focus Media are working to gradually remove all existing concrete and green metal bus benches. Due to unanticipated weight the concrete benches will require special handling, and transportation by Focus Media to the Republic Services' Facility in Anaheim for processing as construction demolition and debris. As stated above, to change the color scheme for the new benches, it would cost Focus Media \$15,400. To change the color scheme for the existing shelters, Clear Channel provided a rough estimate of \$65,000 and it would take a few months to complete by an outside contractor. These shelters will remain for another four years until the end of Clear Channel's agreement. At that time, the City will seek alternative options for replacement. Focus Media currently provides advertising shelters in the cities of Stanton and Westminster.

Based on the information provided above, Staff recommends prioritizing the public comments received and first focusing on the color of new benches. If the green theme remains, Focus Media suggests a darker shade of green that would not contrast with the existing darker blue shelters. The most effective option is to change the color of the new benches to blue to match the existing shelters. The existing shelters will be addressed in the near future when Clear Channel's agreement has ended. At that time, Council can further assess color schemes and a design of bus shelters that best suits the City's theme and character.

FINANCIAL IMPACT

Below is a summary of options and cost implications to the General Fund.

No.	Option	Cost
1	Change Color of New Benches and Existing Shelters	\$80,400
2	Change Color of New Benches	\$15,400
3	Change Color of Existing Shelters	\$65,000
4	Status Quo	\$0

The shared revenues that the City receives from Clear Channel are \$100,000 annually. The City's anticipated shared revenues received from Focus Media are 15 percent of advertising, which is estimated to be \$20,000 if all 140 benches are installed. The cost to modify benches would impact the shared revenues received by the City.

RECOMMENDATION

It is recommended that the City Council:

- Receive and file comments received by the public concerning the advertising bus benches; and
- Select an option for addressing public comments.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Attachment 1: Photos of new and existing benches	3/8/2018	Backup Material	3-13-18_Bench_and_Shelter_Photos_2018.pdf
Attachment 2: Bus Bench photo - Romantix	3/8/2018	Backup Material	3-13-18_Romantix_Ad_Photo.pdf
Attachment 3: Map of new advertising benches	3/8/2018	Backup Material	3-13-18_Garden_Grove_Map_Coverage_2018_03-06.pdf

REVIEWERS:

Department	Reviewer	Action	Comments
Public Works	Pomeroy, Teresa	Approved	
City Clerk	Pomeroy, Teresa	Approved	

City Attorney
Deputy City Manager
City Manager

Pomeroy, Teresa
Stipe, Maria
Stiles, Scott

Approved
Approved
Approved