

Outfront Media Train and Station Advertising Contract Extension



Contractor Overview

Outfront Media LLC

Caltrain Station Ads, Train Wraps

- Contract #13-PCJPB-S-021
- Award Date: Oct. 3, 2013 (Van Wagner, LLC)
- Effective Date: Nov. 15, 2013
- Expires: Nov. 14, 2023
- Compensation: MAG \$90k/year (\$7,500/month) or 60% net, 3% increase each year
- 22-23 Minimum Revenue:
 - \$117,429.64 /year
 - \$9,785.80 /month



Target Fresh Full Train Wrap

Station Domination Media

Dominate the consumer landscape in San Francisco's **only above ground** rail station.

Station dominations **transform commuters' daily ride into a total "brand experience,"** delivering multiple campaign messages.



Product Information:

- > **EXTERIOR:**
 - > 10 Double Sided Pennants
 - > 8 Four-sided Column Wraps
 - > 1 Plaza Window Wall
 - > 1 Ticket Window Wall
- > **INTERIOR:**
 - > 1 Ticket Window Wall
 - > 6 Multi-sided Column Wraps
 - > 4 Interior Hanging Banners

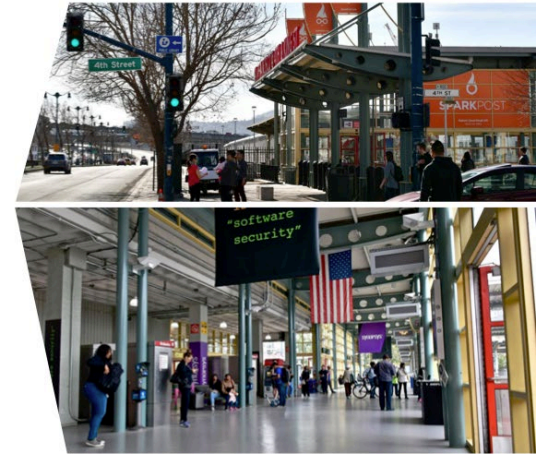
Coverage:

- > 4th & King Station

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4th & King | Digital Displays



Reaching over **62 Thousand of The Bay Area's most educated, upscale and affluent** transit audience daily, this 17 screen digital package demands attention in an otherwise hectic commuter environment. **Keep commuters actively engaged and informed** as they enter and exit the station or seek information on their scheduled trains

Product Information:

- > 17 Screens | 56.3"H x 31.7"W
- > 14 Interior Screens
- > 3 Exterior Screens
- > Spot Length | :15
- > Loop Length | 2 min.
- > Advertisers | 8 individual advertisers
- > Hours | 24/7
- > Static/ Full-motion

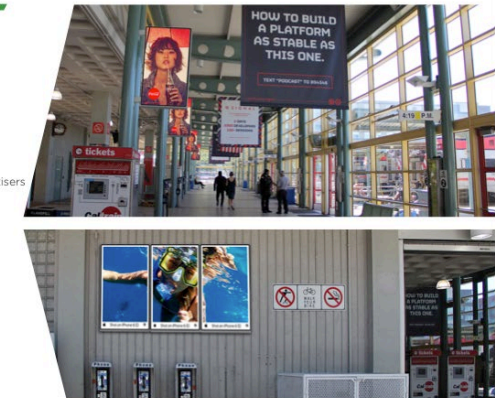
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Contract Management

Partnership Roles and Responsibilities

Caltrain Marketing staff works directly with Outfront to oversee their reservations, installation coordination and responds to any contractual issues.

Caltrain Station Ads, Train Wraps

- Outfront: Sell ads, design/production, installation, removal
- Marketing: Review ads (per policy*), track revenue, coordinate installation/removal w/ JPB Staff and TASI

*Advertising Policy: <https://www.caltrain.com/media/1589/download>

Caltrain Advertising webpage : <https://www.caltrain.com/about-caltrain/doing-business/advertising/train-wraps-station-ads-digital-displays>



RAZA Radio 93.3 Full Train Wrap

Exterior | Double Sided Pennants



Seen by both pedestrian and vehicular traffic as a captivating first impression at the entrance of the station, offering a unique and eye-catching way to dominate a station.

Pennants are visible from every angle - waiting on the platform, as well as from the approaching streets and parking lots.



Product Information:
• 55.2" H x 43.2" W
• 10 Flaps (20 Faces)

Coverage:
• 4th & King Station

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Interior | Hanging Banners



Hanging above head at the entrance/exit of the station, these banners will be the first and last piece of media consumers see, keeping your messaging top of mind.

Double sided banners provide your brand with multiple creative concepts, giving your messaging the opportunity to reach its target demographic.



Product Information:
• 80" H x 48" W
• Double sided

Coverage:
• 4th & King Station

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Exterior | Column Wraps

Multiple points of unavoidable exposure command the attention of San Francisco's daily Cal Train riders as they enter and exit stations during their daily travels. Diversify your messaging with multiple

creative concepts - column wraps are the prime space for advertiser branding.



Product Information:
• 100" H x 100" W
• 8 Columns (32 Faces)

Coverage:
• 4th & King Station

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Exterior | Plaza Window Wall



Seen by both pedestrian and vehicular traffic as a captivating first impression at the entrance of the station, offering a unique and eye-catching way to dominate a station.

Situated above-head entering the station, your messaging will entice commuters and locals to and from their destination.



Product Information:
• 222" W x 108" H

Coverage:
• 4th & King Station

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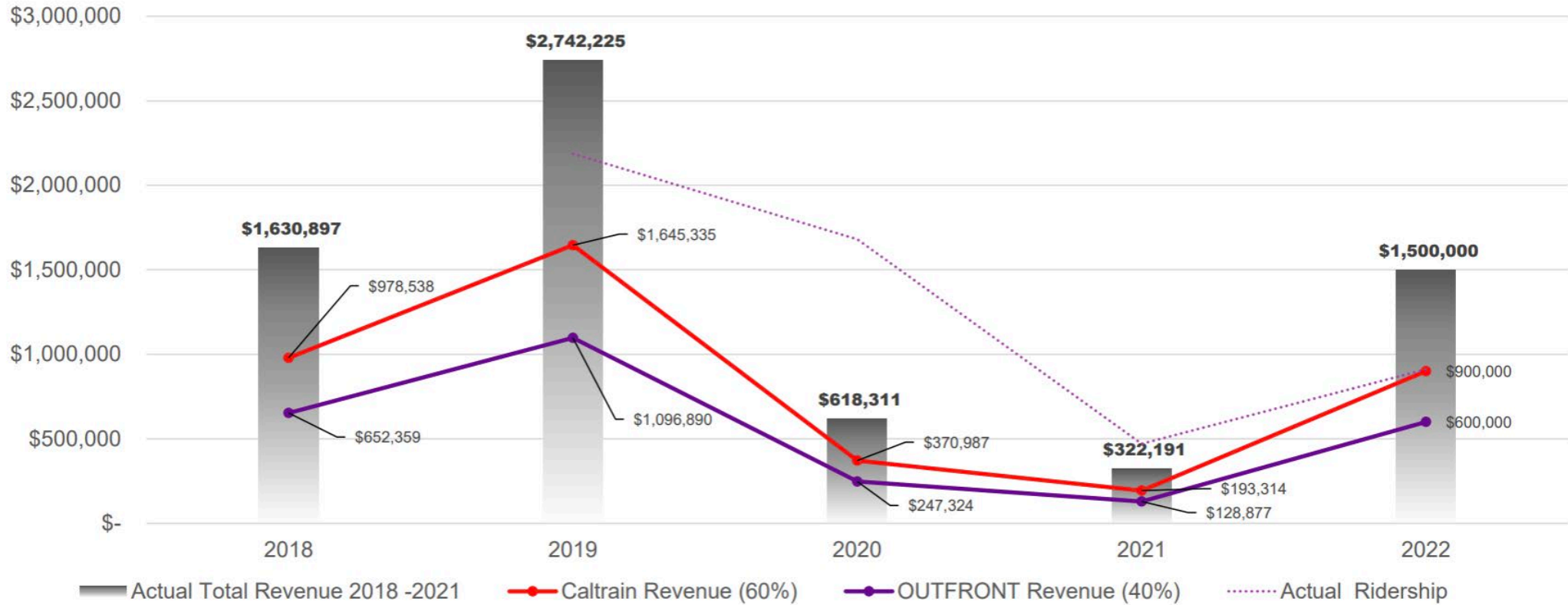
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Actual Total Revenue 2018 - 2022



Compensation

Minimum Annual Guarantee (MAG) or 60% of net advertising revenues, whichever is higher.

Annual Revenue (2013-2023)

2013-2014:	\$90,000
2014-2015:	\$226,646
2015-2016:	\$189,807
2016-2017:	\$370,203
2017-2018:	\$607,084 (Installed Digital Displays at 4th & King)
2018-2019:	\$978,538
2019-2020:	\$1,645,335
2020-2021:	\$370,987 (Covid-19 Impact)
2021-2022:	\$854,474 (Limited run, high-dollar ad buys)
2022-2023:	\$134,545 (Market pull back from advertising campaigns)

Minimum Annual Guarantee Revenue Extension (2023-2026)

Extension Year 1: 2023-2024:	MAG = \$120,952
Extension Year 2: 2024-2025:	MAG = \$124,581
Extension Year 3: 2025-2026:	MAG = \$128,319



Considerations and Market Trends

- Apples-to-apples comparisons with other transit agencies is difficult as advertiser spend is *highly* localized and dependent on total advertising capacity; the location of the advertising space; and each individual agency's ridership statistics.
- Caltrain has a unique situation as almost all advertising space is located at 4th and King, which has experienced a sharp decline in traffic.
- This decline is shared by other transit agencies advertising in downtown San Francisco (e.g., BART; MUNI experienced a reduction in advertising revenue of \$14.9M in FY 23 and \$14M in FY 24). Outfront is predicting that 2024 will experience a rebound in traffic.
- There is not a standard MAG; staff research revealed that other agencies deferred or waived their MAG during the pandemic (WMATA, LA Metro, MARTA, VTA, et al.) and experienced similar sharp declines in revenue.
- The current 60/40 revenue split from 2014 is favorable to Caltrain; Outfront now negotiates 50/50 revenue sharing as standard.

Summary

By extending the current advertising contract by three years:

- Caltrain can leverage Electrification increase in ridership for more favorable contract terms (18 months of post-electrification ridership starting in Sept 2024)
- San Francisco recovery will be stronger, a key advertising location for Caltrain

Recommendation

Staff recommends Board authorization to:

- Approve an amendment to the contract with Outfront Media LLC for train and station advertising services by extending the contract term by three years through November 14, 2026, and revising the compensation terms for services provided during this period.

Caltrain staff will re-write a new, comprehensive RFP inclusive of new potential advertising revenue streams (onboard, naming rights, etc.).

FOR MORE INFORMATION

WWW.CALTRAIN.COM

Keep white box area clear if possible.
Video will cover your content.

