

Memorandum of Understanding
City of Galveston and Park Board of Trustees of the City of Galveston
[Transit Assets Advertising]

The City of Galveston (City) and the Park Board of Trustees of the City of Galveston (Park Board) are in the process of discussing terms, conditions, and deliverables of the existing interlocal agreement between the two parties.

This Memorandum of Understanding (MOU) between the two parties will go into effect upon signature and will expire in one year from the date of effect or upon agreement of a new Interlocal Agreement, whichever occurs first. This MOU, may be extended up to an additional one (1) year if a new Interlocal Agreement is not entered into within the above stated one (1) year time frame.

Under this Memorandum of Understanding, the Park Board will promote and sell advertising on Island Transit vehicles, bus and trolley shelters, and other fixed transit assets (Transit Assets) in accordance herein.

A. Terms and conditions include the following:

- Revenue generated from advertising will be split as follows. Island Transit will receive 50 percent of gross advertising sales before any expenses, the Park Board will retain the net amount after associated advertising expenses are paid from the other 50 percent of gross advertising sales. Proceeds due to Island Transit will be wired to the City within 10 days following each “quarter end” time period.
- The Park Board will pay all costs associated with the promotion and sale of advertising as well as all production of advertising and promotional materials.
- Payment Terms. The Park Board will submit revenue payments to Island Transit no later than 10 days after the preceding “quarter end” time period. Payment amount will be determined utilizing Cash Based Accounting.
- Excluding exterior signs on trolley vehicles, 5% of the advertising space on rolling stock inventory shall be reserved for Island Transit use. Unused trolley shelters signs can be provided to eligible non-profit organizations to be use as Public Service Announcements. (PSA).
- The city will maintain frames, TVs, hardware or other city owned transit assets in place at the time this agreement is signed.
- Loss of Inventory and Refunds. If a Transit asset is taken out of service or has been destroyed, the Park Board may have to refund a customer’s payment. If required, Island Transit will only be responsible for reimbursement for revenue it received. The balance of any refund will be deducted proportionally from funds collected.

- Vandalism. If advertisements on transit assets are destroyed/rendered unusable due to vandalism, the parties will split the straight cost of replacing the advertisement in accordance with the following:
 - Replacement costs are determined upon the cost of the printing.
 - The City maintains the option to reimburse the replacement determination cost, make a refund, or to extend the advertising period.
 - If the advertisement is destroyed within 30 days of its contract expiration, one-twelfth (1/12) of the contract price may be refunded. If the client would like to renew for another year, full cost of replacement will be covered.

B. Limits of Advertising:

- i. The advertisement proposes a commercial transaction, and the advertisement or information contained in the advertisement is false, misleading or deceptive.
- ii. The advertisement or information promotes unlawful or illegal goods, service, or activities.
- iii. The advertisement or information implies or declares an endorsement by Island Transit of any service, product or point of view without prior written authorization from Island Transit.
- iv. The advertisement contains an image of a person, who appears to be a minor, in sexually suggestive dress, pose or context.
- v. The advertisement, or any information, is directly averse to the commercial or administrative interest of Island Transit, or is harmful to the morale of Island Transit employees.
- vi. The advertisement contains images or information that demean an individual or group of individuals on account of race, color, religion, national origin, ancestry, gender, age, veteran's status, disability, or sexual orientation.
- vii. The advertisement contains images or information that that would be deemed by a significant segment of the local public to be violent, frightening or otherwise disturbing as to be harmful to minors.
- viii. The advertisement promotes an escort service, dating service, or sexually oriented business.
- ix. The advertisement contains images or information that would be deemed by a significant segment of the local public to be offensive, improper, or in bad taste.

- x. The advertisement promotes the use of alcohol and/or tobacco products.
- xi. The advertisement contains political information that implies or declares an endorsement or political point of view pertaining to Island Transit or the City of Galveston.

C. Interlocal Agreement:

The Parties agree the above terms of this Memorandum of Understanding will be included, in substantially similar form and content, in the completed Interlocal Agreement regarding advertising on Transit assets.

This Agreement may only be amended by the mutual agreement of the Parties hereto in writing. By execution of this Agreement, the Parties agree that each has received a copy of this Agreement.

City of Galveston
Office of the City Manager
Brian Maxwell

Park Board of Trustees
Chief Executive Officer
Kelly de Schaun

By: _____
City Manager
Date: _____

By: _____
Chief Executive Officer
Date: _____

ATTEST:

ATTEST:

By: _____
Janelle Williams, City Secretary

By: _____
Dave Jacoby, Secretary

Approved as To Form:

Approved as To Form:

City Attorney's Office

Legal Counsel