


CITY OF LOS ANGELES
INTER-DEPARTMENTAL MEMORANDUM

Date: July 22, 2025

To: Honorable City Council
c/o City Clerk, Room 395, City Hall
Attention: Honorable Heather Hutt, Chair, Transportation Committee

From: Laura Rubio-Cornejo, General Manager 
Department of Transportation

Subject: **REPORT BACK ON TRANSIT VEHICLE ADVERTISING**

SUMMARY

In response to Council File (CF) [23-1376-S1](#), this report provides a status update on the current transit vehicle advertising contract, the number of vehicles and type of advertisement, revenue generated, and the Request for Proposals issued in 2023.

RECOMMENDATION

That the City Council NOTE and FILE this report.

BACKGROUND

In 2006, the Los Angeles Department of Transportation (LADOT) began advertising on its vehicles through a service provider, generating additional revenue for LADOT transit operations (Council File [05-0056](#)). The transit vehicle advertising contractor markets and sells advertising space inside and outside of the LADOT transit vehicles from interested firms. The contractor is responsible for installing, maintaining, and removing these advertisements. All advertising displayed on LADOT Transit vehicles shall conform to LADOT's Transit Advertising Content Policy and Guidelines, and the City reserves the right to the sole and final determination of whether an advertisement gets posted.

On September 27, 2006, LADOT executed its first Transit Vehicle Advertising Services contract (Contract C-110626) with Titan Outdoor, LLC to provide advertising on its fleet of transit vehicles. LADOT executed a second contract under this program with Titan Outdoor, LLC (Contract C-120082) on February 1, 2012. That contract was eventually reassigned to Outfront Media Group, LLC after Titan Outdoor merged with another company and exited the Southern California market.

On March 29, 2017, the City Council authorized LADOT to execute a contract with Outfront Media Group LLC for a five-year term for the provision of Transit Vehicle Advertising Services (CF 11-2007). On May 18, 2022, LADOT executed the First Amendment, extending the Agreement for 12 months, followed by a month-to-month option for an additional six months for a total of 18 months, from April 1, 2023, to September 30, 2023, and updated the compensation and City contracting language. On October 9, 2024, LADOT executed the Second Amendment, extending the Agreement for 12 months, from October 1,

2023 to September 30, 2024, followed by a month-to-month option for an additional six months, from October 1, 2024 to March 31, 2025, for a total of 18 months.

LADOT released the Transit Advertising Request for Proposal (RFP) on December 8, 2023. LADOT received a proposal from one qualified firm, the incumbent OUTFRONT Media Group LLC. LADOT formed a three-member evaluation committee consisting of three project management staff from LADOT, and the proposal was reviewed for compliance with the City's standard contracting requirements. The evaluation committee further reviewed and evaluated the proposal and unanimously ranked OUTFRONT Media Group LLC as a responsive and responsible proposer. LADOT notified OUTFRONT Media Group, LLC of their pending award, and LADOT anticipates completion of the Executive Directive 3 (ED3) review and City Council approval process for the new agreement by October, 2025.

In February 2025, Council directed LADOT to provide a report outlining the City's transit advertising services, including the number of transit vehicles with advertising, the type of advertising on these vehicles (interior/exterior), and the amount of revenue generated over the last five years, as well as a comparison of the Los Angeles Metropolitan Transportation Authority's (Metro) and other jurisdiction's bus advertising programs and potential partnership opportunities. Council further directed LADOT to report on the status of the RFP issued in 2023.

DISCUSSION

As described below, LADOT's transit advertising program entails the sale and display of advertising on the exterior and interior of 387 LADOT transit Commuter Express buses, Community DASH buses, and Cityride Paratransit service vehicles. The contractor designs, develops, sells, and places advertising signs and displays in, on, and upon the City-owned vehicles, both on exterior and interior locations. All advertising displayed on LADOT Transit vehicles shall conform to LADOT's Transit Advertising Content Policy and Guidelines, and the City reserves the right to the sole and final determination of whether an advertisement gets posted. These guidelines include limiting advertisements to Commercial and Promotional Advertising, Governmental Advertising, and Public Service Announcements, and prohibits political or public issue advertising products, services, or activities including alcohol/tobacco, profanity, false or misleading material, and others.

LADOT retains the right to display exterior advertisements on up to five percent of the buses and up to 50 percent of the interior space for the optional use by LADOT or other City agencies to share information of public concern. This program is comparable in revenue generation and contract similarities in percentage share of revenue and advertising on transit vehicles. LADOT advertises both inside and outside of transit vehicles comparable to other cities, as well as advertising on Metro buses.

Transit Vehicle Advertising Types

Advertisements are available in a number of sizes and placement types. Some vehicles display multiple smaller advertisements, while others may have larger advertisements including full-vehicle wraps. The advertisement types include:

- Tail: 21 inches by 72 inches on the back of the bus
- King Size Poster: 30 inches by 144 inches on the side of the bus
- Queen: 30 inches by 88 inches on the side of the bus
- Wrap: Encompasses the entire exterior of the bus on one or both sides

- Interior Car Card: 11 inches by 28 inches installed inside the bus

Under the previous Transit Vehicle Advertising contract, LADOT only permitted the Contractor to sell advertisements on compressed natural gas (CNG) vehicles, not the newer battery-electric buses. As LADOT Transit integrated more electric vehicles (now accounting for about a third of the DASH fleet and mostly housed at the Downtown and Mid-City maintenance yards) and phased out older CNG as well as propane-powered vehicles, advertising opportunities were more limited to Commuter Express buses and DASH vehicles operating in the North and South regions. Under the pending new Transit Vehicle Advertising contract, LADOT Transit will enable advertisements on battery-electric Proterra and BYD vehicles, adding 155 DASH vehicles to the available fleet for advertising.

The distribution of active advertisements is detailed in Table 1 below. 46 vehicles currently display more than one advertisement, and there are not any active advertising contracts for full or partial vehicle wraps, or interior car cards.

Table 1: LADOT Transit Advertising Inventory, as of May 20, 2025

Vehicle Type / Region	Number of Current Advertisements, by Type			
	<i>Tail</i>	<i>King Size Poster</i>	<i>Queen Size Poster</i>	<i>Interior Car Cards</i>
DASH Downtown	20	–	0	0
DASH Mid-Cities	59	–	8	0
DASH North	28	–		0
DASH South	54	–	2	0
Commuter Express North	36	34	–	0
Commuter Express South	25	35	–	0

Transit Vehicle Advertising Revenue

On April 11, 2017, Outfront Media Group LLC (Outfront) began providing the services as required under Agreement C-129151 for Transit Vehicle Advertising Services. The revenue-generating Agreement required Outfront Media Group LLC to pay a minimum annual guarantee, adjusted annually, or 60 percent of the net revenues, whichever is greater. There is no cost to the City for the Agreement.

Advertising rates are negotiated between the Contractor and advertising customers. LADOT reserves up to 5 percent of the right to display exterior advertisements and 50 percent of the spaces available for interior advertising space for LADOT advertising, messages, promotions, and campaign media from other city departments at-cost to print the media (with no revenue generated). The contractor is also responsible for establishing a Public Service Advertising rate charged to Not-for-Profit organizations and must provide space for public service advertisers.

The COVID-19 pandemic significantly impacted demand for advertising services on transit vehicles, and in 2020 and 2021, LADOT waived the minimum annual guarantee originally included in the Agreement as a result. While revenue generated by the program increased progressively since 2020, the advertising revenue generated is still only approximately 70 percent of what was collected since the onset of the COVID-19 pandemic (detailed in Table 2 below). Following the Second Amendment to the contract, LADOT continued to waive the minimum annual guarantee for the remainder of the Agreement and only required deposit of the 60 percent net revenue share.

Table 2: Transit Vehicle Advertising Services Revenue Summary

Contract Year	Annual Billings	60% Share	Minimum Annual Guarantee
Year 1 - April 2017 - March 2018	\$1,232,243	\$739,346	\$850,000
Year 2 - April 2018 - March 2019	\$1,586,618	\$951,971	\$875,000
Year 3 - April 2019 - March 2020	\$1,456,849	\$874,110	\$900,000
Year 4 - April 2020 - March 2021	\$420,686*	\$252,412	N/A**
Year 5 - April 2021 - March 2022	\$585,713*	\$351,428	N/A**
Year 6 - April 2022 - March 2023	\$1,008,298	\$604,979	\$950,000
Year 7*** - April 2023 - Sept 2023	\$564,326.69	\$338,596	N/A**
Year 8 - Oct 2023 - Sep 2024	\$1,110,816	\$666,489	N/A**
Year 9*** - Oct 2024 - Mar 2025	\$304,454	\$182,672	N/A**

* COVID-19 pandemic affected revenues

** Minimum Annual Guarantee suspended during COVID-19 pandemic

*** Month-to-Month term

Revenue generated by advertisement can vary depending on the vehicle or advertisement type, as well as the duration of the advertising contract. Commuter Express buses generally generate more revenue than DASH buses as they are able to accommodate larger advertisements. Advertisements are procured based on operating region and LADOT Transit cannot guarantee which neighborhoods each vehicle will operate in - for instance, a DASH vehicle operating out of the Mid-Cities maintenance yard may be put into service in Northeast LA, Hollywood, or parts of South Los Angeles on any given day, so advertisers cannot request a specific neighborhood where their advertisements may be displayed.

Comparable advertising programs

LADOT utilizes the same advertising opportunities as Metro does on their buses such as interior car cards and advertising ads that allow companies to wrap buses with ads on the exterior of the bus. LA Metro does advertise also inside of their subway stations and inside of rail cars. LADOT does not oversee any rail or train stations and thus can only advertise on the buses. Additionally, neither Metro or LADOT advertise on street furniture such as bus benches or bus stops as this is under the jurisdiction of Streets LA. Advertising companies will choose where to place their ads - on either LA Metro buses or LADOT buses - depending on what specific area they are targeting. As an example, LA Metro buses operate across the County and have a larger area of coverage. On the other hand, the LADOT DASH downtown buses stay specifically in the downtown area. If the advertising companies are choosing to advertise within the downtown area only, then LADOT buses would be of more interest.

The current transit advertising contract is specific only to advertising on the LADOT buses. LADOT has an extensive program in that it allows advertisers to fully advertise the entire bus outside and inside. LADOT has the second largest fleet in the LA County area and allows advertisements on all of its buses compared to smaller transit agencies with fewer buses. A bus stop or bus shelter advertising program would be led by Streets LA.

Long Beach Transit (LBT) has a very similar program to LADOT's. The LBT contract includes a guaranteed minimum in year one of \$825,000 for year one with an increase of \$25,000 per year over five years. They have the option to advertise at bus stops which creates more revenue whereas LADOT does not have the authority to advertise on bus shelters as that is handled by Public Works.

Norwalk Transit's advertising is similar to LADOT's. Norwalk Transit's authorized advertising footprint is smaller than LADOT's, only allowing for advertisement on the outside of their buses and not on the interior of the buses. Norwalk has a contract for up to 5 years with Outfront Media which is the same company that LADOT utilizes for transit advertising. Norwalk has a smaller transit fleet and their contract consists of 40% of ad sales with a minimum annual guarantee of \$33,333.00.

Other transit agencies, including Santa Monica Big Blue Bus and Pasadena Transit also contract out their advertising services with a minimum amount guaranteed to the contracting transit agency.

Transit Vehicle Advertising Contract Status

On December 8, 2023, LADOT issued a RFP for Transit Vehicle Advertising services. The selected contractor will design, develop, sell, place, and maintain various advertising signs and displays in the interior and exterior of transit buses utilized by LADOT and additional locations that may be authorized at the sole discretion of LADOT. The contractor is responsible for generating advertisement sales, installation of advertisements on LADOT Transit buses, removal and disposal of media, and collection of funds from advertisers and prompt payment to LADOT.

Proposals were due February 14, 2024. LADOT selected Outfront Media Group LLC for the new contract, and is currently in the process of executing the new agreement. The City's previous contract with Outfront Media Group LLC ([C-129151](#)) expired March 31, 2025. Once executed, the new contract will be retroactive to April 1, 2025, with a contract term expiring March 31, 2028.

FINANCIAL IMPACT

There is no General Fund impact associated with this Agreement. Revenue generated through this program is deposited into the City's Proposition A Local Transit Assistance Fund, which supports City transit services.

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