

Policy on: Advertising on Rolling Hills Transit (RHT) Vehicles, Property, and Other Mediums	Procedure on:
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Purpose: To define the expectations in advertising on STRHT buses and/or property.

Policy Statement: The purpose of this policy is to establish clear guidelines for advertising on transit buses and property operated by STRHT. This policy aims to ensure that all advertisements contribute positively to the community, adhere to legal and ethical standards, and enhance the overall transit experience for passengers

Guidelines:

1.01 Nonpublic Forum; Commercial/Proprietary Functions. RHT will make space on its RHT Property available for limited types of advertising (“Permitted Advertising”). By allowing limited types of advertising on or within its buses other designated RHT Facilities, RHT does not intend to create a public forum for public discourse or expressive activity, or to provide a forum for all types of advertisements. The display of Permitted Advertising on designated RHT Property is intended only to supplement fare revenue, tax proceeds and other income that fund the regional transit system.

1.02 Certain Excluded Advertising. RHT will not accept for display on its RHT Property the types of advertising defined in Section 2.01 of these policies and standards (“Excluded Advertising”). By not accepting Excluded Advertising RHT can: (a) maintain a professional advertising environment that maximizes advertising revenues and minimizes interference or disruption of the commercial aspects of its regional transit system; (b) maintain an image of neutrality on political matters and other noncommercial issues that are the subject of public debate and concern; (c) protect passengers, employees and RHT Property from harm or damage that can result from some individual’s reactions to political or controversial materials; and (d) help build and retain transit ridership.

1.03 Limits on Permitted Advertising. Placing reasonable limits on Permitted Advertising displayed on its RHT Property will enable RHT to: (a) avoid subjecting its passengers and other members of the public to material that may cause them embarrassment or discomfort and discourage them from using regional transit services; (b) maintain an image of professionalism and decorum; (c) avoid displaying material that is not suitable for viewing by minors who ride on RHT buses or whose neighborhoods are served by RHT bus routes; and (d) maximize revenues by attracting and maintaining the patronage of passengers.

II. ADVERTISING POLICIES

2.01 Excluded Advertising. For the purposes of these policies and standards, the advertising described in this Section 2.01 is “Excluded Advertising.” RHT will not accept the following Excluded Advertising for display, posting or placement on or within its buses or other RHT Facilities:

- (a) **Political or “Issues” Advertising.** The advertising space on RHT Property is a nonpublic forum. RHT therefore will not accept political or “issues” advertising of any kind. For the purposes of these policies, political or issues advertising includes: (1) advertisements, posters or other displays that promote or oppose candidates for appointive or elective offices; (2) political campaign material; (3) advertisements, posters or other displays that

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- (b) promote or oppose ballot questions, initiatives, petitions or referenda; and (4) advertisements, posters or other displays that promote, oppose or otherwise directly relate to issues of public debate on economic, political or social issues.
- (c) **Alcoholic Beverages.** RHT will not accept advertisements and images soliciting or promoting the sale or use of alcoholic beverages.
- (d) **Tobacco/Vaping/THC Products.** RHT will not accept advertisements and images soliciting or promoting the sale or use of tobacco, vaping devices or THC products including, but not limited to, cigarettes, cigars, vaping devices, THC dispensing devices and smokeless tobacco.
- (e) **Advertisements Affecting Image or Operation.** RHT will not accept advertisements and images that threaten or adversely affect: the public image of RHT or parent company Semcac, Inc.; RHT's ability to operate its RHT Buses; or RHT's ability to attract and maintain the patronage of passengers.

2.02 Permitted Advertising. Subject to the viewpoint-neutral standards contained in Section 3.01 of these policies and standards, RHT will accept "Permitted Advertising" for display or placement on designated RHT Property. For the purposes of these policies, "Permitted Advertising" is advertising that: (a) does not qualify as Excluded Advertising under Section 2.01; and (b) generally relates to the economic interests of the advertiser and its audience. Permitted Advertising typically promotes the sale, rental, distribution or availability of goods, services, food, entertainment, products or property (real or personal), but also may solicit business or promote (commercial or noncommercial) transactions, events or programs. Advertising defined in Section 3.02 also is Permitted Advertising.

2.03 Prohibitions on Literature or Product Distribution and Leafleting. RHT's purpose in operating a regional transit system is to meet the public's need for efficient, effective and safe public transportation. RHT Property are not public forums for public discourse or expressive activity. Literature or product distributions, leafleting and similar activities can disrupt or delay passengers who are boarding and exiting buses, distract passengers, distract bus and light rail vehicle operators, cause maintenance issues, and otherwise create safety issues for passengers, operators and surrounding traffic. Accordingly, political campaign activities, distribution of political or issues campaign literature, leafleting, and other informational or campaign activities are prohibited within RHT buses. Notwithstanding the policies that allow the display of Permitted Advertising on designated RHT Property, nothing in these policies or standards authorizes or permits advertisers to distribute literature, leaflets, coupons, products, samples or other items within RHT buses. On a limited basis and in conjunction with a "partnering" opportunity approved by RHT, RHT may allow an advertiser to distribute items on or within RHT Property. Any distribution of literature, leaflets, coupons, products, samples or other items must be pre-approved by RHT and must comply strictly with terms and conditions established by RHT.

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III. ADVERTISING STANDARDS AND RESTRICTIONS

3.01 Advertising Standards and Restrictions. RHT will make available on designated RHT Property space for advertisements subject to the viewpoint-neutral restrictions in this Section 3.01 that limit certain forms of paid and unpaid advertising. Advertisements cannot be displayed or maintained on RHT Property if the advertisement or information contained in the advertisement falls within one or more of the following categories:

- (a) **False, Misleading, Deceptive or Disrespectful Advertising.** Advertising or any material or information in the advertising that is false, misleading or deceptive, or that is intended to be (or reasonably could be interpreted as being) disparaging, disreputable or disrespectful to persons, groups, businesses or organizations, including advertising that portrays individuals as inferior, evil or contemptible because of their race, color, creed, sex, pregnancy, age, religion, ancestry, national origin, marital status, disability, including those related to pregnancy or child birth, affectional or sexual orientation, or any other characteristic protected under federal, state or local law.
- (b) **Unauthorized Endorsement.** Advertising that implies or declares RHT endorses a product, service, event or program is an unauthorized endorsement. The prohibition against endorsement does not apply to advertising for a service, event or program for which RHT is an official sponsor, co-sponsor or participant, provided Semcac Director of Transportation or other designated Semcac representative gives prior written approval regarding the endorsement.
- (c) **Obscene or Offensive Material.** “Obscene materials” means displays or information that, taken as a whole, appeals to the prurient interest in sex and depicts or describes in a patently offensive manner sexual conduct and which, taken as a whole, does not have serious literary, artistic, political, or scientific value, or otherwise qualifies as “obscene” as that term is defined in Minnesota Statute §617.241, Subd. 1(a)(1), (2), and (3). “Offensive materials” means displays or information that would be offensive to a reasonably prudent person of average sensitivity in the community, including advertising that contains derisive, distorted, immoral, profane or disreputable language or impressions. Obscene or offensive material also includes advertising that contains “pornographic work” as that term is defined in Minnesota Statute §617.246, Subd. 1(a)–(f), or promotes pornography, including “men and women’s sophisticated magazines,” “X-rated” or adult-oriented films, “X-rated” or adult-oriented cable channels, or businesses trafficking in pornography, including the use of brand names, trademarks, slogans or other materials that are identifiable with these items, activities or services.
- (d) **Unlawful Goods or Services.** Advertising or any material or information in the advertising that depicts, promotes or reasonably appears to encourage the use or possession of unlawful or illegal goods or services.

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- (e) **Unlawful Conduct.** Advertising or any material or information in the advertising that: depicts, promotes or reasonably appears to encourage unlawful or illegal behavior or conduct, including unlawful behavior of a violent or antisocial nature; is libelous or an infringement of copyright; is otherwise unlawful or illegal; or is likely to subject RHT to liability.
- (f) **Adult Entertainment.** Advertising that promotes or displays images associated with adult book stores, adult video stores, nude dance clubs and other adult entertainment establishments, adult telephone services, adult internet sites and escort services.
- (g) **Illegal Firearms and Weapons.** Advertising that contains images or depictions of illegal firearms or other weapons, or the unlawful use of firearms or other weapons.
- (h) **Internet Addresses and Telephone Numbers.** Advertising that directs viewers to internet addresses or telephone numbers that contain materials, images or information that would violate these advertising standards if the materials, images or information were contained in advertising displayed or posted on RHT Property.
- (i) **Distractions and Interference.** Advertising that incorporates or displays any rotating, revolving, or flashing devices or other moving parts or any word, phrase, symbol or character, any of which are likely to interfere with, mislead or distract traffic or conflict with any traffic control device or motor vehicle regulation.
- (j) **Graffiti.** Advertising that uses images or symbols that depict or represent excluded advertising under Section 2.01 and/or any of the restricted items contained in Section 3.01 (a) through (i).

3.02 Other Permitted Advertising and Public Service Announcements. RHT may make advertising space available for advertising proposed by governmental entities, academic institutions or tax-exempt nonprofit organizations. Examples include but are not limited to advertisements that focus on personal health or wellness issues, informing the public about programs, services, events, and the alike. The advertising and public service announcements permitted under this section cannot contain displays or messages that qualify as Excluded Advertising under Section 2.01 and must comply with these advertising policies and standards. Unless the source of the advertising or public service announcement is obvious from the content or copy, the advertisement or public service announcement must specifically identify the sponsor of the advertisement or the message.

3.03 Advertising Pricing and Space Availability. The price for advertising on RHT buses is governed by the contract(s) between Semcac Transportation and its advertiser(s). Advertising space will be made available only on RHT Property designated by RHT. No advertising, signs and other types of postings or messages may be displayed, posted or placed on any other RHT Property.



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3.04 Advertising Change. The price for a change in advertising will be at the cost of the advertiser/outside entity used to place the advertisement as determined by Semcac Transportation. In the event that a bus is damaged, the cost of the advertisement shall be the responsibility of RHT.

3.05 Reservation of Rights. RHT reserves the right to amend these policies and standards at any time. Revisions and/or amendments will be made in writing and provided to RHT’s advertiser(s) as requested. Subject to any contractual obligations, RHT reserves the right to discontinue advertising on RHT Property and discontinue accepting advertising for display or posting on RHT Property. RHT reserves the right to limit the availability of advertising space on its RHT Property and remove advertising that does not comply with these advertising policies and standards herein and, subject to any contractual obligations, reserves the right to display advertisements and notices on RHT Property that pertain to RHT’s Transit operations and its own promotions. All advertising is subject to approval by Semcac Transportation Director.

Consequences:

Failure to comply with the terms of this policy may result in disciplinary action up to and/or including dismissal.

Management Responsibilities:

STRHT Management is responsible for investigating all complaints of non-compliance fairly, thoroughly and expeditiously and making decisions for or against suspension or disciplinary action in compliance with other STRHT policies.

ADDENDUM I

Advertising Fees

Rates: These rates are based on:

- Solid wrap that will cover the area directly **behind the driver cab on the side of the bus** and the **rear portion** of the bus.
- Rear of the vehicle
- Rear window of vehicle
 - New Bus: Approximately 45" x 27" area
 - Pre 2023 Bus: Approximately 57" x 19" area

Excluded areas will include: the **passenger side** of the bus; the **front cab** of the bus. These areas will be **excluded** from advertisements and remain the branding of RHT. The **rear bumper** and Railroad Crossing warning decal will also be excluded from advertisement. These areas are reserved for safety messages as well as Public Transit identification.

Wrap costs will be the responsibility of the advertiser. Please note these are estimates from National Fleet Graphics and cost may vary with the wrap design you select:

Solid Wrap (Driver side of bus + Tail wrap) - \$6,000.00

Driver Side Wrap - \$2,000.00

Tail (Rear of Vehicle) Wrap - \$1,000.00

Window - \$300.00

Advertising Costs:

Solid Wrap: The advertising space will be available for two (2) year contracts only to reduce the costs associated with changing the wrap. The annual fee for the advertising will be \$6,000.00 (\$500/mo) for a total two (2) year contract of \$12,000.00 plus the cost of the wrap install.

Tail Wrap: The advertising space will be available for (2) year contracts only to reduce the costs associated with changing the wrap. The annual fee for the advertising will be \$4,200.00 (\$350/mo) for a total two (2) year contract of \$8,400.00 plus the cost of the wrap install. Please note a tail wrap includes the window space.

Driver side wrap only: The advertising space will be available for (2) year contracts only to reduce the costs associated with changing the wrap. The annual fee for the advertising will be \$3,600.00 (\$300/mo) for a total two (2) year contract of \$7,200.00 plus the cost of the wrap install.

1. **Window:** The advertising space will be available for a minimum of six (6) months. The Semi-annual fee for the advertising will be \$750.00 (\$125/mo) plus the cost of the wrap install.



Window



Tail Wrap (Shaded Area)





ADDENDUM II

**VEHICLE ADVERTISEMENT
LEASE AGREEMENT**

THIS LEASE is made on the below date between Semcac Transportation-Rolling Hills Transit established pursuant to Minn. Stat. § 471.59 to administer public transportation (hereinafter RHT), and (hereinafter "Advertiser") _____.

1. RHT agrees to lease the following space to the Advertiser:
 - Driver's side: space located behind the cab
 - Rear of bus, excluding the rear bumper area (Tail Wrap)
 - Full Driver side/Tail wrap, excluding areas in policy
 - Rear Window Ad

2. The rates for the spaces are as follows:
 - Driver Side \$300.00/mo
 - Tail Wrap \$350.00/mo
 - Full Wrap \$500.00/mo
 - Rear Window \$125.00/mo

NOTE: Full Wrap & Tail Wrap include the rear window space

3. The leases have a minimum of a 2-year commitment from the Advertiser with the exception of the rear window. Advertiser will be invoiced for the full length of the commitment at the beginning of the term, unless otherwise stated.

4. All design and installation costs are the responsibility of the Advertiser. RHT has established references available for design and installation. If an alternative installation company is utilized, RHT will require that a sample of their previous work be produced. RHT will have right of refusal of the content displayed as stated in the policy.

5. The term of this Lease will be from _____ through _____ a total lease amount of \$ _____. If Advertiser wishes to continue leasing the transit vehicle ad space, an assessment of the physical condition of their advertising material will be conducted. If replacement is needed to maintain acceptable visual aesthetics and advertisement legibility, the materials will be replaced at the cost of the Advertiser.

6. RHT is responsible for the normal repair and upkeep of the vehicles on and in which the advertisement space is being rented.

7. RHT buses operate during the normal operating hours listed on rhtbus.com





8. RHT will be responsible for replacement of any exterior advertisement damaged in the course of daily operations, such as cracked windows. A pro-rated refund will be issued to the Advertiser if a vehicle is out of service for 10 consecutive business days in a 30-day period. RHT will be responsible to inform the Advertiser if the bus meets or exceeds this condition.
9. If Advertiser fails to pay the lease rate on time or violates any other terms of this Lease, RHT will have the right to terminate this Lease in accordance with state law. RHT will also have the right to take advantage of any other legal remedies available to recoup lost revenue.
10. RHT agrees to carry vehicle insurance on the transit vehicles being used, but does not have any liability for the operation of Advertiser's business. Advertiser agrees not to do anything that will increase RHT's insurance premiums, and further agrees to indemnify and hold the RHT harmless from any liability caused by Advertiser's operations. In addition, Advertiser agrees to carry business liability insurance covering Advertiser's business and agrees to furnish RHT certificates of insurance of the insurance policies, and shall not cancel policies without notifying RHT in advance.
11. The parties agree that this Lease is the entire agreement between them. This Lease binds and benefits RHT, Advertiser, and any successors.

ADVERTISER:

Name _____
Please Print

Title _____

Signature _____

Date _____

Semcac Transportation:

Name _____
Please Print

Title _____

Signature _____

Date _____

