

1.0 PURPOSE

This policy governs:

- Advertising on the Charlotte Area Transit System's (CATS') assets by external entities;
- Sponsorships and naming rights of CATS' assets, programs, and services by external entities; and
- The approval process for all of the above.

CATS is authorized to sell space in and/or on approved assets for the display of commercial or governmental advertising, sponsorships, and naming rights. The purpose is to raise revenues or in-kind support, supplementary to those from fares and other sources, to be used to finance, improve, or expand CATS' operations. The display of advertising, sponsorships, and naming rights is solely for this purpose. It is not intended to provide a general public forum of any nature for purposes of communication, but rather to make use of CATS property in order to finance, improve, or expand CATS' operations.

Transit advertising, sponsorships, and naming rights will be managed in a manner that generates as much revenue or in-kind support as practicable, while ensuring that the advertising, sponsorships, and naming rights are consistent with CATS' mission and vision to provide safe and efficient public transportation. Transit advertising, sponsorships, and naming rights should not discourage the use of the transit system, diminish CATS' reputation or image in the communities it serves, or diminish the goodwill of its patrons. To attain these objectives, the Metropolitan Transit Commission (MTC) has established the following policies regulating the display of advertising, sponsorships, and naming rights in and/or on the approved assets as outlined in this policy.

1.1 Compliance with Federal Requirements

The United States Department of Transportation (USDOT) provides CATS with funding for operational assistance and the procurement of CATS' assets. For that reason, federal law and guidance requirements apply to CATS' assets and any revenue generated utilizing those assets. The sale of all advertising, sponsorships, and naming rights pursuant to this policy shall fully comply with all applicable federal law and guidance requirements including, but not limited to, open competition to provide fair and equal access to federally assisted property.

1.2 City of Charlotte Sponsorship Policy

The City of Charlotte Sponsorship Policy, including any revisions or updates to it, is hereby incorporated by reference and made a part of this policy in regards to sponsorships.

2.0 POLICY ON USE OF CATS' ADVERTISING SPACE

Paid advertisements are allowed only in or upon approved CATS' assets.

2.1 Assets approved to display paid advertisements:

1. Exterior and interior of vehicles
2. Fare Media
3. Schedules
4. Transit Stations
5. Transit Centers
6. Mobile Technology
7. Shelters and benches
8. Digital media

2.2 All advertising displayed in and/or on approved CATS' assets shall be commercial or governmental in nature and purpose.

2.3 **Commercial advertising** is defined as advertising the sole purpose of which is to sell, rent, or promote real estate, personal property, services, events, or entertainment for profit. It does not include advertising that also conveys information about matters of general interest, political issues, religious, moral, or environmental matters or issues, or other public matters or issues, or expresses or advocates opinions or positions upon any of the foregoing.

2.4 **Governmental advertising** is defined as advertising the sole purpose of which is to promote or inform the public of a service, program, event, or activity of, or sponsored by, the advertising federal, state or local governmental entity or agency.

2.5 CATS accommodates all persons without distinction of age. It is therefore necessary to exclude advertising unsuitable for exposure to persons of young age and immature judgment. The following kinds of commercial advertising therefore will not be permitted:

- a. Cigars, cigarettes, pipe tobacco, chewing tobacco, tobacco-derived products, vapor products or components of vapor products.
- b. Products or services related to human reproduction or sexuality including, but not limited to, contraceptive products or services, other products or services related to sexual hygiene, and counseling with regard to pregnancy, abortion, or other sexual matters.
- c. Products, services, or entertainment directed to sexual stimulation.

2.6 No advertising shall be permitted that explicitly and directly promotes or encourages the use of means of transportation in direct competition with CATS.

2.7 No advertising shall be permitted that in any way denigrates CATS' organization, including its operation, officers, agents, or employees. This prohibition includes advertising copy and illustrations that state or imply, or could reasonably be expected to cause an inference, that CATS' services or operations are anything but safe, efficient, affordable, and convenient.

- 2.8** No advertising shall be permitted that is not truthful. Advertising copy and illustrations should not be exaggerated, distorted, or deceptive. Medical products or treatments are to be treated in a restrained and inoffensive manner. Testimonials are expected to be authentic, and advertisers using them will be required to indemnify CATS against any action brought in connection with them. Advertising that promotes contests or giveaways must comply with all applicable laws and regulations.
- 2.9** No advertising shall be derogatory of any person or group because of race, national origin, ethnic background, religion, or gender.
- 2.10** No advertising shall be permitted if the display thereof would violate any federal or State law or regulation, or any law, regulation, or ordinance of any county or municipality in or through which such vehicles are or may be operated.
- 2.11** No political advertising shall be permitted. For this purpose, political advertising is defined as any of the following:
- a. Any advertising that supports or opposes the election of any candidate or group of candidates for election to any federal, State, or local government office;
 - b. Any advertising that supports or opposes any referendum conducted by the federal or State government, or by any local government, such as referenda on constitutional amendments, on bond issues, or on local legislation; or
 - c. Any advertising that features any person whose prominence is based wholly or in part upon his or her past or present activity in political affairs or that represents or implies any such person's approval or endorsement of the subject matter of the advertising.
- 2.12** Use of CATS' name, logo, slogans, or other graphic representations is subject to advance approval by CATS. CATS will not endorse or imply endorsement of any product or service.
- 2.13** If advertising space in and/or on approved assets is sold through one or more independent contractors, the contractors shall comply with the foregoing policies and shall review all advertising with reference to them. They shall refer all such advertising that falls or may fall into any of the categories defined above to the CATS' representative responsible for administering the advertising program, who shall determine whether the proposed advertising will be accepted. If the proposed advertising is rejected, the party or parties proposing it may request that this decision be reconsidered. Upon such request, CATS' representative shall consult with CATS' General Counsel and with the Chief Transit Official. The Chief Transit Official, on the basis of such consultation, shall determine whether the proposed advertising will be accepted or rejected.

CATS will cooperate with the party or parties proposing the advertising, and with the independent contractor through whom it has been proposed, in a reasonable

effort to revise it in order to produce advertising that can be accepted and displayed consistently with the foregoing policies.

- 2.14** CATS reserves the right to market and promote its own image and services, including co-promotions with for-profit and other non-profit entities.

3.0 POLICY ON SPONSORSHIPS

Sponsorships by external entities may be accepted only for, upon, or regarding approved CATS' assets, programs, and services.

- 3.1** Assets, programs, and services approved for use with sponsorships:

1. Vehicles
2. Fares and Fare media
3. Schedules
4. Transit Stations
5. Transit Centers
6. Shelters or Benches
7. Mobile Technology
8. All CATS' services
9. All transit industry related activities

All sponsorship related advertising displayed in and/or on CATS assets shall be commercial or governmental in nature and purpose.

- 3.2** A ***Sponsorship*** is defined as the contribution of monetary or in-kind support by an external entity (for-profit or not-for-profit) to CATS or for a CATS program or service, in exchange for which CATS:

- a) Acknowledges the sponsor and the sponsor's contribution; and
- b) Grants to the sponsor the right to associate the sponsor's name, products, or services with CATS or the sponsored CATS program or service.

3.3 Criteria for Approval of Sponsorships

A sponsorship affiliation may affect the reputation of CATS, the parties to the Metropolitan Transit Commission (MTC), and the City of Charlotte (City). The reputation of local governments among the people they serve is critical to their ability to govern effectively. CATS and the City retain sole and final decision-making authority for determining the appropriateness of a sponsorship association and reserve the right to refuse any offer of sponsorship. Any proposal for sponsorship in which the involvement of an outside entity is likely to compromise the public's perception of CATS, the MTC, or the City's neutrality or its ability to act in the public interest will be rejected.

In considering whether to accept a proposed sponsorship, CATS shall consider the following non-exclusive criteria:

- The relationship and importance of the sponsorship to the mission of CATS, the MTC, and the City.
- Whether and the extent to which the sponsorship furthers one or more of the MTC's or City Council's adopted focus areas.
- The type and level of support provided by the sponsor.
- Whether and the extent to which the sponsorship will create financial or administrative burdens on CATS or the City, or require additional personnel.
- The extent and prominence of communications to the public regarding the sponsorship.
- Whether the sponsorship will establish, or will be perceived as establishing, an inappropriate association.
- Whether the sponsorship is, or will be perceived to be, politically oriented.
- Whether the sponsorship is, or will be perceived to be, offensive to segments of the area's populace.
- The aesthetic characteristics of communications to the public regarding the sponsorship.
- Whether the sponsor manufactures products, takes positions or otherwise engages in activity that is inconsistent with local, state, or federal law or with MTC/City policies or with CATS mission, the City's mission, or City Council's focus areas.
- Any other factors that might undermine public confidence in CATS', the MTC's, or the City's impartiality or interfere with the efficient delivery of services or operations, including, but not limited to, current or potential conflicts of interest between the sponsor and City employees, officials, or affiliates and the potential for the sponsorship to tarnish CATS', the MTC's or the City's standing among the area's populace or otherwise impair the ability of CATS, the MTC, or the City to serve the people (e.g., the prospective sponsor seeks to sponsor a program of a CATS' division that awards or administers contracts for goods or services that the sponsor provides).

Consistent with the foregoing criteria, the following are categorically excluded as potential sponsors:

- Entities that promote the sale or consumption of tobacco, tobacco-derived, and vapor products (including components thereof);
- Entities that promote the sale or consumption of illegal drugs;
- Entities that promote gambling (not including any State operated education lotteries);
- Sexually oriented businesses as defined in Chapter 6, Article IX of the City Code, and entities that promote the sale or dissemination of erotic materials or services;
- Political parties or political advocacy groups and;
- Alcohol

3.4 CATS Acknowledgment and Recognition Messages

CATS will exercise full editorial control over the placement, content, appearance, and wording of sponsorship acknowledgment and recognition messages on CATS assets or through CATS communications medium. Such messages are intended to be government speech.

Sponsorship recognition messages may identify the sponsor but shall not promote or endorse the organization or its products or services. Statements shall not advocate, contain price information or an indication of associated savings or value, request a response, or contain comparative or qualitative descriptions of products, services, or organizations.

Only the following content will be deemed appropriate:

- The legally recognized name of the sponsor
- The sponsor's organizational slogan if it identifies rather than promotes the organization or its products or services
- The sponsor's product or service line, described in brief, generic, objective terms
 - Only one product or service line may be identified per message
- Brief contact information for the sponsor's organization, such as phone number, address, or Internet website - contact information must be stated in a manner that avoids an implication of urging the reader to action

CATS will not make any statements that directly or indirectly advocate or endorse a sponsor's organization, products, or services.

3.5 Sponsors' Rights to Publicize their Association with CATS

A sponsor shall not use CATS', the MTC's or its member organizations', or the City's name, marks, or logos in any materials or communications without the prior written approval of CATS and the named entity including, but not limited to, print, video, Internet, broadcast, or display items that promote or communicate the sponsorship. Under no circumstances shall a sponsor issue materials or communications that state or imply that CATS', the MTC or its member organizations or the City have endorsed the sponsor or the sponsor's products or services.

3.6 Sponsorship Agreement

Every approved sponsorship relationship shall be documented in a properly authorized Sponsorship Agreement. Sponsorship Agreements shall include provisions that:

- Identify the benefits to be given by the sponsor to CATS;
- Identify the benefits to be given by CATS to the sponsor;

- State that the sponsorship is nonexclusive;
- Establish the term or duration of the sponsorship relationship, and grant CATS and the sponsor the right to terminate the sponsorship relationship at any time, with or without cause.

Notwithstanding the foregoing: (a) a sponsorship may be exclusive if the Chief Transit Official determines that there are compelling reasons for exclusivity; and (b) the CATS right to terminate a sponsorship relationship without cause may be limited if the Chief Transit Official determines that there are compelling reasons for such a limitation.

3.7 Approval Authority

The authority to approve sponsorship agreements is as follows:

- Sponsorships projected to generate more than \$100,000 must be approved by the Charlotte City Council
- Sponsorships projected to generate \$100,000 or less must be approved by the City Manager or the Deputy City Manager. Sponsorships approved by the City Manager or the Deputy City Manager must be reported to the Mayor and City Council within one month of approval.

Regardless of the projected monetary or in-kind value of a sponsorship, the City Manager and the Chief Transit Official shall have the discretion to refer a proposed sponsorship to the City Council for consideration and/or approval.

4.0 NAMING RIGHTS

Naming agreements for specifically approved CATS' assets, programs, or services may be entered into with external entities.

4.1 Assets, programs, and services approved for use regarding the transfer of naming rights to external entities are:

1. Transit Stations
2. Transit Buildings
3. Shelters or Benches
4. CATS services and routes
5. Rail vehicles

All naming rights related advertising displayed in and/or on CATS assets shall be commercial or governmental in nature and purpose.

4.2 A ***Naming Sponsorship*** is a specialized form of sponsorship that is further defined as the contribution of monetary or in-kind support by an external entity (for-profit or not-for-profit) to CATS for the right to name an approved CATS asset, program or service, in exchange for which CATS:

- a) Acknowledges the naming sponsor and the sponsor's contribution;
and
- b) Grants to the sponsor the right to name a specific CATS asset, program or service for a fixed length of time.

4.3 Criteria for Approval of a Naming Sponsorship

The criteria for approval of a naming sponsorship shall be the same as those for a sponsorship as set forth in Section 3.3, above.

4.4 City Acknowledgment and Recognition Messages

CATS will exercise full editorial control over the placement, content, appearance, and wording of the naming of any CATS assets, program, or services. Such naming is intended to be government speech.

Chosen names may identify the sponsor but shall not promote or endorse the organization or its products or services. Names shall not advocate or be political in nature, and must meet the criteria for advertising set forth in Sections 2.5, 2.6, 2.7, 2.9, and 2.11 of this policy, in addition to that of Section 3.3.

4.5 Sponsors' Rights to Publicize their Association with the City

A naming sponsor shall not use CATS', the MTC's or its member organizations', or the City's name, marks, or logos in any materials or communications without the prior written approval of CATS and the named entity including, but not limited to, print, video, Internet, broadcast, or display items that promote or communicate the sponsorship. Under no circumstances shall a sponsor issue materials or communications that state or imply that CATS', the MTC or its member organizations or the City have endorsed the sponsor or the sponsor's products or services.

4.6 Naming Agreement

Every approved naming sponsorship relationship shall be documented in a properly authorized Naming Agreement. Naming Agreements shall include provisions that:

- Identify the benefits to be given by the sponsor to CATS;
- Identify the naming benefits to be given by CATS to the sponsor;
- State the name(s) that have been selected by the sponsor and approved by CATS, or set forth the process for determining the name(s);

- Establish the term or duration of the naming sponsorship relationship, and grant CATS and the sponsor the right to terminate the sponsorship relationship at any time, with or without cause.

4.7 Approval Authority

The naming of a CATS asset, program, or service must be approved by the MTC and City Council. However, the authority to name a room or area in, or a component of a building or facility shall be in accordance with the below-listed dollar thresholds.

The authority to approve naming sponsorship agreements is as follows:

- Naming sponsorships projected to generate more than \$100,000 must be approved by the City Council
- Naming sponsorships projected to generate \$100,000 or less must be approved by the City Manager or the Deputy City Manager. Sponsorships approved by the City Manager or the Deputy City Manager must be reported to the Mayor and City Council within one month of approval.

Regardless of the projected monetary or in-kind value of a naming sponsorship, the City Manager and the Chief Transit Official shall have the discretion to refer a proposed naming sponsorship to the City Council for consideration and/or approval.

Summary of Changes

Entire document: Enhanced the existing policy to include options for Sponsorships and naming rights, adjusted commercial speech, and other small technical edits throughout

Header changes: Title of document name to Transit Advertising & Sponsorships (formally Transit Advertising & Revenue Generation); Division name updated to Marketing, Communication, & Technology (Formally Marketing and Communications)

1.0 3 bullets added to summarize the purpose of CATS advertising and sponsorship. Wording revised in paragraphs to follow to include governmental advertising, sponsorships and naming rights that will be used to generate revenues or support to finance, improve, or expand CATS operations.

1.1 (new section) New section - Compliance with Federal Requirements. Because the USDOT provides operational support, CATS assets and any revenue generated from those assets must comply with federal law and guidance requirements

1.2 (new section) New Section - City of Charlotte Sponsorship Policy: Policy should be referenced and included with this policy MTC-07 Transit Advertising &

Sponsorships

- 2.0 Sentence added: Paid advertisements are allowed only in or upon approved CATS assets.
- 3.0 (new section) Policy on Sponsorships: section added; allows use of CATS assets, services, programs and initiatives, Typically Sponsorships are short in nature not lasting more than 12 months.
- Sub sections 3.1 – 3.7 Assets include; Vehicles, Fares and Fare media, schedules, transit stations, transit centers, shelters or benches, mobile technology, all CATS' services, and all transit industry related activities
Approval for sponsorship: City Council when more than \$100,000; City Manager/Deputy City Manager when less than \$100,000
- 3.3 & 4.3 Restrictions regarding entities that promote the following: tobacco-derived, and vapor products, illegal drugs; gambling (not including any State operated education lotteries); Sexually oriented businesses as defined in Chapter 6, Article IX of the City Code, and entities that promote the sale or dissemination of erotic materials or services; Political parties or political advocacy groups and; Alcohol
- 4.0 (new section) Naming Rights: Allows the use of CATS assets for naming rights with process for approval, and is more long term in nature. Assets include:
- Subsections 4.1 – 4.7 transit stations, transit buildings, Shelters or benches, CATS services and routes, and rail vehicles

Previous Revision: May 27, 2015