

ORDINANCE NO. 012-115

AN ORDINANCE RATIFYING AN
AGREEMENT WITH SUN-TIMES
MEDIA PRODUCTIONS, LLC FOR
SPONSORSHIP OF THE
AUTHORITY'S FREE RIDES FOR
FIRST DAY OF SCHOOL

WHEREAS, The Chicago Transit Authority's ("Authority") primary purpose is to provide safe and efficient public transportation services for persons using its buses, trains, and other facilities; and

WHEREAS, The Authority has been exploring non-farebox revenue opportunities, including soliciting sponsorship opportunities, which will offer benefits to potential sponsors and provide additional revenue to the Authority; and

WHEREAS, The Chicago Transit Board ("Board") approved Ordinance 012-101, establishing rates of fare for the first day of school 2012 and authorizing the acceptance of donations; and

WHEREAS, The Authority offered free rides on the first day of school, September 4, 2012, for school-aged children and adults accompanying them to encourage attendance at schools and use of public transit; and

WHEREAS, Sun-Times Media Productions, LLC ("Sun-Times"), publisher of the Chicago Sun-Times, has offered to sponsor the Authority's provision of Free Rides for First Day of School for three years, with an option for an additional three years, beginning in 2012; and

WHEREAS, Staff has entered into a sponsorship agreement with the Sun-Times for sponsorship of the Authority's Free Rides for First Day of School; and

WHEREAS, The Sun-Times and its Foundation have agreed to a payment of One Hundred and Twenty Thousand Dollars (\$120,000) for the first contract year, which would increase annually by two and one-half percent (2.5%), a \$25,000 donation from the Sun-Times Foundation, and other in-kind benefits; and

WHEREAS, In exchange for sponsorship, the Sun-Times was designated an "Official Sponsor" of Free Rides for First Day of School, a joint press event was held with Chicago Public Schools to announce the sponsorship, and the Sun-Times received advertising benefits related to its sponsorship of Free Rides for First Day of School from both the Authority and the Chicago Public Schools as well as future additional advertising benefits to use at its discretion; and

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WHEREAS, Entry into the sponsorship agreement with the Sun-Times will reduce the Authority's cost of providing free rides and staff recommends that the Transit Board ratify this agreement; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. The Chicago Transit Board hereby ratifies entry into an agreement with Sun-Times Media Productions, LLC, to sponsor the Authority's provision of Free Rides for First Day of School for a three-year (3) term, with one three-year (3) option to extend, for a total value of Nine Hundred and Nine Thousand and Seventy-Five Dollars (\$909,075) for the base three-year (3) term of the agreement, and for a total value, including all executable options, of One Million Eight Hundred Forty-Six Thousand Five Hundred and Twenty-Eight Dollars (\$1,846,528), and which includes provision of advertising and other benefits by the Authority to the Sun-Times.

SECTION 2. The sponsorship agreement requires that Sun-Times Media Productions, LLC, purchase advertising during the sponsorship term, the cost of which minus the production cost is included in the sponsorship fee; comply with all Authority advertising guidelines; and contains mutual indemnification provisions and limited licenses permitting each party to use the other party's logos and such other terms in conformance with Exhibit A, attached hereto.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

Chairman

Assistant Secretary

September 12, 2012

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