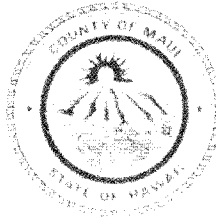


MICHAEL P. VICTORINO
Mayor

MARC I. TAKAMORI
Director

MICHAEL B. DU PONT
Deputy Director



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OFFICE OF THE MAYOR

DEPARTMENT OF TRANSPORTATION
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793

TELEPHONE: (808) 270-7511
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January 6, 2020

Honorable Michael P. Victorino
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

 1/6/20
Mayor Date

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair
And Members of the Multimodal Transportation Committee
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Sugimura:

SUBJECT: ADVERTISING INSIDE COUNTY TRANSIT BUSES (MT-26)

The Department of Transportation (DOT) hereby transmit the following responses relating to advertising inside County transit buses:

Question: Please follow-up with the local businesses the Department has already reached out to regarding a potential interest in advertising inside County buses. If the current fee schedule is a deterrent for businesses, obtain feedback as to the reasons why, including possible recommendations for amending the fee.

Response: These are the following feedback from local companies that were sent the bid documents.

- They are a marketing firm, they don't specialize in soliciting and selling advertisements. They did recommend that the program should consider a 3 to 6 month ramp up period which to waive the monthly fee. This will allow the

agency to develop the advertising program and start to solicit and sell advertising spaces.

- An advertisement firm recommended a 33% of gross revenue.
- An advertising agency stated that they need to be neutral/non-bias when making recommendations to their clients about advertising so having a potential profit from recommending something they may have a concession on and sell makes it difficult for them to do so. They recommend sending the bid documents to This Week Magazine, Honolulu Publishing, Maui No Ka Oi, Maui News and Lahaina News. These type of companies that sell media have a network of sales people and clients already setup to make it much easier to sell advertising on buses.

In accordance with the Fiscal Year 2020 Budget, Appendix B, Revenues-Fees, Rates, Assessments and Taxes, advertising in County buses for nonprofit organizations is free, on a space-available basis:

Question A: To date, which nonprofits have taken advantage of this free advertising opportunity? What types of ads have been placed?

Response: These are the following nonprofit agencies that have taken advantage of the free advertising space since the Department has contracted out advertising.

- State Department of Health & Hawaii Drowning and Aquatic Injury Prevention Advisory Committee – Ocean knowledge and Hawaii Beach Safety
- Lahaina Restoration Foundation – Chinese Heritage Festival
- Maui Ocean Center Marine Institute – Stranding response program to help with sick or injured Hawaiian sea turtles.
- Hale Kipa – Commercial Sexual Exploitation of Children/Sex Trafficking
- Travel2Change – Opportunity to experience Hawaii and volunteer in the community.
- Legacy of Life – Organ/Tissue Donor Awareness

Question B: How does the Department market this opportunity to nonprofits?

Response: The Department doesn't market this opportunity to nonprofits. The contracted advertiser solicits paid advertisements. Should there be any unsold space, the contracted advertiser will allow for a one month free advertisement to non-profit agencies. Should any nonprofits contact the Department with any interests of advertising, they are referred to the contracted advertiser.

Question: Provide a current breakdown on the ridership of visitors vs. residents on County buses. Is the Department able to distinguish which bus routes are more frequently used by visitors than residents, and if so, which ones? Has the Department reached out to Maui Visitors Bureau as a potential advertising vendor based on the current visitor ridership? Why or why not?

Response: Per the Maui Short Range Transit Plan completed in April 2016, through on-board surveying about 8% of the passengers identified themselves as visitors or tourists. There are certain routes that does have higher visitor ridership. The West Maui Islander, Lahaina Islander and Kihei Islander routes transports a higher amount of visitors than other Maui routes. Those routes service areas where there are higher availability of visitor accommodations and activities. The Department had not reached out to the Maui Visitors Bureau as a potential advertising vendor. However, the Department can't say if the previous contracted advertiser did reach out and solicit the Maui Visitors Bureau.

Question: What is the Department's plan to identify creative ways to seek out advertising vendors and generate revenue in Fiscal Year 2021?

Response: The Department will continue to review different transit agencies advertising programs and determine what may work for Maui. The Department may consider opening up advertising in additional locations within the buses. As of right now, the only advertising spaces are in the ad racks above the window. The Department will continue to reach out to additional advertisers to see if they may have any interest in soliciting and selling advertisement spaces within the public transit buses.

Please let me know if you have any questions, or require additional information.

Sincerely,



Marc I. Takamori
Director of Transportation

cc: Michael P. Victorino, Mayor
Sandy Baz, Managing Director