



Highway Sponsorship, Advertising and Naming Rights Policy

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Presentation Overview

- **Present Naming Rights Legislation Highlights and CTB Duties**
- **Review Recent FHWA Policy Order on Sponsorships**
- **Describe Current VDOT Initiatives**
- **Present VDOT Draft Policy Highlights**
- **Review Next Implementation Steps and Schedule**

Highway Naming Rights Program HB 1248/SB 639 (GA 2012)

Key provisions of the legislation:

- **Duty of CTB to name highways/bridges/interchanges is continued**
 - “other transportation facilities” added
- **Name of a private entity can be used if the private entity pays VDOT**
 - an annual fee as determined by the CTB; and
 - the cost of signs
- **Private entity is any entity defined as a private entity in the PPTA**
- **No local resolution or request required for private naming**
- **If highway, bridge, interchange, or other transportation facility previously named by the Board or the General Assembly it can be renamed for a private entity, if such naming incorporates the previous name.**

FHWA Policy Order on Sponsorships

(Issued on March 2012)

- **All DOT agencies should develop their own policy to govern sponsorship/revenue programs**
- **Program allows a person, a firm, or an entity to sponsor an element of a public agency's highway operation through the provision of highway-related services, products, or monetary contributions.**
- **Must be consistent with the current MUTCD guidelines**
- **Agreements should have termination clause for safety concerns, interference with the free and safe flow of traffic, or a determination that the sponsorship agreement or acknowledgment is not in the public interest**
- **Policy should be approved by FHWA (local Division Admin)**
- **FHWA approves sponsorship agreements on Interstates**
- **Eligible sponsoring organizations must comply with State and Federal laws prohibiting discrimination**
- **All funds generated through a sponsorship program must be used for "highway purposes"**

Current VDOT Initiatives

- In 2011, VDOT began its first revenue generating sponsorship programs with two contracts initiated in September 2011; both preceded the 2012 legislation and the FHWA Policy Order.
- Safety Rest Areas – SAVE (Sponsorship, Advertising, and Vending Enhancements)



- Transportation Video and Data Contract (TVD) – Revenue from 511 products



Current VDOT Initiatives SAVE Program Status

- **SAVE Revenues**
 - **Goal is to offset a portion of costs needed to operate the Safety Rest Areas**
 - **Services that generate revenue are managed through contract and include vending, advertising and sponsorships.**
 - **Vending and Advertising within the buildings are allowed.**
 - **Expanded vending has been installed and Advertising has started.**
 - **Revenues returned to VDOT are based on a sliding scale percentage formula with a minimum guarantee**
 - **A statewide sponsor has been identified. Working through FHWA for approval to implement sponsorship signing**
 - **One sign on the mainline Interstate in advance of each SRA site**
 - **Sponsorship pricing to be negotiated on case-by-case basis**
 - **Billboard advertising rates are a benchmark for comparison**
 - **Projected annual revenue is currently estimated to be between \$2 and 4 million annually**

Current VDOT Initiatives TVD Program Status

- **511 Revenues**
 - **Goal is to create revenue source for supporting an improved and expanded 511**
 - **511 services include an Integrated Voice Response (IVR) phone system, website and mobile app, streaming video service, and program sponsorship**
 - **Contract established September 2011**
 - **New 511 service started in May 2012**
 - IVR, website, mobile app, streaming video, travel times
 - **Solicitation of sponsors is underway**
 - Active communications underway with national corporations for sponsorship opportunities
 - **Estimated revenue is estimated to be approximately \$10 million over the 5 years of the contract.**

Current VDOT Initiatives TVD Sign Sponsor Packages

511 Roadside Signage Sponsorship Packages

Bronze Package: 10 sign minimum

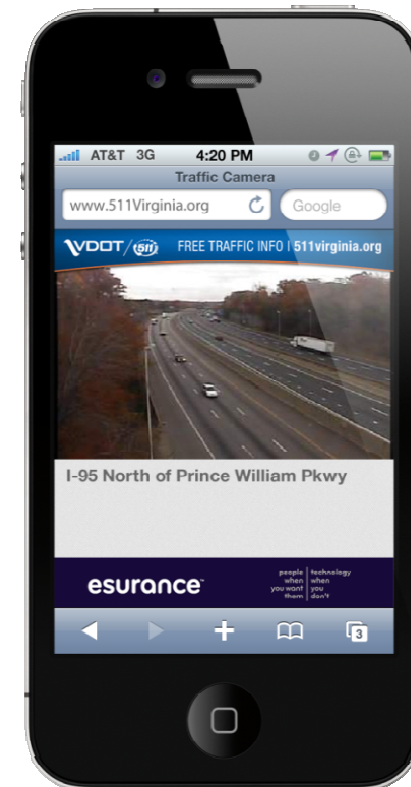
- Installation/Fabrication cost included

Silver Package : 30 sign minimum

- Web (based on availability)
- Installation/Fabrication cost included

Gold Package : 50 sign minimum

- Web (based on availability)
- E-mail Alerts (based on availability)
- Mobile App (based on availability)
- Virginia Public Official recognition and thanks
- Installation/Fabrication cost included



The costs for packages are to be based upon negotiations with potential sponsors
Selling these elements as a package results in larger amount of revenue for VDOT
versus selling as individual components

Current VDOT Initiatives

TVD Sign Sponsor Packages

511 Roadside Signage Sponsorship Package

Platinum Package 100 Sign Minimum

- Web (based on availability)
- E-mail Alerts (based on availability)
- Mobile App (based on availability)
- In-school Safety Campaigns
- Governors public recognition and thanks
- Fabrication/Installation cost included

Diamond Package Sponsor 150 Signs

- Web (based on availability)
- Right of First Refusal for any additional signage in Virginia
- E-mail Alerts (based on availability)
- Mobile App (based on availability)
- In-school Safety Campaigns
- Governors public recognition and thanks
- Professionally Produced Video Promoting Sponsorship
- Media Release to National Media Outlets
- Fabrication/Installation cost included



The costs for packages are to be based upon negotiations with potential sponsors
Selling these elements as a package results in larger amount of revenue for VDOT versus selling as individual components

Current VDOT Initiatives Sponsor Ready Services

- **Safety Service Patrol**
 - A core element of the new statewide Traffic Operation Center/Automated Traffic Management System Operation & Maintenance RFP issued this month is the sponsorship of the Safety Service Patrol program



Highway Naming Rights Program HB 1248/SB 639 (GA 2012)

- **Draft Policy/Guidelines**
 - To be presented to CTB for consideration September 2012
 - Policy/Guidelines highlights
 - Establishes the role and functions of the VDOT Governance Board for naming
 - Policy to be interpreted and applied in accord with all applicable federal and state laws (includes FHWA Policy Order regarding sponsorship)
 - Consultants may be used to establish pricing/fee
 - Fee to be approved by CTB
 - Preferred form of consideration is monetary (as opposed to services)
 - Maximization of revenues to the Commonwealth
 - Revenues to be used to support associated facility
 - Includes operation and maintenance and capital expenditures for improvements

Highway Naming Rights Program HB 1248/SB 639 (GA 2012)

Draft Policy/Guidelines (cont'd)

- Eligible entities identified
- Only legal or registered names permitted—documentation evidencing legal name must be submitted
- Names cannot be presented in a way to connote advertising
- Exclusivity--No more than one *private entity* may be granted naming rights for a facility
- Previous (non-private) names must be incorporated when private entity granted a naming right
- Statutory prohibitions regarding name connotations incorporated
- Termination events and associated right of reimbursement

Next Steps To Support Policy/Program Implementation

Establish a Sponsorship and Naming Rights Program Function

- **Housed in Maintenance Division**
- **Responsible to Governance Board and Executive Leadership**
- **Provide oversight of all sponsorship/naming initiatives**

Maintain awareness of other states' programs and developments

Explore a three step strategy for legislated naming rights with marketing company expertise

- **Perform a 60 day assessment of market potential and develop a strategy document for naming rights and investment opportunities**
- **Perform a pilot test over the next 90 to 120 days to market test the proposed strategies**
- **Develop a pricing and cost strategy**

Review current legislative language and potentially propose technical amendments, as necessary, to help implementation of the naming rights

Obtain consultant for support of program administration and future expansion

Naming Rights Program Implementation Schedule

Task	Target Completion
Initiate Guideline/Policy Development	Spring/Summer 2012
FHWA Approval of Guidelines	Summer 2012
Development of Naming Rights Strategy, Market Assessment and Pilot Testing	Late Summer/Fall 2012
CTB Approval of Guidelines	Fall 2012
Report to General Assembly Committees	Fall 2012
Issue RFP for Program Support	Fall 2012
Award Contract	Winter 2012-13

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Questions