

5

YORK REGION TRANSIT BUSINESS SPONSORSHIP OPPORTUNITIES

The Transit Committee recommends the adoption of the recommendations contained in the following report, December 10, 2003, from the Commissioner of Transportation and Works:

1. RECOMMENDATIONS

It is recommended that:

1. York Region Transit staff be authorized to pursue annual business sponsorships for the Route Map publication.
2. Staff be authorized to further investigate opportunities for business partnerships and sponsorships on other York Region Transit communication materials and Web site, and report back with respect thereto in six months.

2. PURPOSE

The purpose of this report is to seek Transit Committee and Regional Council approval to pursue business sponsorships for the York Region Transit (YRT) Route Map publication. The Route Map would be enlarged slightly to allow for one main sponsor and possibly several others inside the map on an exclusive panel designed for advertising. The objective would be to generate a revenue stream to cover all or part of the production costs of the Route Map.

3. BACKGROUND

The YRT Route Map is one of the most important printed pieces for customers and is the cornerstone of the communications plan. The Route Map is a basic “must have” element in providing our riders with information about the service YRT delivers. This free and easy to carry map includes information on: routes, route frequency, how to contact YRT, fares, ticket agent locations, transit terminals, connecting services, specialized transit services, park’n ride facilities and the request stop program.

Each year, YRT distributes over 80,000 YRT Route Maps across the Region. They are available on all YRT buses, and at the York Region Administrative Building and the South Service Centre. In addition, they are strategically distributed to local community centres, libraries, hotels, high schools and York University and Seneca College, and are available at local municipal offices from the new YRT displays.

With the expected increase in ridership in 2004, three print runs are planned, for a total distribution of 120,000 Route Maps. As distribution numbers increase, so do the overall

costs. Therefore, YRT wishes to pursue business sponsorships in order to compensate for the increased costs of production and printing of the Route Map.

In 2003, the production cost of each Route Map was approximately \$.65/copy.

4. ANALYSIS AND OPTIONS

Many transit systems across Canada are currently utilizing business sponsorships to offset the cost of the production of their Route Maps and other communication materials. As examples, the TTC is sponsored by Yellow Pages, and OC Transpo in Ottawa, by Bell Canada.

Such sponsorships reduce the cost of production and printing, and result in an overall savings for the marketing budget.

Elsewhere in York Region, the Economic Development branch sells business sponsorships in the “Discover York Region Visitors Guide”. The value of the business sponsorships covers 90% of the cost of producing the guide and builds further strategic business partnerships for the Region.

Given these successful examples, staff wish to pursue business sponsorships for the YRT Route Map. This new initiative will generate an annual savings in the printing and production of the maps and allocate revenue savings into other marketing initiatives. Other benefits of the business sponsorships include the opportunity to promote transit to local businesses, foster positive future business partnerships, and also meet YRT’s goal of improved community involvement and relations in York Region.

The first production and printing for the YRT Route Map in 2004 would be in April. In order to have business sponsorships in place for this map, staff would begin to pursue sponsorships immediately after Regional Council approval is granted. To date, YRT has been approached by several businesses, including 680NEWS, Rogers Communications and the Telus Superpages wishing to establish a partnership arrangement. It is intended to begin with this current interest and pursue others using the York Region Economic Development branch model.

Once successful business sponsorships have been established for the Route Map, the program will be expanded to other marketing and communication materials. This would include sponsorships on the customer newsletter publication, the back of YRT transfers, student promotional material, Mobility Plus communication materials, information at bus stops, the YRT web site, etc.

5. FINANCIAL IMPLICATIONS

Given the unprecedented growth in the Region and the need to increase the volume of communication material, YRT needs to examine cost savings measures for the future. YRT will print approximately 120,000 maps in 2004 at a cost of \$78,000. It is anticipated that the first print run of 40,000 copies will generate approximately \$7,000 in business sponsorships. This figure is based on an examination of industry standards as well as the rates charged by the York Region Economic Development branch. The estimated overall saving for the printing and production of the YRT Route Map alone is \$20,000 annually. As business partnerships are established, it is likely that further revenue could be generated over the year.

6. LOCAL MUNICIPAL IMPACT

Although some business partnerships will extend beyond York Region, it is intended that many of the partnerships will be established with local businesses throughout York Region. This will create beneficial community partnerships and foster a positive perception for YRT.

7. CONCLUSION

Business partnerships have been embraced by transit systems across Canada for several years as a way to save money and create local business awareness of local transit systems and their services.

It is recommended that YRT staff be authorized to pursue business sponsorships for the Route Map publication in particular, as well as other communications materials and the YRT website.

The Senior Management Group has reviewed this report.