

# Sale Of Naming Rights For TTC Stations And Transit Lines

Meeting Date: August 27, 2008

Subject: Sale Of Naming Rights For TTC Stations And Transit Lines

## **Recommendation**

It is recommended that the Commission receive for information this report, which details the findings of staff related to the issue of the sale of naming rights at stations and transit lines.

## **Background**

The Commission passed a motion at the April 23, 2008 meeting requesting that staff investigate and report on the potential for undertaking a sale of naming rights for TTC stations and transit lines. Staff contacted approximately forty major transit properties in Canada and the U.S., as well as London Underground.

## **Discussion**

Of the twenty properties that responded to the request, only one large transit property in North America has sold naming rights for a major infrastructure development. Cleveland Regional Transit Authority (RTA) has recently sold the naming rights for the new Euclid Corridor Bus Rapid Transit Line scheduled to open in October 2008. The naming rights were purchased by University Hospitals and Cleveland Clinic and the line will be known as the Health Line. The Health Line logo will appear at thirty-two stations and on twenty-one rapid transit vehicles as well as other customer information documents. The deal is for twenty-five years with the RTA receiving \$6.25M. RTA and its partners will be pursuing additional station sponsorships along the line.

Three other transit properties have attempted to, with varying degrees of success, to sell naming rights for specialized services – primarily heritage streetcar lines. Tampa sold the naming rights for the entire heritage line to Tampa Electric Company (TECO) in 2002, and the line is known as TECO Line Streetcar System. Tampa also sells naming rights to the stations on the line for a period of 5 years at an annual cost of \$30,000. Rights have been sold at 3 of the 10 stations. Advertising on vehicles interiors and exteriors is sold on a monthly basis.

Little Rock, Arkansas opened a historic streetcar line (River Rail) in 2004 linking Little Rock and North Little Rock. The line is 2.5 miles in length and has 11 stops. There is a naming rights program, although

limited rights have been sold to date. Naming rights for the entire line are being offered at \$1M for a 10 year term. Streetcar sponsorship is being offered for \$250K per car for the same period. No sponsorships have been obtained for either of these opportunities. The Authority has been successful in attracting 3 station sponsors so far. The cost is \$100K per station for a 10 year term.

Albuquerque, New Mexico opened the Rapid Ride Bus Line in 2004, it is 11 miles in length and has 28 stops. The Authority is offering naming rights at individual stations and the program includes station signage, station announcements and placement in other customer information sources. There has been limited interest in purchasing station naming rights at this point.

Other transit properties, such as Portland and Seattle, have extensive advertising programs on specific streetcar lines, but the limited length of the contract (annual or less), makes these arrangements a form of station domination advertising rather than the sale of naming rights.

Thirteen other major transit properties in Canada and the U.S. (see Appendix A), as well as London Underground, responded to the TTC's request regarding naming rights. All of the properties indicated that the sale of naming rights had not been pursued for one or more of the following reasons:

- No interest from private sector corporations. Companies have tended to direct resources for naming rights to sports, recreational and institutional facilities.
- Inadequate financial returns for either potential sponsor or transit authority. The transit property must also factor in any loss of current advertising revenues from the facility or vehicle.
- Historically, station naming was based on street names/landmarks and any shift in naming to a commercial/brand focus would have a significant negative impact on customer service levels and experience.

Dubai Roads and Transport Authority was contacted to determine the success of the naming rights program for the new Dubai Metro. Staff indicated that the program was still in the tendering process and no further details could be provided.

August 4, 2008

3-16-16

Attachment

## **Appendix A**

### Transit Properties That Do Not Sell Naming Rights

- New York City (MTA)
- Atlanta (MARTA)

- Baltimore (Maryland Transit Administration)
- Calgary (Calgary Transit)
- Edmonton (Edmonton Transit System)
- Los Angeles (Metro)
- Montreal (STM)
- New Jersey (New Jersey Transit)
- Portland (TriMet)
- Seattle (King County Metro)
- St. Louis (Metro)
- Vancouver (Translink)
- Washington (WMATA)
- London Underground