West Virginia Sponsorship Program

2018 Feasibility Study

January 2019

West Virginia Department of Transportation

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Executive Summary

In response to a legislative mandate required by House Bill 2694 passed March 2, 2018, the West Virginia Division of Highways (DOH) has conducted a study of the anticipated net revenue and financial feasibility of implementing a commercial sponsorship program of rest areas, welcome centers, roads, and vehicles.

This includes ranges of revenues and program implementation and management costs under the following scenarios:

- Sponsorships of rest areas that include rest stops, welcome centers, DOH-operated interstates, and the Appalachian Development Highway System (ADHS).
  - Rest stops have parking and a building with bathrooms and vending machines.
  - Welcome centers are enhanced rest stops that have more tourism information and full-time employees available for aid.
- Sponsorships of rest stops, welcome centers, and service plazas. This scenario includes the stops along the West Virginia Turnpike.
- Sponsorship of the entire courtesy/safety patrol fleet, not including state vehicles or maintenance vehicles.
- A comprehensive program that includes all viable sponsorship options.

DOH has contracted with CDM Smith to gather revenue and expense information from other state departments of transportation (DOT), compare certain key metrics from those states with West Virginia, and estimate the probable annual expenses and revenue for a similar program in West Virginia.

CDM Smith was able to collect sufficient background information to assess the West Virginia net revenue potential in large part through a survey sent to all states to collect cost, revenue, and key metric information. The survey facilitated good dialogue with other states and collection of information about successes and failures along with traffic data, population, and tourism statistics.

The option of sponsoring non-courtesy patrol state vehicle fleets was researched for this study, but this option was omitted due to the lack of comparisons for potential revenue forecasts—no information was found about the sponsorship of non-courtesy patrol state vehicles in other states. Considering it is unlikely sponsors can be guaranteed that their logo will be seen due to the uncertainty of DOH vehicle utilization throughout the year, it was determined that sponsorship of DOH non-courtesy patrol vehicles is not a viable option in generating net positive revenue.

The main sources of information were responses to surveys and information readily available on states' government websites. For target states comparable to West Virginia, comprehensive population, tourism, and highway-related information was collected. Any state identified with a revenue-generating sponsorship program was used in this study. Due to proximity and other similar geographic characteristics to West Virginia or their robust activity, states that were of greater focus were Ohio, Virginia, North Carolina, and Florida. The surveys provided specific information regarding states' highway and courtesy patrol sponsorship program experiences, both successful and unsuccessful in implementation.

Ten additional states have tried to implement a sponsorship program for their rest areas, but received little to no interest. These states include Georgia, Iowa, Louisiana, Michigan, Minnesota, Missouri, North Dakota, Oregon, Tennessee, and Utah.

ES.0: State Responses to CDM Smith Survey

State	Response Highlight
Alaska	No sponsorship program
Arkansas	No sponsorship program
Arizona	Arizona receives $100,000 per year in sponsorships for its 26 rest areas – about $3,850 annually per rest area.
California	In 1995, state statutes allowed to "contract for private organizations for the operation of traveler service information facilities and for the maintenance of all or any of these safety roadside rests." Sponsorships only included kiosks. California has never had a sponsor.
Colorado	Sponsor the Highway program began in 2005. Colorado does not collect any revenue. Main sponsors are marijuana businesses.
Florida	Statewide sponsorship program has been active since 2014. Safety service patrols have been active since 2004. Total Revenue: FY 2016: $1,015,017 FY 2017: $1,317,333 FY 2018: $1,860,163 FY 2019: $319,448 (as of September 2018) Sponsorship facilities and revenue breakdowns include: Safe Phone Zone – Rest Area, Welcome Center, & Service Plaza FY 2016: $568,286 FY 2017: $505,323 FY 2018: $545,152 Toll Booth Advertising FY 2016: $23,220 FY 2017: $23,445 FY 2018: $33,755 511 Sponsorship Program FY 2018: $51,000 Safety Service Patrol (FDOT's Road Ranger Program) FY 2016: $326,632 FY 2017: $506,891 FY 2018: $1,012,845 FY 2019: $319,448 Florida Turnpike Enterprise Sponsor-A-Highway FY 2016: $96,878 FY 2017: $281,673 FY 2018: $217,409 Truck Parking Availability
Georgia	Put out an RFP in 2014 but there was no interest (From Tennessee Study)
Idaho	Oasis public/private partnerships with truck stop companies and gas stations began in 2009. All sponsorship agreements are non-monetary. Agency policies includes A5044 and B4044.
Iowa	In 2013, only eight of the 37 rest areas were awarded sponsorship. Fiscal impact was estimated to be $100,000 per year, which never occurred. Program was eliminated after a 3-year contract.
Kentucky	No sponsorship program

☐ No Program ☐ Active Program ☐ Attempted and Failed

ES.0: State Responses to CDM Smith Survey

State	Response Highlight
Louisiana	LaDOTD has a sponsorship contract for their motorists to assist trucks and a "blanket" contract for all other state assets, including trucks, facilities, and "everything else." The "blanket" contractor is charged with acquiring sponsors for rest area. However, there has been no interest in sponsorship for the rest areas. (Two RFPs generated no responses.) (From Tennessee Study)
Maine	No sponsorship program
Michigan	Michigan DOT believes that there are legal impediments to businesses at rest areas and advertising on state highway rights of way, and for policy reasons MDOT would not allow these activities.
Minnesota	Minnesota passed a new statute in 2017, MN 160.801, to allow highway sponsorship – the vision is aesthetic upgrades to the right of way. We are not pursuing a fiscal sponsorship or revenue-generating sponsorship model at this time. Our vision is partnering with businesses and civic organizations to do ROW enhancement and maintenance projects (see fact sheet). Currently MDOT is evaluating all of them. Rest areas – past evaluation was done, and the decision was made to not pursue a fiscal sponsorship model. The same is true of the FIRST (Mn Emergency response vehicles).
Missouri	MODOT let a 3-year contract to a single contractor for statewide sponsorship and advertising at rest areas. The contract was to be progressive – $0 for year 1, $50K in year 2 and year 3 was to pay whatever was generated. The contractor was able to sell advertising at kiosks in five of eight rest areas and a few framed wall ads. The program performed so poorly that by the third year, the fee was waived entirely and the contract was not renewed. There are no current plans to further pursue sponsorship. (From Tennessee Study)
New Hampshire	An RFP was issued and three companies responded with different models for revenue generation. The contract with the selected company was not executed due to contractor concerns about successfully obtaining revenue through their model. The department did not attempt to contract with other respondents from RFP or go back out to bid. Revenue included $162,245 in FY 2018 for the Service Patrol.
New Jersey	No sponsorship program
New Mexico	No sponsorship program
New York (NYSDOT Region 1)	Highway Service Patrols – CVS pharmacy chain sponsored service patrols from 1986 to 1997. State Farm sponsored the Highway Emergency Local Patrol (HELP) trucks since 2010. GEICO sponsorship sums to $1.3 million over 5 years including 52 text stop locations. Highway "Text Stops" sponsored by GEICO since 2016.
North Carolina	Motor Assistance Patrol (IMAP) is sponsored by Farm Bureau.
North Dakota	No sponsorship program – proposed legislation that did not pass.
Ohio	Sponsorship of the courtesy patrol vehicles began in 2012 by State Farm. Revenue was $860,000 per year.

☐ No Program ☐ Active Program ☐ Attempted and Failed

ES.0: State Responses to CDM Smith Survey

State	Response Highlight
Oregon	Oregon DOT has a sponsorship acknowledgment program specific to safety rest areas. The program was created in response to an inquiry to provide on-site acknowledgment of possible donations for a specific interstate rest area project. Since sponsorship acknowledgment signs are allowed by federal regulation, Oregon adopted administrative rules to outline a program. The program requires a competitive process for the selection of the sponsor. Sponsorships may be solicited for the development, maintenance, and operation of the entire rest area or a specific feature of the rest area and would be documented in a rest area sponsorship agreement. However, after developing the program, the potential sponsorship opportunity did not come about, and there has not been another opportunity.
South Carolina	No sponsorship program
South Dakota	No sponsorship program. Legislation was passed allowing advertising on a limited basis in welcome centers; however, to date, advertising has not happened.
Tennessee	Meager returns for sponsorship programs: Arizona receives $100,000 per year in sponsorships for its 26 rest areas – about $3,850 annually per rest area. Iowa has sponsorship of six of its 38 rest areas, generating a total of $67,000 per year – $11,667 per rest area. Iowa has met with no success in finding sponsors for the others. Texas has had a sponsorship program in place for 2 years, but it "generates no revenue." Virginia has a P3 Office that involves a large number of state assets and state services. The sponsorship program for their rest areas is very complex and shares revenue with the contractor, with on-site vendors, and with the state. Lack of interest: Georgia, Louisiana, and Missouri have sought sponsorships, but all received very little interest from the corporate sector. All the remaining states have no sponsorship programs in place, nor do they intend to consider pursuing them. The following reasons were cited by almost every state, even those with sponsorship programs in place: Approval process too ambiguous/convoluted/time-consuming/costly. FHWA rules for rest area sponsorship are too restrictive. There is little to no interest among potential sponsors. Sponsorship revenues fall far short of being enough to meaningfully offset costs of operation and maintenance of rest areas. RECOMMENDATION: Rest area sponsorship programs have not proven to date to provide any significant revenue for state DOTs that will help offset operational costs. The small revenue that is generated is diminished by administrative costs. Texas and Iowa have estimated their administrative costs to be about $1,000 per year. Tennessee's estimated administrative costs would likely be in the range of $1,000 per year. Given the four primary reasons cited by other states that are listed above and considering that there is a very high probability that those problems would be common to Tennessee as well, it is recommended that Tennessee DOT not pursue rest area sponsorship at this time.

☐ No Program ☐ Active Program ☐ Attempted and Failed

☐ No Program
☐ Active Program
☐ Attempted and Failed

ES.0: State Responses to CDM Smith Survey

State	Response Highlight
Utah	In 2016, Utah awarded a sponsorship contract. In 2017, the contract was canceled due to lack of activity. Limitations impose on the program by the legislative process in Utah and FHWA caused failure. Concerns with sponsorships included: Competition with the Outdoor Advertisers Association Public perception/recognition of SSP/IMT vehicles during accidents, emergencies, and disasters.
Virginia	In 2013, VDOT launched its SAVE program with SRA sponsorship. Revenue includes: $200,000 annually from GEICO $100,000 annually from ECPI University Contract with Traveler's Market expired 9/30/2018

In addition to the outreach to DOTs across the U.S., an extensive outreach effort was also undertaken to gauge interest in sponsorship if a program was established in West Virginia. Thirty-one potential sponsors were carefully selected in coordination with DOH. The results from this effort demonstrate that there is likely to be very limited interest in becoming a sponsor. There were no positive responses received indicating a desire to become a sponsor, other than Traveler's Market, who indicated they use a revenue sharing approach. Nine of the 31 respondents indicated a willingness to consider sponsorship if a proposal is submitted by DOH.

Ratio-based and fee-based revenue forecasts were created to provide different perspectives of West Virginia's revenue potential based on fee data collected from other states and, in particular, Virginia. Fee-based revenues were determined to be the best representation of the possible revenues. To factor in the likelihood of realizing the costs and revenues reflected in this report, an expected value was also estimated by considering that only nine of the 19 states that tried to establish a sponsorship program—through attempts to pass legislation, research, or issuance of an RFP—were successful. As a result of the 47 percent success rate (nine successful of the 19 total states that attempted), costs and revenues were reduced to reflect a realistic expected value of costs and revenues for West Virginia.

The first-year implementation cost for external support implementation for all scenarios is estimated to be $63,609. In the interest of simplicity and clarity around the results, escalation was not applied to any of the costs, but it is likely that escalation of between 2 percent and 4 percent each year could be expected for the cost of external support and sign materials. Sunk costs for DOH personnel are not included in any of the scenarios, but if a sponsorship program is established, the existing DOH resources will be negatively impacted as their attention will be spread across an additional, competing priority.

The first year's net revenue is projected to be from $0 to $90,116. West Virginia's net revenue is projected to range from $0 to $265,058 after the first year.

The $265,058 net revenue over the long-term is optimistic considering these revenues are contingent on sponsor interest, which is not supported by the outreach efforts described in **Chapter 4**.

Furthermore, based on survey results, the universe of sponsors is limited. For four of the nine states with sponsorship programs, GEICO or State Farm are the only major sponsors. Florida, New York, and Virginia have GEICO as a sponsor, and Florida, New York, and Ohio have State Farm as a sponsor. The success or failure of sponsorship programs is very likely to be too reliant on a limited pool of potential sponsors. As part of the potential sponsorship outreach effort, State Farm indicated they had an application process that DOH would need to apply for, and GEICO did not offer any application and said they would get back to us, but did not do so. Additionally, signage cost escalation and the costs of external resources for sponsorship program updates and periodic staff training are not factored into the long-term program costs but could drastically reduce net revenues.

Due to the limited pool of likely sponsors, the start up and continuing program costs that will significantly reduce net revenues, and the continuing costs escalating over time while the revenues are likely to remain static, the sponsorship program is neither feasible nor practicable for the DOH. A better path forward for West Virginia in the near-term would be to monitor the results of the West Virginia Turnpike, which is about to commence a sponsorship program. Their travel plazas will attract a potentially greater interest compared to DOH, which has no travel plazas, but their results will still be instructive on a decision regarding the establishment of a sponsorship program.

Further analysis and calculations are provided in the following report.

Chapter 1
Introduction

On behalf of the West Virginia DOH, CDM Smith has researched and estimated the opportunities to generate net revenue through a sponsorship program for rest areas, welcome centers, roads, and vehicles, to determine the feasibility of implementing a program as required by HB 2694. **Chapter 1** covers in detail the tasks within this study, background on sponsorship programs, and descriptions of criteria that are referred to throughout the study.

1.1 Study Objectives and Approach

The objective of this study is to research and indicate the potential net revenue from a sponsorship program on West Virginia's roadways. Sponsorship programs consist of business-funded acknowledgment signs located along highways and at rest stops and welcome centers. These acknowledgment signs—which are smaller and less intrusive than other advertisement options, such as billboards—recognize participating businesses for their financial support of either a length of roadway or rest area. Sponsorships could also include funding for courtesy patrol and DOH passenger vehicle fleets, as well as areas along the Turnpike and highway maintenance crews. The tasks involved in this study are listed below.

Task 1 – Define Study Parameters

- List the criteria for comparison of similar states included in the study, such as tourism data, number and locations of rest stops and welcome centers, high volume highways, state attractions, and traffic volume
- Identify states with active sponsorship programs to compare and correlate key data such as program costs and anticipated revenue
- Gather tourism annual reports, press releases, and other relevant information for the comparison of sponsorship programs
- Create a survey outline with key information to ask from each state

Task 2 – Sponsorship Program Attributes

- Compile active sponsorship program data and attributes for comparison, correlation, and extrapolation
- Gather revenue and "impression" (motorist views of the signage) amounts for active programs
- Assess current laws and regulations for sponsorship programs

Task 3 – State Comparisons

- Evaluate cost, revenue, traffic, tourism, population, and traffic volume among states with existing sponsorship programs
- Conduct surveys and interviews with states with active sponsorship programs to document the history and characteristics of their programs
- Analyze states based on those with a program, those without a program, and those who tried and failed at implementation
- Identify and document comparison state areas of interest, such as rest stops, welcome centers, and state attractions
- Document comparison-state tourism revenue and visitor volume for estimated impressions
- Focus on target states that resemble or impact the West Virginia program

Task 4 – West Virginia Base Information

- List the main roadways for possible sponsorship use
- Identify and map all rest stops and welcome center locations
- Consider other areas of interest for sponsorship locations
- Analyze courtesy/safety patrol program sponsorship opportunities

Task 5 – Feasibility of a New Sponsorship Program

- Estimate costs for the implementation, maintenance, and removal of sponsorship signage
- Estimate the costs for various sponsorship scenarios, including signage acknowledging a sponsor for financial support of a roadway segment, rest areas within the segment, and courtesy and DOH passenger vehicle fleets

- Forecast impressions and revenue at areas of interest
- Compare estimated West Virginia metrics to states with a failed sponsorship program
- Develop a list of potential sponsors and contact these companies, associations, chambers of commerce, and governmental organizations to assess their potential interest in becoming a sponsor

Task 6 – Revenue

- List the estimated net revenue for the overall program
- Discuss the areas of interest for sponsorship (e.g., rest areas, welcome centers, courtesy patrol vehicles, the Turnpike)
- Recommendation for implementation of a sponsorship program

1.1.1 Report Structure

Chapter 2, Methodology, provides the steps for obtaining a sponsorship database and forecasting the anticipated revenue values for West Virginia, as well as the reasoning for the various data collected, forecasting assumptions, and calculations in support of this feasibility study.

Chapter 3, Existing Information, provides data from active sponsorship programs across the United States and narrows the data down to those states that match best for West Virginia's future program.

Chapter 4, West Virginia Information, details what a future sponsorship program in West Virginia could look like, describing the anticipated revenue, impressions, marketable areas, and overall feasibility.

Chapter 5, West Virginia Cost, Revenue, and Net Revenue Forecasts, lists the various scenarios and the numeric values over a 6-year period.

Chapter 6, Conclusion, sums up the fee-based forecast for the all-inclusive sponsorship opportunities covered by Scenario 4.

Appendix A, Calculations, are the tables for the graphs and information presented throughout the study.

Appendix B, Sign Calculations, shows the derivation of costs for two various sign types.

Appendix C, Survey Example, shows a blank version of the survey that was sent to all state DOTs.

Appendix D, Tennessee Study, includes the study about roadside sponsorship by the Tennessee DOT.

Appendix E, Sponsorship Outreach, includes all of the entities contacted about sponsorship interests and their responses.

1.2 Background

This study focuses on bringing a sponsorship program to West Virginia. Implementing a new program such as this depends on the popular regions, highways, and tourism amenities within the state. Assumptions used, existing laws/regulations/policy, and sponsorship history are outlined throughout this section.

1.2.1 Assumptions

CDM Smith uses currently accepted professional practices and procedures in the development of the cost and revenue estimates in this report. There may be differences in forecast values and actual results. CDM Smith relied upon the accuracy and completeness of information provided by the DOH and other state DOTs. All estimates and projections are based on the experience and judgment of CDM Smith. Reasonable assumptions have been made within the context of current laws, regulations, and information provided by all the participating DOTs. Assumptions included in this study are as follows but not limited to:

1. Signs can be placed on the mainline interstate highways and ADHS roadways.
2. Signs can be placed near and in rest areas.
3. Sign wording complies with and is approved by the state and Federal Highway Administration (FHWA).
4. Average cost per sign is based on WVDOT Signing Manual and Average Unit Price information.
5. Revenue and cost values presented through survey responses are accurate.
6. Correlation between West Virginia and other states depends on various demographic and spatial data.
7. Success rate for sponsorship is 47 percent. Calculations and data are in **Appendix A: Calculations.**

1.2.2 Laws, Regulations, and Policy

FHWA Order 5160.1A and U.S.C. Title 23 Section 111(b) are ordinances regarding any signs containing sponsorship and advertisement information along highways. Specifically, FHWA Order 5160.1A outlines the policy for sponsorship acknowledgment within highway right-of-way. It clarifies applications of sponsorships and provisions of legislation regarding sponsorship at rest areas. In Section 7.a.2, the FHWA distinguishes acknowledgment signs and advertisements. Additionally, acknowledgment signs are allowed within the right-of-way while advertisements are not. Furthermore, Section 7.a.3 states the use of highway right-of-way for advertising purposes is not allowed, except as provided in 23 U.S.C. 111(b), Rest Areas. According to Section 7.c.3, one acknowledgment sign may be placed in both directions at a rest stop along the mainline, while more acknowledgments are allowed within the rest area property if the signs are not viewable from the mainline. Also, signs on the mainline may not be within 500 feet of other traffic control devices complying with Section 2H.08 of the MUTCD.

U.S.C Title 23 Section 111(b) details the provisions for rest area usage. Overall, a state may request access to "acquire, construct, operate, and maintain a rest area" with limited commercial activities. These must be available only to customers using the rest area. Finally, 111.b.4 states "any revenues received from the commercial activities in a rest area under this section to cover the costs of acquiring, constructing, operating, and maintaining rest areas in the state."

Outside of the highway right-of-way, service or travel plazas are permissible under federal law. Service or travel plazas are commercialized rest areas accessible from the highway, and they can have gas stations, restaurants, and other traveler-oriented services and businesses. State law does not specifically limit service or travel plaza advertising or sponsorship opportunities. The West Virginia Turnpike has the Beckley, Morton, and Bluestone travel plazas. DOH only has rest areas and welcome centers and does not have any service or travel plazas.

Section 17-22-1 of West Virginia Code allows for outdoor advertising signs, displays, and devices in areas adjacent to federal-aid interstate and primary highways and that these signs, displays, and devices should be regulated to protect the public investment in such highways, to promote the recreational value of public travel, to preserve natural beauty, and to promote the reasonable, orderly, and effective display of such signs, displays, and devices.

Section 17-19-1 of West Virginia Code prohibits a person from painting, marking, posting, tacking, nailing, or otherwise affixing any sign, advertisement, notice, picture, drawing, emblem, poster, printing, or writing, other than those placed and maintained in pursuance of law, on or to any stone, rock, tree, fence, stump, post, pole, building, or other structure, which is in or upon the right-of-way of any public road or highway, including the road or highway itself, except that the commissioner may provide for suitable road signs, danger signals, and other signs of informational nature. No such sign or other marking shall be suspended over the right-of-way of any public road or highway. These prohibitions include, but are not limited to, such devices which are intended to invite or draw attention of the public to the candidacy of any person for any public office.

The West Virginia Code Section 17-4-55, added through House Bill 2694 (2018 Regular Session), the ability to implement a program to facilitate commercial sponsorship of rest areas, welcome centers, roads, and vehicles owned or leased by the DOH if it is feasible and practicable, in accordance with this study and upon approval of the proposed sponsorship program by the FHWA.

Current West Virginia Code should allow the implementation of a sponsorship program to the fullest extent permitted by federal regulation and FHWA approval.

1.2.3 Sponsorship History

The first acknowledgment sign was placed in Texas, on Highway 60, in 1985. The original goal for this program was to aid in cleaning litter that would pile up on roadways. To receive a sign with recognition, groups would volunteer their manual labor to collect and discard garbage in the area near certain roadways. The Tyler Civitan Club was the first group to commit to this program and pioneered the program that still exists today. This initiative developed into what is now known as Adopt-A-Highway (**Figure 1.0**). Eventually, another similar program split off from this idea and became a business acknowledgment option through sponsorship. Instead of the cleaning being done through volunteered hours and labor, businesses pay a fee that supports work crews to clean that area for them, while the business still gets recognition. This change has developed into the Sponsor-A-Highway program.

Figure 1.0: The First Adopt-A-Highway Sign in the World

1.2.4 Sponsorship Benefits

There are many benefits to implementing a sponsorship program for West Virginia's roadways. Highway sponsorships promote community pride and encourage mutually beneficial partnerships between the community and local businesses who might want an acknowledgment sign via this program. When companies sponsor a stretch of roadway, taxpayer dollars are reduced and can be utilized elsewhere. Signs from the program can be placed in high traffic volume areas to maximize the number of views or impressions that can be made on passing motorists. **Figure 1.1** was created by the Adopt-A-Highway program and demonstrates the utilization of sponsored signs for participants of the sponsorship program.

1.3 Descriptions of Study Criteria

The study began with establishing key metrics and gathering data related to these metrics from states with active sponsorship programs. The existing conditions of these programs, how they are maintained, and how much revenue they generate allow for a baseline comparison for the potential program in West Virginia. The dataset includes the same criteria for each state's program, to allow for analysis of profit and utilization within that state. This section explains the definitions and assumptions made for the database; more specific details on existing conditions can be found in **Chapter 3**.

Figure 1.1: Reaching the Target Market from Adopt-A-Highway

With optimal placement of these signs, they can be a cost-effective marketing tool for companies of all sizes.

1.3.1 Existing Sponsorship Programs

Based on responses to a survey received for this study, nine states currently have active sponsorship programs: Arizona, Colorado, Florida, Idaho, New Hampshire, New York (NYSDOT Region 1), North Carolina, Ohio, and Virginia. The programs generally include a sign along a major roadway advertising the sponsorship and a full-size and colored logo for the participating company. Businesses pay a certain fee per contract with a state DOT in return for a state-provided work crew to clean and maintain a particular stretch of highway. Collecting data on the implementation and maintenance of other states' currently active programs demonstrates the successful qualities and structure that can be applied to a new program within West Virginia.

Ten additional states have tried to implement a sponsorship program for their rest areas but received little to no interest. The sponsorship opportunities are still available; however, there are no current contracts as of 2018. These states include Georgia, Iowa, Louisiana, Michigan, Minnesota, Missouri, North Dakota, Oregon, Tennessee, and Utah.

1.3.2 Areas of Interest

Areas with high traffic and frequent visitors are important locations for sponsorship signs. To analyze optimal sign locations, a list of the most-visited spots for tourism and marketing was developed. Popular locations to reach the public are rest stops, welcome centers, and attractions within the state.

Welcome centers are normally located along the state borders, while rest stops are placed incrementally along the interior of the state. According to FHWA Order 5160.1a Section 3, other options to recognize sponsorships includes acknowledgment on in-vehicle transponders, service patrol vehicles, maintenance vehicles, outreach and educational materials, and websites, as well as within telephone messages (such as 511 systems). From the same section of Order 5160.1a, "The FHWA continues to encourage agencies to make use of these other opportunities for sponsor recognition or acknowledgment whenever possible…[so] informational load imposed on the driver can be minimized."

1.3.3 Courtesy/Safety Patrols

Many states have a version of courtesy patrols to aid anyone using the highways. Other example names include "Ranger Road," "Roadside Assistance," and "Highway Motorist Assistance;" however, they are referred to as "courtesy patrols" throughout this section, the chapters, and overall study.

Courtesy patrols offer a variety of aid to the highway system and to those using the highway. Common services include accident/incident management, motorist assistance, and traffic control. Trucks under the patrol are available for response to 911 calls from highway accidents as well as general patrols for vehicles stranded on the shoulders. Some programs offer maintenance assistance, such as jump starting a vehicle, changing a flat tire, and other potential vehicle malfunctions. Other traffic control programs are used for congestion mitigation and accident management, as well as aiding other departments such as the police, fire department, and ambulances.

Definitions

Courtesy patrol refers to the highway aid for drivers provided by the state DOT (also known as safety patrol, road rangers, and more).

Department of Highways (DOH) is the governing association for the highways.

Department of Transportation (DOT) is the governing association for the roadways generally.

Federal Highway Association (FHWA) is the federal government agency that supports state and local governments in the design, construction, and maintenance of the national highway system.

Impressions mean the number of times that a sign will be seen by people traveling along the highways and visiting the rest areas.

Occupancy means the number of passengers in a vehicle, including the driver, with the unit of people per vehicle.

Purchase order means the documentation between INCIDENTCLEAR, LLC and West Virginia's DOT. It consists of the new courtesy patrol program in West Virginia as of 2018.

Rest area refers to rest stops, safe stopping zones, welcome centers, and service plazas (generally, any stopping area along the highways).

- **Rest stop** is an area with parking and a building with bathrooms and vending machines.
- **Service plaza** is a rest area that can also have a restaurant, gas station, and more. The West Virginia Turnpike is the only roadway with service plazas.
- **Welcome center** is a rest area with daily staff and more tourism information.

The option of sponsorship on courtesy patrol vehicles may introduce extensive advertising opportunities. States such as Florida, New York (NYSDOT Region 1), North Carolina, and Ohio, have vehicles managed and operated by State Farm. Some states, such as Utah and Michigan, do not allow for separate sponsorships on courtesy patrol fleet vehicles.

A criticism of sponsored courtesy patrols in other states is that users may be confused about the intentions of a vehicle covered in advertisements trying to aid them along the side of a busy highway. However, when they see a simply detailed truck representing the state highway department or DOT, they know they are receiving roadside assistance. Another possible disadvantage for courtesy patrol sponsorship programs is resistance from companies that offer roadside assistance services, like AAA and tow truck businesses. In Hawaii, the state's courtesy patrol program was never implemented due to disapproval from local businesses providing for-profit roadside assistance services.

The following chapters cover the means and methods for research conducted, existing information from other state sponsorship programs, and the potential feasibility of a sponsorship program for West Virginia. The study will describe the process for generating the potential net revenue by implementing various sponsorship programs in West Virginia from the research, calculations, and forecasting.

Chapter 2
Methodology

To estimate the revenue for this study, the approach included gathering every available source of relevant and current data on existing sponsorship programs and transportation revenues. The methodology began with identification of other states' sponsorship programs, the creation of a database, distribution of a survey to other states' sponsorship program representatives, and development of criteria for cost estimation and revenue based on the research of existing programs. **Chapter 2** details the research process that led to the analysis for West Virginia's potential sponsorship program.

2.1 States

The first step of the study was to identify states with histories of sponsorship programs to compare against a proposed program for West Virginia. A general search for any type of sponsorship was conducted regarding signage, courtesy patrols, or rest stop/welcome center advertisements. Also, Adopt-A-Highway was the main source of sponsorship program availability, filtered by states with sponsorships and not simply adoption opportunities. A survey was distributed to state DOTs for additional information and validation of web collected data. The survey is further discussed in **Section 2.3**.

2.2 Database

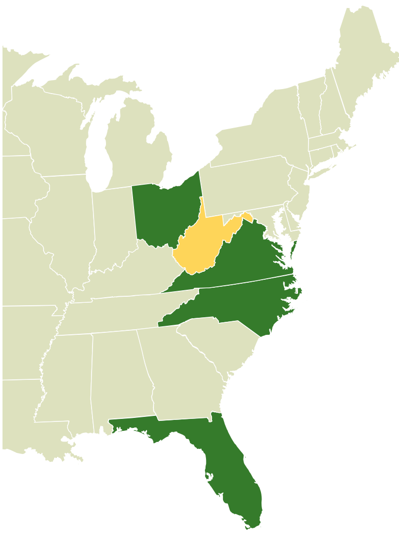
From the general list of states with existing sponsorship programs, a database was created to organize and compare the collected data. It was organized by criteria that aided in the projection of values for the West Virginia program, such as the number of rest stops/welcome centers, the number of visitors to those buildings, tourism information, courtesy patrol information, and survey responses. Upon the creation and distribution of sponsorship surveys (created by CDM Smith), the database was updated with more columns and data sets.

The data was then compiled to be the base comparison for success factors, failure factors, revenue, cost, and overall program organization.

2.2.1 Target States

Of the nine states with active sponsorship programs, target states were identified for their relevance in comparison with West Virginia. Florida was a major target state for its successful sponsorship program and methodology for management and operations. Virginia also has a program that was used heavily in this study, along with Florida. State tourism, population, and location proximity were factors in choosing target states that best resemble the future program in West Virginia. Based on location and size, North Carolina and Ohio are other attractive states for comparisons with West Virginia. **Figure 2.0** displays the target states.

Figure 2.0: Target States Used for Comparison to West Virginia



Florida, North Carolina, Ohio, and Virginia have active sponsorship programs. Relationships between tourism and population statistics were developed between all the target states. Revenue, cost, rest area visitations, and courtesy patrol information was developed from Florida, North Carolina, and Virginia, provided through the questionnaires discussed in **Section 2.3**.

2.2.2 Rest Stops and Welcome Centers

The most popular areas where other states have placed sponsorship signs are at rest stops and welcome centers. Herein for the report, the term "rest areas" include both rest stops and welcome centers. Welcome centers are especially valuable because some states have staffed centers with full-time employees who serve as concierges for any travelers requesting information and recommendations. The consistent stream of potential customers provides extensive visitor impression opportunities for sponsor branding within these rest areas.

2.2.3 Tourism

Tourism data benefits the sponsorship program study by indicating the most likely destinations in each state where visitors are going and how much they are spending in their destination states. By examining this data, correlation factors were created to generate extrapolation ratios for use in estimating revenue. According to Adopt-A-Highway, seven out of 10 people's buying choices are influenced by outdoor advertisements, underlining the importance of the tourism aspect of this study in determining sign locations and sponsorship opportunities. Refer to **Chapter 1, Section 1.1.4** for this and other statistics on reaching the target market.

2.2.4 Courtesy/Safety Patrols

The number of courtesy patrol fleet vehicles in use, the cost, and revenue information were collected from participating states for use in evaluating this option for sponsorship. Courtesy patrol definitions, purpose, and history are described in **Chapter 1, Section 1.2.3**. The various surveyed states had different highway assistance programs; however, State Farm and GEICO are the only national sponsors in four of the nine states with sponsorship programs. **Chapter 4** provides additional detail regarding West Virginia's sponsorship potential.

Data from West Virginia and other states was assembled into a project database and a comparison was made between West Virginia and the target states of Florida, Ohio, North Carolina, and Virginia to examine the key metrics of population, tourism, rest area visitors, traffic volumes along the interstate highways, and the number of vehicles in the courtesy patrols. These metrics are considered to be of particular importance relative to sponsorship feasibility because they provide an indication of the potential impressions expected from motorists and passengers, a quantifiable value that allows for calculation of potential advertising message recipients, and by extension, the value of the advertising to sponsors.

The average of the target state values for each of the key metrics was calculated, and the ratio for each state's place within the average and mean was identified. These ratios reflect West Virginia's performance in these key metrics when compared to the states of Florida, Ohio, North Carolina, and Virginia. For example, West Virginia has 16 percent of the population when compared to the average of target states.

Table 2.0: Ratios of West Virginia to Other States for Correlation

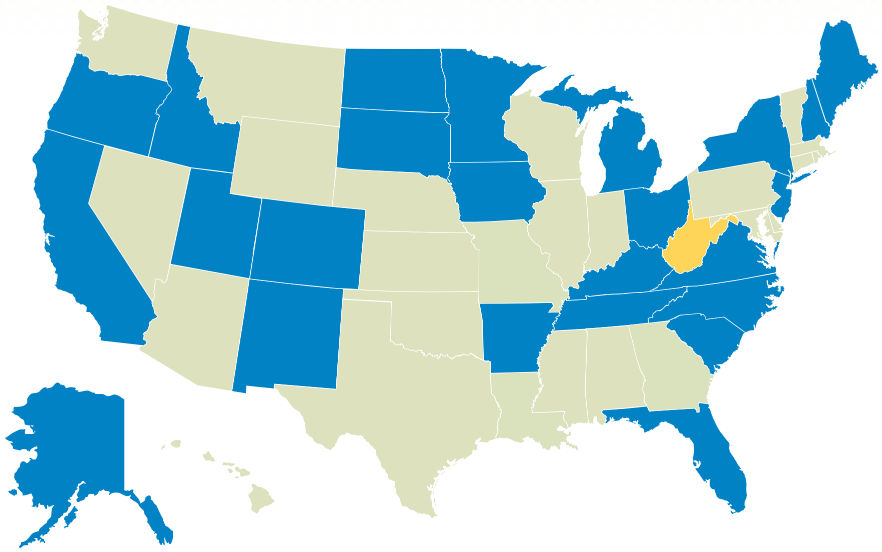
Topic	Ratio
Population	0.16
State Tourism	0.87
Rest Area Visitation	0.91
Courtesy Patrol Vehicle Amounts	0.38
Universal Correlation Factor:	**0.58**

An aggregate correlation factor of 0.58 was calculated from the average of West Virginia's performance in all of the key metrics. The aggregate correlation factor was applied throughout this study in forecasting values for West Virginia, such as the revenue for each scenario.

2.3 Surveys

A questionnaire was created by CDM Smith and sent to state DOTs and representatives involved with Adopt-A-Highway to validate internet-derived data and gather additional details related to their programs. The survey contained in-depth questions about any type of sponsorship a state transportation agency might have, the purpose and results of their program, and opportunities for comments on the success or challenges experienced by their programs. A large number of responses to the questionnaire came from states with unsuccessful programs and provided feedback as to why the programs had missed expectations or failed. The comments included explanations of the issues that occurred through the duration of the program. **Figure 2.1** depicts the states that have responded to the questionnaire, including successful and unsuccessful programs, and those that have not adopted sponsorship programs.

Figure 2.1: States that Replied to the CDM Smith Questionnaire



2.4 Potential Sponsorship Outreach

In close coordination with DOH, CDM Smith developed a list of potential sponsors for rest stops, welcome centers, and the courtesy patrol. An outreach team made at least one phone call or email to each potential sponsor and made one follow-up call or email if no response was initially received. CDM Smith explained the purpose of this study and importance of the potential sponsor's response to the decision of moving forward with a sponsorship program and also highlighted the potential marketing benefit of a sponsorship acknowledgment sign along the highway right-of-way. The initial list of 26 potential sponsors (provided in **Chapter 4, Section 4.7**), including GEICO and State Farm, were given over a month to respond. Overall, the outreach results of this effort were poor. Only the West Virginia Insurance Federation indicated that they would discuss the potential sponsorship with their board of directors, but we could not reach the Insurance Federation to determine the outcome of their discussion. A Traveler's Market representative indicated that they would be interested in working with West Virginia, and their business model is a revenue sharing model.

After discussing the initial results with DOH, a second outreach effort was made to 15 associations/ federations/alliances that were a part of the initial potential sponsorship outreach. CDM Smith specifically asked for contact information for any members who they considered likely to be interested in becoming a sponsor and then reaching out to those potential sponsors. In addition, we reached out to AAA and four West Virginia towing companies to gauge towing companies interest in sponsorship. Respondents to this second outreach effort were poor, with only the West Virginia Manufacturer's Association sending an email to all of their members with no responses received indicating interest and no towing companies responding to our calls or emails. For both outreach efforts combined, nine respondents indicated that they would need a proposal in order to evaluate their interest. The rest of the outreach effort resulted in no responses or negative responses to our inquiry. All responses are captured in **Appendix E: Sponsorship Outreach** of this report.

2.5 Cost

Cost estimates were developed to capture the anticipated administrative and operational activity that will necessarily occur as a result of implementing a sponsorship program in West Virginia. Administrative activities include contract execution and management, correspondence with sponsors, sign set up and take down if the sponsor is not responsible, website updates, training for new staff, and updates to procedures. Operational activities include leadership administration and communications, in-house legal advisors, accounting personnel, contract management, program automation, and trainers. Operational expenses also include the production, installment, and maintenance of the sponsorship signs.

Outside professionals may be needed for the program, including outside legal counsel, marketing support, website development, and maintenance, if required. These measures and others are discussed in greater detail in **Chapter 5**, which describes the costs for a sponsorship program in West Virginia.

2.6 Projections

Revenue projections for the proposed sponsorship program in West Virginia were developed by two forecasts. First, a fee-based revenue that is a realistic outcome. Second, is a ratio-based revenue that compares key performance metrics from target states to West Virginia's statistics.

The fee-based revenue consisted of assumed annual fees per rest area and vehicle to solicit to sponsors, as was used by Virginia, instead of taking a percentage of other states' revenue. Using fees displays a more realistic outcome for West Virginia, while the ratio-based revenue heavily relies on Florida's uniquely successful programs, when compared to other states. Both forecasts are presented in **Chapter 5**.

The second forecast, the ratio-based revenue, included:

- Annual tourism figures
- Rest area visitation
- State population
- Number of courtesy patrol vehicles
- Actual sponsorship program revenue
- Sponsorship revenue growth trends

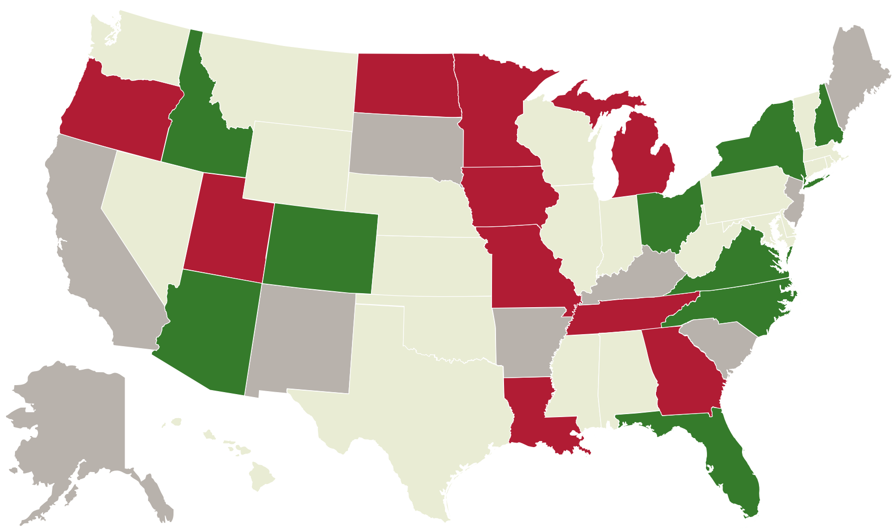
An aggregate ratio of these key metrics was created. Estimated performance metrics (including revenue) were extrapolated, and these figures were then adjusted based on other factors and the experience and judgment of CDM Smith.

Florida, Virginia, and North Carolina are the main states with existing programs from which revenue and fee schedules were used for comparison and estimation of net revenue for West Virginia. A summary of existing data on other states' sponsorship programs can be found in **Chapter 3**, and West Virginia's information is described in **Chapter 4**.

Chapter 3
Existing Information

According to information gathered from the internet (such as the Adopt-A-Highway website) and validated via survey for this study, nine states have sponsorship programs. Additionally, eastern New York, Florida, Idaho, Iowa, Tennessee, and Virginia provided cost and revenue information via the survey. **Figure 3.0** displays how states reported their sponsorship program activity to CDM Smith. Those in green are states with active programs. States colored red have tried and failed at implementing any kind of program. Lastly, those in gray are states that reported having no sponsorship programs. The focus of **Chapter 3** is to describe the existing information gathered and analyzed for the target states, which were outlined in **Chapter 2, Section 2.2.1**.

Figure 3.0: Status of Sponsorship Programs



These states include:

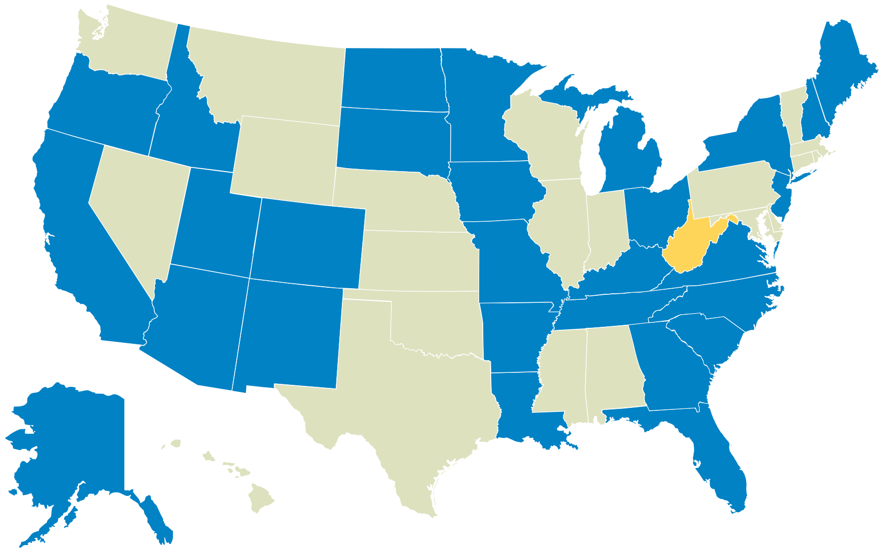
States with a program (Green)
- Arizona
- Colorado
- Florida
- Idaho
- New Hampshire
- New York (Region 1)
- North Carolina
- Ohio
- Virginia

States that tried and failed (Red)
- Georgia
- Iowa
- Louisiana
- Michigan
- Minnesota
- Missouri
- North Dakota
- Oregon
- Tennessee
- Utah

States with no program (Gray)
- Alaska
- Arkansas
- California
- Kentucky
- Maine
- New Jersey
- New Mexico
- South Carolina
- South Dakota

CDM Smith received responses to the surveys from 28 states. Most of these states had either unsuccessful programs or had no program at all. Ten states unsuccessfully tried to establish a sponsorship program, and only nine states succeeded in their implementation. The 47 percent success rate was used to establish an expected value of the sponsorship program. The 28 responding states are represented in **Figure 3.1**.

Figure 3.1: States Responding to the CDM Smith Survey and Tennessee Study



According to the survey responses, states that generated revenue from sponsorships include Arizona, Florida, Iowa, New Hampshire, eastern New York (NYSDOT Region 1), Ohio, and Virginia. These responses, and those indicated in the Tennessee DOT study—included as part of that agency's response—were considered in the revenue estimation for West Virginia. Information from the Tennessee study can be found in **Appendix D: Tennessee Study**.

Ten states have tried to implement a sponsorship program for their rest areas, but they had little to no interest. These states include Iowa, Minnesota, Michigan, Utah, Tennessee, Georgia, Louisiana, Missouri, North Dakota, and Oregon.

3.1 Revenue Data from Other States

Revenue values have been provided by several states that participated in the survey. Of those responses, Florida, Virginia, New York, and Iowa provided numerical data corresponding to their sponsorship program, whether successful and unsuccessful. **Table 3.0** lists the revenue provided by the state DOTs.

Table 3.0: Sponsorship Revenue per State Response to 2018 Survey

State	Revenue
Arizona	$100,000
Colorado	Non-monetary
Florida	See Table 3.1
Iowa	$265,500 (estimated for 3 years)
New Hampshire	$162,245
New York, Region 1	$1,300,000 (over 5 years)
Ohio	$860,000
Virginia	$300,000 (annual)

Florida has the most successful program of responding states. The historical data extends back to fiscal year 2016, which can be seen in **Table 3.1**. Virginia responded

Table 3.1: Sponsorship Revenue in Florida

Fiscal Year	Revenue
2016	$1,015,017
2017	$1,317,333
2018	$1,860,163
2019*	$319,448

**Data as of September 2018*

to the survey stating a $300,000 annual revenue since 2013 when their sponsorships began. NYSDOT Region 1 also responded with a figure of $1,300,000 in revenue over the course of 5 years. Although Iowa's program was unsuccessful, they listed in their survey response that bids were around $265,500 for 3 years, and the lowest bid they received was around $7,500 for a 3-year contract. West Virginia's potential revenue was estimated taking into consideration all of the revenue data collected by and provided to CDM Smith. The universe of sponsors for rest areas and courtesy patrol generally has been limited. For four of the nine states with sponsorship programs, GEICO and/or State Farm are the only major sponsors. Florida, New York, and Virginia have GEICO as a sponsor and Florida, New York, and Ohio have State Farm as a sponsor. Additionally, during the survey process, CDM Smith became aware of another national sponsor that may be interested in rest area or courtesy patrol sponsorship in West Virginia: CVS Pharmacy, which sponsors New York's courtesy patrol.

3.2 Cost Data from Other States

The survey questionnaire requested the costs incurred by the state from the sponsorship program, if there were any. States responding to this question stated that all costs were covered by the sponsor and not funded by money from the state. Iowa DOT responded that had their program been successfully and fully implemented, the initial installation cost was estimated at approximately $32,000.

3.3 Sponsorship Criteria and Related Fees

Although sponsorship opportunities are available to most businesses, the opportunities for increased awareness are particularly beneficial for local and regional companies. Survey responses indicate that often the acknowledgments in other states involve smaller, local businesses as well as large, nationally known companies. Sponsors not allowed to be considered for the programs include topical areas already mentioned in state and federal law. Examples of these, which are common for most of the states with contracts offering sponsor acknowledgments, are the promotion of illegal activities, pornographic material, hate speech, offensive speech, and any participation by hate groups. Any group that has ties with those characteristics is not allowed as a sponsor.

Virginia publishes the estimated monthly payments of sponsors participating in their rest stop and welcome center sponsorship program. These costs were used as a guiding example for what a fee schedule may look like in West Virginia. Virginia's fee schedule is an example of how the revenue from sponsorship in these tourist areas is dependent on how sponsors perceive the value of each of the locations. **Table 3.2** contains estimated impressions and visitation quantities based on the statistics of various roadways available for sponsorship, along with the minimum or "starting" bid for the monthly payments for sponsorship of these facilities.

Table 3.2: Virginia's Sponsorship Fees by Roadway

Safety Rest Area/ Welcome Center	Estimated Annual Highway Signage Impressions	Estimated Annual Rest Area Visitation	Annual Starting Bid	Estimated Monthly Payments
Interstate 64				
Jerry's Run I-64 East	3.4 million	320,000	$10,000	$834
Charlottesville I-64 East	13.6 million	540,000	$20,000	$1,667
Goochland I-64 East	17.5 million	870,000	$26,000	$2,167
Longdale Furnace Alleghany Truck Stop	3.1 million	120,000	$10,000	$834
Charlottesville I-64 West	13.5 million	600,000	$20,000	$1,667
Goochland I-64 West	17.5 million	680,000	$25,600	$2,134

3.4 Advertisement Concerns

Some concerns with sponsorship programs were identified throughout the survey responses. Courtesy patrol sponsorship was a frequently noted concern from respondents, due to the public perception of that program and its reputation. Survey respondents reported public sentiment that courtesy patrols displaying advertisements are unwarranted and unappealing to the public. Respondents also stated that while the purpose of the courtesy patrol is to aid the users of state highways, discrete placement of sponsorship acknowledgment on the vehicles could mitigate this concern of "advertisement overload" for drivers. FHWA's guidance on sponsorship signage within the right-of-way states that signs and advertisements along the roadway may be a source of distraction for the drivers. Signs and advertisements should be simple and not distracting for those driving at high speeds along highways. Advertisement overload along highways is prohibited, and proposals will be denied if this policy is disregarded. Eliminating certain aspects of sponsorship diminishes the perceived value for potential sponsors, as noted by the survey respondents from states describing their programs as unsuccessful. This is described in greater detail in **Section 3.6**.

As mentioned in **Chapter 1, Section 1.1.2**, the line between acknowledgment signs and advertisement signs must be made clear and is noted as a concern for FHWA and the public. FHWA guidance requires that sponsorship programs contain acknowledgment signs representing the funding for the roadway and not the company's services.

3.5 Existing Programs

States with existing programs have identified their program metrics and accomplishments by responding to the survey questionnaire. Generally, responding states indicated that five factors made their programs successful, noting positive net revenue and demonstrating financial feasibility. The main performance factors described in the survey include **sponsor identification, allowable and participating roadways, sponsor incentives, impression statistics,** and **visitor statistics**. Of the states responding to the CDM Smith survey, Arizona, Colorado, Florida, Idaho, New Hampshire, New York (NYSDOT Region 1), North Carolina, and Virginia have stated they have existing and successful sponsorship programs.

3.5.1 Florida

Florida's sponsorship program began in 2014. In fiscal year 2016, revenue was reported at just over $1 million. Most currently, in fiscal year 2018, the entire program realized just under $2 million in revenue. The success of Florida's sponsorship program can be attributed to the tourism opportunities and vast sponsorship types available. Sponsorships are available for the following list of areas within the state:

- Safe phone zones (rest areas, welcome centers, service plazas)
- Toll booth advertising
- 511 sponsorship program
- Safety service patrols (FDOT's Road Ranger Program)
- Florida Turnpike Enterprise Sponsor-A-Highway
- Truck parking availability

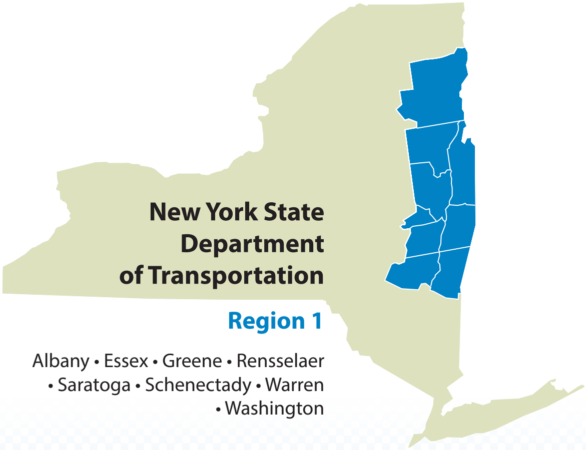
In addition to interstates, primary highways and the turnpikes are available roadways for sponsorships. Florida's Road Ranger program involves more than 100 vehicles that offer and acknowledge sponsorships as well. According to Florida's tourism website, the state had 116.5 million visitors in 2017. There are 53 rest areas and four welcome centers throughout the state, along with 14 tollways within the Turnpike Enterprise. Given the billions of impression opportunities possible within Florida, combined with tourism visitation amounts, sponsors have valuable incentives for participating in the sponsorship program, as evident in the revenue amount generated since 2014.

3.5.2 New York (NYSDOT Region 1)

New York State Department of Transportation (NYSDOT) divides the state into 11 regions, and the response from NYSDOT was limited to the sponsorship program for Region 1. Region 1 includes eight counties in upstate New York, as depicted in **Figure 3.2**.

The sponsorship program for NYSDOT Region 1 was established in 2010 for courtesy patrols and in 2016 for rest areas. Region 1 contains seven rest areas and one welcome center. The eight counties have 5,300 recorded lane miles and 729,000 registered passenger vehicles. NYSDOT installs all of

Figure 3.2: Region 1 of New York State



the signs and outfits the vehicles, while maintenance is managed by the individual counties. There are 52 text stops sponsored by GEICO, which generated $1.3 million over 5 years. No revenue information was provided by NYSDOT related to the HELP patrol (highway safety patrol program in New York).

3.5.3 Idaho

Idaho's sponsorship program began in 2009. The sponsorship opportunities include oasis public/private partnerships with truck stop companies and gas stations. The key metric here was the agreement for partnerships with businesses. While sponsorship of roadside travel oases is allowed, Idaho's program restricts sponsorships at rest areas. Idaho reported all of their sponsorship agreements are non-monetary.

3.5.4 Virginia

Virginia's sponsorship program began in 2013 with its SAVE program and rest area sponsorships. GEICO insurance company sponsors 43 rest areas, and ECPI University sponsors three. Sponsorship of rest areas generated $300,000 annually between 2016 and 2018; however, $200,000 of that revenue was from a now-expired contract. There are currently 46 vehicles in Virginia's courtesy patrol program, managed by a private entity through a contract for these services with the state. The future of Virginia's sponsorship program could become nonexistent due to the expiration of a large contract.

3.5.5 New Hampshire

New Hampshire reported the collection of $162,245 for their service patrol during the 2018 FY. Four vehicles are present along the Turnpike, and one patrols non-Turnpike areas. Rest areas are not sponsored, however. Legislation was created to study the feasibility of a sponsorship program for the purpose of revenue generation. From here, the department was directed to issue a Request for Proposals (RFP) to identify opportunities. An RFP was issued and three companies responded with different models for revenue generation. The contract with the selected company was not executed due to contractor concerns about successfully obtaining revenue through their model. The department did not attempt to contract with other respondents from the RFP or go back out to bid.

3.5.6 Ohio

Ohio had similar circumstances to New Hampshire. An RFP was released in 2012 allowing the successful bidder to develop a sponsorship program and, after approval from ODOT, then implement the plan. ODOT and the successful bidder each would receive a portion of the funds. Since 2012, only State Farm has sponsored the courtesy patrol program within Ohio. There has been no sponsorships of rest stops nor welcome centers. ODOT reported an annual revenue of $860,000 from the 22 courtesy patrol vehicles alone.

3.5.7 Arizona

While Arizona did not directly respond to CDM Smith, there was information on Arizona via the Tennessee study. The following quote is directly from the Executive Summary from Tennessee's DOT.

"Rest areas are managed by a contractor (ICA). ICA sells sponsorships and shares the proceeds with ADOT. As of this year [2014], the only sponsorships in place are 26 GEICO signs placed about 1 mile before each of Arizona's 26 rest areas. ADOT pays ICA $3.5 million to operate and maintain the rest areas, and ICA pays ADOT $100,000 per year from sponsorship proceeds."

3.5.8 North Carolina

North Carolina replied with a small rest area sponsorship program. Also, their version of courtesy patrol, "Motor Assistance Patrol" (IMAP), is sponsored by Farm Bureau. The state did not report any revenue figures.

3.6 Unsuccessful Programs

Two states responded to the survey with very similar experiences indicated that they had tried to implement sponsorship opportunities but that their efforts were met with unsuccessful results. Both Iowa and Utah began their sponsorship studies in 2013 and initiated programs in 2014. In both situations, the sponsorship opportunities failed to pique the interest of sponsors. The failure of the Iowa and Utah programs apparently is due to the lack of interest and the restrictions of state and federal laws. The obstacles encountered by Iowa and Utah could occur in West Virginia and as such, would need to be mitigated thorough a comprehensive outreach and education campaign to understand concerns and allow legislators to make fully informed decisions.

3.6.1 Iowa

Iowa also provided revenue information via their survey response, although their program was described as unsuccessful by the Iowa DOT. Iowa's revenue information was considered when calculating the West Virginia revenue forecasts because Iowa is seen as a similar state in respect to key metrics.

Iowa's sponsorship program was active for 3 years and ceased to exist after the first round of contracts. The sponsor was required to provide mainline signs and rest area building signs, while the DOT installed and removed the signs. While there were no negative responses to the program from the public, it was not well-received by potential sponsors as evidenced by the following quote from Iowa DOT's rest area administrator:

"The sponsorship program was never the 'cash cow' that many had hoped it would be. We found the restrictions both by FHWA and Iowa's roadside advertising laws made this program too restrictive…Potential sponsors did not see the 'bang for the buck' in this program…"

Another insight from Iowa's survey response was the apparent lack of interest from sponsors. Only eight of the 38 available rest stops were engaged for sponsorship, while two additional solicitations produced no responses. Businesses may not have seen the value of sponsorship and acknowledgment for various reasons, such as the perception of too few numbers of impressions, the cost of sponsorship fees, or the availability of better advertising options for their money. Regardless of the reason, Iowa tried to implement a sponsorship program but failed to receive any revenue beyond the first round of contracts.

3.6.2 Utah

Utah also indicated an unsuccessful sponsorship program in their survey response for similar reasons to Iowa. Contracts for sponsorship were awarded in 2016 but were eventually revoked in 2017 due to a lack of activity in the program. Utah's response stated that this was not due to actions or inaction of the participating sponsors but was attributed to the restrictions of Utah state legislation and FHWA limitations.

Utah DOT's maintenance contracts manager described the sponsorship program as "hobbled from the start" because of the perceived lack of value for potential sponsors. Neither sponsorship acknowledgment nor mainline signs were allowed for rest stops, and these are most of the potential for sponsoring. Another hindrance was public and sponsor apprehension regarding the placement of advertisements on courtesy patrol vehicles, as discussed in **Section 3.5**. Eliminating the main benefits of sponsorship left Utah's program with little or no value for potential sponsors.

3.6.3 States that Tried and Failed at Implementing a Sponsorship Program

Table 3.3: States that Tried and Failed at Implementing a Sponsorship Program

	Response Highlight
Georgia	Put out an RFP in 2014 but there was no interest (From Tennessee Study)
Iowa	In 2013, only eight of the 37 rest areas were awarded sponsorship. Fiscal impact was estimated to be $100,000 per year, which never occurred. Program was eliminated after a 3-year contract.
Louisiana	LaDOTD has a sponsorship contract for their motorists to assist trucks and a "blanket" contract for all other state assets, including trucks, facilities, and "everything else." The "blanket" contractor is charged with acquiring sponsors for rest area. However, there has been no interest in sponsorship for the rest areas. (Two RFPs generated no responses.) (From Tennessee Study)
Michigan	Michigan DOT believes that there are legal impediments to businesses at rest areas and advertising on state highway rights of way, and for policy reasons MDOT would not allow these activities.
Minnesota	Minnesota passed a new statute in 2017, MN 160.80, to allow highway sponsorship – the vision is aesthetic upgrades to the right of way. We are not pursuing a fiscal sponsorship, or revenue-generating sponsorship model at this time. Our vision is partnering with businesses and civic organizations to do ROW enhancement and maintenance projects (see fact sheet). Currently MDOT is evaluating all of them. Rest areas – past evaluation was done, and the decision was made to not pursue a fiscal sponsorship model. The same is true of the FIRST (Mn Emergency response vehicles).

	Response Highlight
Missouri	MODOT let a 3-year contract to a single contractor for statewide sponsorship and advertising at rest areas. The contract was to be progressive – $0 for year 1, $50K in year 2, and year 3 was to pay whatever was generated. The contractor was able to sell advertising at kiosks in five of eight rest areas and a few framed wall ads. The program performed so poorly that by the third year, the fee was waived entirely and the contract was not renewed. There are no current plans to further pursue sponsorship. (From Tennessee Study)
North Dakota	No sponsorship program – proposed legislation that did not pass.
Oregon	Oregon DOT has a sponsorship acknowledgment program specific to safety rest areas. The program was created in response to an inquiry to provide on-site acknowledgment of possible donations for a specific Interstate rest area project. Since sponsorship acknowledgment signs are allowed by federal regulation, Oregon adopted administrative rules to outline a program. The program requires a competitive process for the selection of the sponsor. Sponsorships may be solicited for the development, maintenance, and operation of the entire rest area or a specific feature of the rest area and would be documented in a rest area sponsorship agreement. However, after developing the program, the potential sponsorship opportunity did not come about and there has not been another opportunity.
Tennessee	Meager returns for sponsorship programs. The following reasons were cited by almost every state, even those with sponsorship programs in place: Approval process too ambiguous/convoluted/time-consuming/costly. FHWA rules for rest area sponsorship are too restrictive. There is little to no interest among potential sponsors. Sponsorship revenues fall far short of being enough to meaningfully offset costs of operation and maintenance of rest areas. Tennessee was recommended not to implement a sponsorship program. Rest area sponsorship programs have not proven to date to provide any significant revenue for state DOTs that will help offset operational costs. The small revenue that is generated is diminished by administrative costs. Texas and Iowa have estimated their administrative costs to be about $1,000 per year. Tennessee's estimated administrative costs would likely be in the range of $1,000 per year. Given the four primary reasons cited by other states that are listed above and considering that there is a very high probability that those problems would be common to Tennessee as well, it is recommended that Tennessee DOT not pursue rest area sponsorship at this time.
Utah	In 2016, Utah awarded a sponsorship contract. In 2017, the contract was canceled due to lack of activity. Limitations, imposed on the program by the legislative process in Utah and FHWA caused failure. Concerns with sponsorships included: Competition with the Outdoor Advertisers Association Public perception/recognition of SSP/IMT vehicles during accidents, emergencies, and disasters.

3.7 Tourism

Tourism statistics and numbers of visitors to rest areas were an important source of correlation data in developing revenue forecasts for West Virginia. The annual visitors coming to and through the state of West Virginia allow for impressions on advertisements along the roadways. These impression amounts provide a quantifiable potential for value to the sponsorship program and incentive for business marketing. As described in **Chapter 1**, 70 percent of consumers are impacted by roadside acknowledgments, which influence their future spending.

Table 3.4 lists the number of visitors to each target comparison state and their associated tourism spending on an annual basis. These target states are all part of the Appalachia Region, with the exception of Florida. The Appalachian Mountains are a popular hiking, camping, and site-seeing destination in the eastern U.S., drawing visitors locally and nationally. West Virginia benefits from this tourist traffic and could potentially capitalize on it further through a sponsorship program. Included in the tourism values are rest area usage and travelers passing through the state.

Table 3.4: Tourism Visitors and Spending per State in 2017

State	# of Visitors in Millions	Billions in Visitor Spending
West Virginia	**65**	**$4.1**
Florida	117	$109
North Carolina	101	$24
Ohio	219	$35
Virginia	46.5	$25

**Data is from state tourism websites and annual report documents*

3.7.1 Tourism Characteristics of Target States

Florida, with over 117 million annual visitors, offers internationally renowned attractions such as Disney World, Universal Studios, 1,350 miles of coastline, and major urban areas. Other attractions in Florida are the Everglades, the Florida Keys, military bases, and the state's many beaches. North Carolina, with over 100 million annual visitors, has attractions and ocean access, as well as national and state parks and military bases. Ohio welcomes 219 million annual visitors and has attractions such as the amusement park Cedar Point, national and state parks, and the Rock and Roll Hall of Fame. Ohio also has Lake Erie shoreline along its northern border. Virginia attractions include Virginia Beach, national and state parks in the Washington, DC area, and numerous natural and historic attractions, and the commonwealth sees 41 million annual visitors.

Trips spanning multiple states contribute to the counts at rest areas and to visitor spending. One illustrative example of this is a trip using the entire length of I-75. The interstate crosses six states starting in Michigan and ending in Florida. Stops along the trip from Michigan to Florida contribute to visitor amounts and spending for each state.

3.8 Rest Stops and Welcome Centers

Rest area acknowledgments are a valuable opportunity for a sponsorship program, as indicated in the survey responses of successful and unsuccessful programs and as described in previous sections of this chapter. The number of rest areas (the combination of rest stops and welcome centers) and their annual visitor amounts are listed in **Table 3.5**. A majority of the rest areas are located along interstates, adding even more impression amounts from "through" and "to" travelers and state visitors.

Table 3.5: Number of Rest Areas and Visitors to those Areas

State	# of Rest Stops/ Welcome Centers	# of Annual Visitors in Millions
West Virginia	**15**	**11.5**
Florida	57	Not Available
North Carolina	28	37.9
Ohio	37	13.7
Virginia	41	29.9

**Data is from survey responses and state GIS maps*

Perceived sponsorship value can be theoretically quantified based on the number of views a company's acknowledgment signs may receive. The potential for outreach to customers who might not know about local businesses increases in accordance with traffic volumes, especially in highly traveled tourist corridors. However, the limitations on size and information that can be placed on the sponsorship signage dampens the positive impact of the improved name recognition.

3.9 Courtesy Patrols

Courtesy patrols for state highway systems offer aid to drivers and valuable acknowledgment opportunities for potential sponsors. Public perception of the patrols is highly favorable, allowing for a positive association for the sponsor. For example, if a stranded driver receives help from a state-owned patrol vehicle, and they see State Farm sponsors the program, they could consider the other services provided by State Farm for their future insurance needs—eventually benefiting the sponsor. Therefore, the sponsorship of patrol fleets is a potentially lucrative opportunity that can impact hundreds of thousands of motorists annually. **Table 3.6** details the number of vehicles in each state's patrol and if the program is publicly/privately operated.

Table 3.6: Number of Vehicles in State Courtesy Patrols and their Operators

State	# of Vehicles in the Courtesy Patrol	Public/Private Operation
West Virginia	**26**	**INCIDENTCLEAR, LLC**
Florida	121	FDOT, Ranger Road
North Carolina	70	State Farm
Ohio	22	State Farm
Virginia	46	Private

**Data is from survey responses and state DOT websites*

The number of vehicles in a patrol fleet increases the potential for views of sponsorship acknowledgment signs. From existing programs in the target states, the operation and management activities reported are varied by both public and private programs. Despite the possibility for advertisement overload discussed in the "Concerns" portion of **Section 3.5**, understated or discreet decals are available for acknowledgment of sponsors.

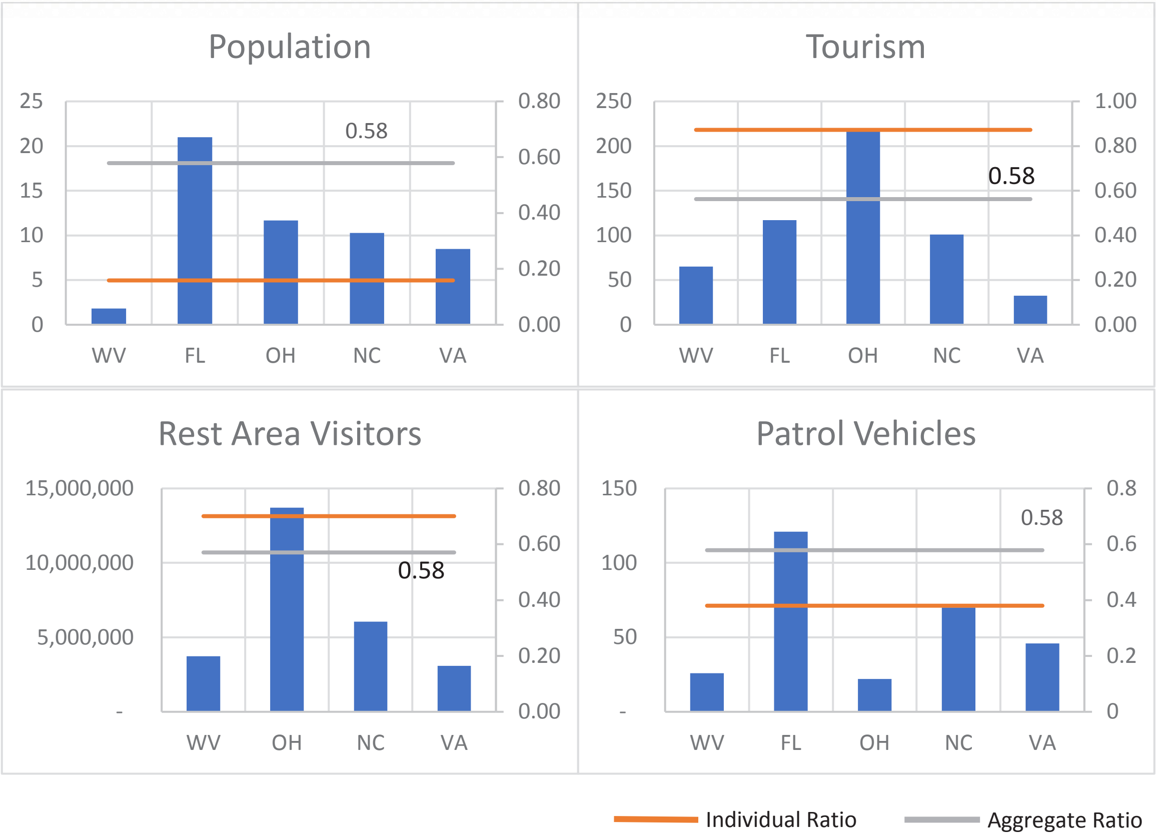
3.10 Correlations

Correlation values were calculated based on the previously described metrics and characteristics to develop an average association ratio for extrapolation to the West Virginia forecast. The various ratios generated were from state population, visitors via tourism, rest area counts, and courtesy patrol values. Extended calculations for these values can be found in **Appendix A: Calculations**.

Figure 3.3 displays each target state's population as of 2017. Florida has the highest population with nearly 21 million residents, while West Virginia has the lowest population of the depicted states, with nearly 2 million residents. The ratio is 0.16 of the average of West Virginia to the other states.

Demonstrating tourist travelers, **Figure 3.3** displays each state's annual visitor amounts, according to tourism data. Ohio has the largest number of visitors of the depicted states, at 219 million annual visitors, while West Virginia had the fewest, at 65 million. The ratio between the average of West Virginia to each state is 0.87.

Figure 3.3: Correlation Charts



The cited rest area visitation totals include visitors to both rest stops and welcome centers. Based on other states' survey responses and information from state tourism websites, North Carolina, Virginia, and West Virginia had readily available counts that were included in the study database. In 2017, West Virginia had 3.7 million rest area visitors, North Carolina had 6.1 million, and Virginia had 3.1 million. The overall average of ratios from population, tourism visitors, and rest area visitation is 0.58. The revenue forecast for West Virginia incorporates this average correlation factor and is further analyzed based on revenues discussed in **Section 3.2**. Additionally, the revenue is impacted by the occupancy average and impression estimates, all of which is discussed in **Chapter 4** for commentary and **Appendix A** for calculations.

Chapter 4
West Virginia Information

West Virginia is 24,000 square miles in area and is home to more than 1.8 million people. Approximately 65 million visitors travel to and through West Virginia, bringing $4.1 billion in tourism revenue to the state in 2017. Key advertising markets include Washington, DC; Cleveland and Columbus, Ohio; Pittsburgh and Harrisburg, Pennsylvania; Roanoke and Richmond, Virginia; Baltimore, Maryland; and Charlotte, North Carolina. Major attractions within the state include:

- The Capitol, Charleston
- Harpers Ferry National Historical Park, Harpers Ferry
- Snowshoe Mountain, Snowshoe
- Seneca Caverns, Riverton
- New River Gorge Bridge, Fayetteville
- Blackwater Falls State Park, Davis

These major landmarks and attractions could be prime areas for sponsorship on roadways leading to their locations.

Figure 4.0: West Virginia Interstates

4.1 The West Virginia Highway System

There are seven interstate highways crossing West Virginia (**Figure 4.0**). The longest spanning highways are I-64 and I-77. I-64 runs east and west through the southern portion of West Virginia, connecting to Kentucky and Virginia. It combines with I-77, which runs north and south through the center of West Virginia, connecting to Ohio and Virginia. **Table 4.0** lists all the interstates in West Virginia, their lengths, direction, and annual average daily traffic (AADT) amounts for possible interstate sponsorship routes.

Table 4.0: Interstate Highways in West Virginia

Interstate	Length (miles)	Direction	AADT
I-64	184	East/West	57,905
I-68	32	East/West	26,219
I-70	15	East/West	38,670
I-77	187	North/South	34,606
I-79	161	North/South	28,101
I-81	26	North/South	59,098
I-470	4	East/West	36,541

4.2 Appalachian Development Highway System

In 1964, economic growth in Appalachia would not be possible until the region's isolation had been overcome. The Appalachian Regional Commission developed the Appalachian Development Highway System (ADHS) to build roadways through the Appalachian region. ADHS is an active program in 2018, 54 years later. The program is authorized to build 3,090 miles of highway, and at the end of fiscal year 2017, 90.5 percent of those miles were completed or under construction.

Five routes pass through West Virginia. These routes and their lengths inside the West Virginian borders are listed in **Table 4.1**.

Figure 4.1: Map of the Appalachian Region and ADHS Miles

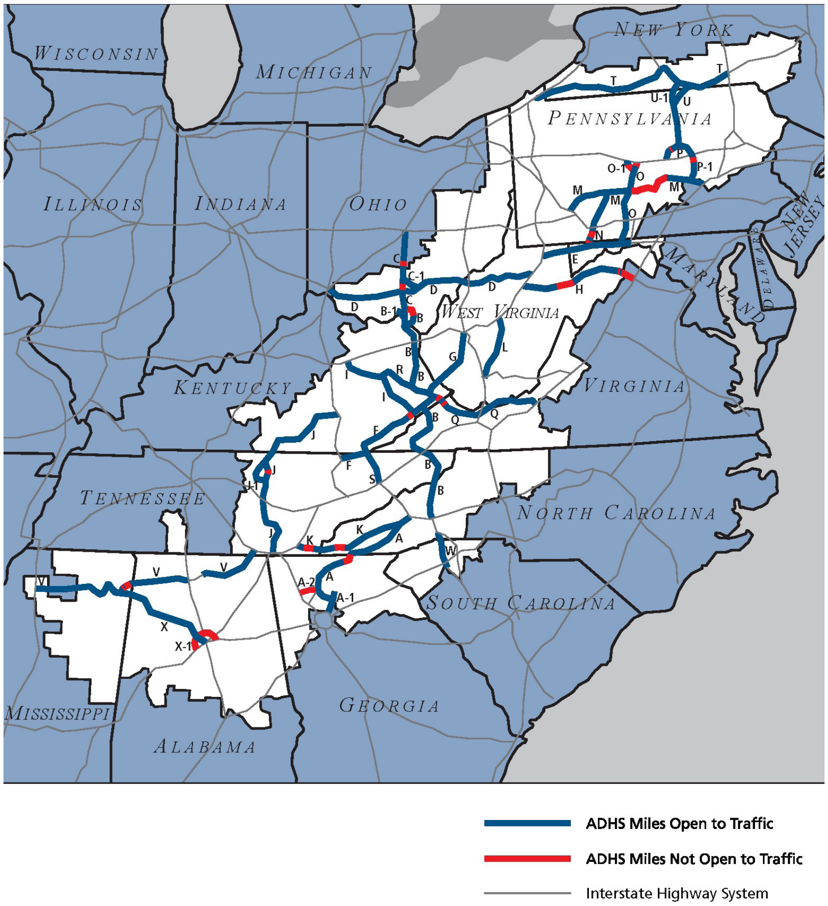


Table 4.1: ADHS Routes within West Virginia

Route	Miles
US-50	82.3
US-19	69.9
US-119	2.14
US-460	27.2
US-33	133.6

4.3 Rest Stops and Welcome Centers

West Virginia has 15 rest stops and welcome centers, all located on the interstates listed in **Section 4.1** (see **Figure 4.2**). **Table 4.2** shows a breakdown of rest area visitors per interstate, and **Table 4.3** lists the individual welcome centers and their number of visitors. The welcome centers are staffed by full-time West Virginia Division of Tourism employees who assist travelers and provide tourism information. There are an additional six stops along the Turnpike.

Figure 4.2: West Virginia Rest Stops, Service Plazas, and Welcome Centers

The national average occupancy factor is 1.14 people per vehicle, according to the *2014 Performance of High-Occupancy Vehicle Facilities on Freeways in the Washington Region* study by CDM Smith, dated October 2015. The same study suggests the lowest incidence of vehicle occupancy is attributed to single drivers commuting to and from work. The average occupancy amount is increased due to carpooling and for reasons such as church, school, social events, and traveling. Frequently, however, vehicles have a single occupancy: the driver.

Nearly 3.7 million drivers use the six interstates listed in **Table 4.2**. Given the number of motorists and the average occupancy of 1.14 persons per vehicle in West Virginia, 6.8 million possible impressions are possible for sponsors.

Table 4.2: Number of Visitors to Rest Stops/Welcome Centers by Interstate in 2017

Interstate	Number of Visitors to Rest Stops/Welcome Centers	Estimated Impressions
I-64	856,400	977,200
I-68	325,500	371,400
I-70	295,700	337,400
I-77	220,400	251,500
I-79	494,300	564,000
I-81	1,545,000	1,763,000

The individual welcome centers could also provide nearly 500,000 impressions if sponsorships were to be placed at the entrances and/or exits of these roadside stops. Welcome centers in West Virginia are staffed during normal business hours, associating sponsoring businesses with a positive, welcoming connotation.

Table 4.3: Number of Visitors to Specific Welcome Centers in 2017

Welcome Center	Annual Visitors	Estimated Impressions
Huntington	40,900	46,671
Wheeling	22,800	26,017
Williamstown	40,000	45,644
Morgantown	25,000	28,527
Falling Waters	66,900	76,339
Inwood	53,700	61,277
Hazleton	13,300	15,177

4.4 West Virginia's Turnpike

The West Virginia Turnpike is located in the central region where I-64, I-77, and I-79 combine for 88 miles running north and south. Along that route, there are three service plazas, a welcome center, a rest area, and the Tamarack Visitor Center (**Figure 4.3**). The Turnpike has all of the service (travel) plazas in the state. Service plazas have considerable advertisement and sponsorship latitude compared to sponsorship opportunities offered along the highway right-of-way, as there are no directly applicable FHWA or state laws and regulations. The total estimated number of impressions along the Turnpike is nearly 800,000.

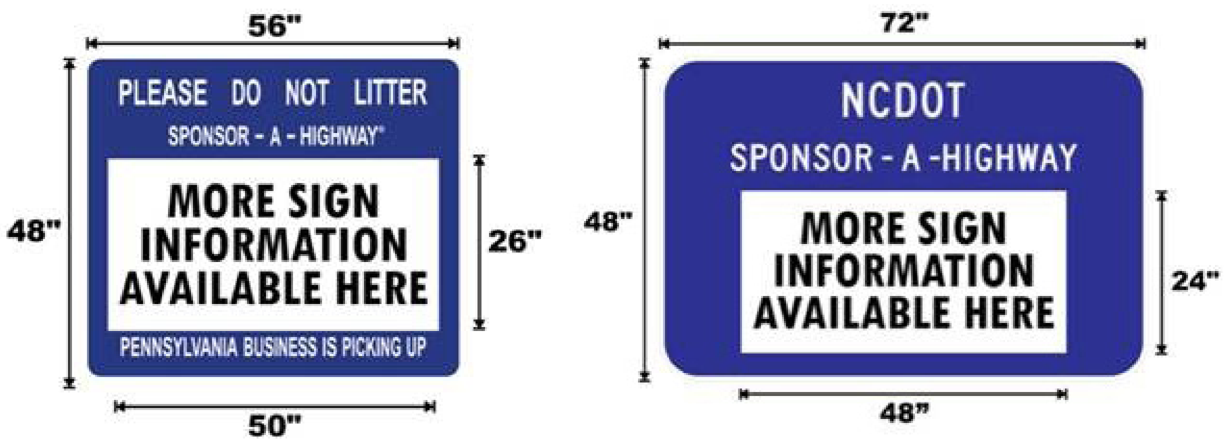
Figure 4.3: Tamarack Visitor Center

The West Virginia Parkways Authority (WVPA) published a Revenue Generation Policy in September 2018 listing the procedures for sponsorship along the Turnpike. If the Turnpike implements their sponsorship program available through the Revenue Generation Policy, DOH could view their program as a pilot for what the DOH may expect. Generally, the DOH or WVPA installs the acknowledgment signs, and the sponsor removes the signs when the contract expires or is terminated. Restrictions on sponsor acknowledgments include the prohibition of non-commercial proselytizing of a captive audience, maintaining a neutral position on political and religious issues, and limiting the likelihood of vandalism. These restrictions are similar to the sponsorship guidelines required for signs outside of the Turnpike.

4.5 Sign Structure

The structure of the sponsorship signs impacts the cost of the program. The range of expenses for simple, small signs to larger, taller signs varies between $1,000-$10,000 per sign. Therefore, the signs of neighboring states were compared to assess the costs that may be expected for the West Virginia program. Examples of Pennsylvania and North Carolina signs can be seen in **Figure 4.4**. The cost of the sign varies with the logo size offered for sponsorship, location of the signs, material selection of the sign structure, and foundation requirements.

Figure 4.4: Pennsylvania (left) and North Carolina (right) Sponsor-A-Highway Signs



The cost of the Pennsylvania sign example is in the low end of the range mentioned earlier. This size does not require foundations for the poles, and the sign has significantly less area when compared to the North Carolina sign example. The North Carolina sign cost is in the higher end of the range due to the necessity for foundations, longer supports, and a larger area of sign material. Though the Pennsylvania sign is less expensive, a sign with more area has higher visibility to drivers traveling at high speeds on the interstates.

The cost of the sign was calculated using West Virginia's average unit price information for sign fabrication and installation for the entire sign structure. The initial cost per sign is approximately $6,000, while the cost to replace the sign panel itself is around $360. Calculations can be found in **Appendix B: Sign Calculations**.

4.6 West Virginia's Courtesy Patrol Fleet

An existing purchase order was executed in June of 2018 for INCIDENTCLEAR, LLC to operate the courtesy patrol program in West Virginia (see **Figure 4.5**). Costs were listed throughout that purchase order. Thirty-six vehicles are included in the package, and the DOT is required to supply a majority of the materials. Sponsorship of the courtesy patrol program could subsidize the costs of the program paid by the DOH.

Figure 4.5: West Virginia's Courtesy Patrol Vehicle and Logo

INCIDENTCLEAR's purchase order stated that only 26 vehicles would be operating at one time, while the remaining vehicles will be used as back ups. These 26 vehicles could provide over 4 million impressions along the interstates. Roadways with more vehicles are subjected to higher fees for the sponsor.

TKO Graphix was used to estimate the cost of the decals. For a 2'x2' colored decal, the cost is $30, not including any graphic design fee nor installation fee.

4.7 Entities Contacted for Sponsorship Interest

If a sponsorship program is established, potential sponsors would be screened by WVDOT (the governing agency) for compliance with FHWA requirements, including safety, free flow of traffic, and ensuring the sponsorship is in the public interest and that the sponsor activities will not promote any activities that would in any way have a negative impact or dishonor/discredit the state or WVDOT.

Twenty-six potential sponsors were contacted to gauge demand by sponsors for sponsorship opportunities. Large corporations currently involved with other state programs were contacted, along with associations and alliances of smaller companies, to judge their interest in sponsoring a facility. The associations were contacted to determine if there is sponsorship interest from groups concentrated on West Virginia roadway corridors, grouping numerous small businesses to sponsor a facility and providing recognition for all while sharing the cost.

Several entities contacted during the survey have requested that a proposal be created before the company would commit to a sponsorship program. The associations contacted have either not responded or responded that they do not currently have funding available for sponsorship. Developing multiple proposals and communicating with these entities could be a significant effort and does not ensure the acquisition of sponsors.

To support this study, the following potential sponsors were contacted:

- Chemical Alliance Zone
- Polymer Alliance Zone
- West Virginia Hardwood Alliance Zone
- Pfizer Inc
- State Farm Insurance
- CVS Headquarters
- Friends of Coal
- West Virginia Insurance Federation
- West Virginia Independent Oil and Gas Association (IOGA WV)
- Contractors Association of West Virginia
- West Virginia Oil and Natural Gas Association
- West Virginia Manufacturers Association
- West Virginia Retailers Association
- West Virginia Development Office
- West Virginia Chamber of Commerce
- West Virginia Department of Commerce

- West Virginia Municipal League
- West Virginia Association of Counties
- West Virginia Freight/Truck Council
- GEICO
- High-Tech Corridor of Morgantown/Fairmont Area
- McGriff Insurance Services (part of BB&T Bank)
- Mylan Pharmaceuticals Inc.
- Nationwide Insurance
- Travelers Marketing
- Virginia Trucking Association

Overall, the outreach results of this effort were poor. Only the West Virginia Insurance Federation indicated that they would discuss the potential sponsorship with their board of directors, but we have not confirmed any action was taken, although we made several attempts to follow-up on the results.

After discussing the initial results with DOH, a second outreach effort was made to 15 associations/federations/alliances that were a part of the initial potential sponsorship outreach. CDM Smith specifically asked for contact information for any members who they considered likely to be interested in becoming a sponsor and then reaching out to those potential sponsors. In addition, we reached out to AAA and four West Virginia towing companies to gauge towing companies interest in sponsorship. Respondents to this second outreach effort were poor, with only the West Virginia Manufacturer's Association sending an email to all of their members with no responses received indicating interest, and no towing companies responding to our calls or emails.

For both outreach efforts combined, nine respondents indicated that they would need a proposal to evaluate their interest. The rest of the outreach effort resulted in no responses or negative responses to our inquiry. All responses are captured in the **Appendix E: Sponsorship Outreach** to this report.

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Chapter 5
West Virginia Cost, Revenue, and Net Revenue Forecast

The overall value for the net revenue of a sponsorship program is positive. The costs, revenue, and resulting net revenue for all sponsorship types combined are shown in **Table 5.0**:

Table 5.0: Total Fee-Based Sponsorship Costs, Revenue, and Net Revenue

Total	Year 1	Year 2	Year 3
Cost	$ 182,416	$ 7,473	$ 7,473
Revenue	$ 272,531	$ 272,531	$ 272,531
Net Revenue	$ 90,116	$ 265,058	$ 265,058

Over 6 years, there is an 18 percent growth in net revenue.

The estimated costs for implementation and administration of a sponsorship program are listed here, separated into implementation activities and annual administration activities.

Implementation Activities

- Development of policies and procedures
- Development of template for sponsorship contracts
- Website modifications
- Information materials
- Outreach to the business community activities
- Signage at rest areas notifying of sponsorship opportunities
- Training of primary and supporting personnel
- Modifications and/or set up of accounting systems to track sponsorship contracts, start dates, and end dates for sponsorship term

Annual Administration Activities

- Contract execution
- Contract management
- Email and other correspondence with sponsors
- Sign set-up and take-down enforcement activities
- Website updates
- Training new staff when turnover occurs, periodic refresher, and update training

The assumed staffing roles and rates for the major cost driver activities are listed below.

Implementation Staff

- Leadership
- Attorneys
- Accounting personnel
- Contract management
- Automation
- Trainers

Implementation Staff Activities Costs

- Blended rate: $68 per hour
- Blended rate for outside professionals: $96 per hour
- Printing costs of marketing materials: $15,000
- Mileage reimbursement: $109
- Other incidentals: $500

The approximate blended rate is $68 per hour – *$80,000 average annual salary / 2080 hours X 1.76 for benefits X 500 hours = $34,000*. For external professionals such as attorneys, engineers, marketing, and contracting expertise, there is a similar salary breakdown – *$100,000 average annual salary / 2080 X 2 for benefits and overhead X 500 hours = $48,000*.

These implementation costs are not treated as sunk costs and are incorporated into the costs for each scenario. External staff resources salaries and expenses are estimated to be approximately $48,000. Printing for marketing materials is estimated around $15,000. Mileage and other incidentals are estimated to cost around $609. Together, the implementation costs are approximately $63,609 for each scenario.

Annual Administration Activities

- Contract managers at headquarters
- Office managers at maintenance sections
- Accounting personnel
- Automation personnel
- Trainers

Annual Administration Staff Activities Costs

- Blended rate: $34 per hour
- Mileage reimbursement: $109
- Other incidentals: $200

Four sponsorship program scenarios are described in this chapter. In developing Scenarios 1 and 2, cost, revenue, and net revenue projection research was conducted to gather other states' acknowledgment sign location, cost, and revenue data. Nowhere did the research discover that sponsorship of roadways not adjacent to rest areas or welcome centers was a viable revenue opportunity. As such, no data was compared and utilized for West Virginia cost and revenue forecasts for these locations, and non-rest area adjacent interstate locations are not included in the Scenario 1 and 2 findings. Costs for non-rest area adjacent interstate sponsorship acknowledgment signage was calculated for each 10-mile section of West Virginia interstate highways. This is a simple function of dividing the interstate mileage by 10 and multiplying the result by the cost of signage. However, due to the lack of comparison revenue information, the study cannot accurately estimate revenue for these locations in West Virginia.

The option of sponsoring non-courtesy patrol state vehicle fleets was omitted due to the lack of comparisons for potential revenue forecasts. There was little to no information about state non-courtesy patrol vehicles nor the sponsorship of those vehicles. Concerns of sponsoring non-courtesy patrol vehicles include the public perception of the state—similar to courtesy patrol concerns listed in **Chapter 1, Section 1.3.3**. In addition, sponsors cannot be guaranteed that their logo will be seen due to the uncertainty of vehicle utilization throughout the year. There are no set guidelines for where these vehicles travel nor how often they are used; therefore, no guarantees can be made to potential sponsors.

Given that the performance of the administrative and implementation activities described in the previous section will be performed by existing WVDOT staff, these costs were assumed to be sunk costs and were not included in the calculation of net revenue under each scenario. Costs were developed based on information provided by DOH and typical unit prices for items such as signs and detailing. Complete explanations of calculations for cost, revenue, and net revenue can be found in **Appendix A: Calculations**. The following scenarios for sponsorship program packages were evaluated, priced, and forecast for revenue:

Scenario 1 .... Rest Areas without the Turnpike

Scenario 2 .... Rest Areas with the Turnpike

Scenario 3 .... Courtesy Patrol Fleet

Scenario 4 .... Combination of Scenarios 2 and 3

Due to the nature of the sponsorship programs in other states mentioned previously in this report, two forecasts were created. A ratio-based revenue and a fee-based revenue forecast were created to logically and practically represent the future of West Virginia's revenue. Both forecasts are presented for each scenario in the rest of this chapter.

The ratio based forecasts are derived purely from statistical data, drawing comparisons from other state's figures with little context applied. West Virginia's ratio-based revenue forecast is derived from the ratio-based formula as described in **Chapter 2**, which unsurprisingly results in figures that are significantly higher than other states' revenue generating experiences, with the exception of Florida.

To more closely align the revenue forecast results with actual sponsorship programs in other states, a fee-based revenue forecast was also created to present a practical potential structure for West Virginia's revenue. Considering the unique characteristics of Florida—including extraordinary tourism, population growth, and overall economic expansion trends—the likelihood of West Virginia achieving relatively similar performance to Florida is low.

Due to the nature of the sponsorship programs in other states mentioned previously in this report, two forecasts were created. Ratio-based and fee-based revenue forecasts were created to provide different perspectives of West Virginia's revenue potential based on fee data collected from other states and, in particular, Virginia. To factor in the likelihood of realizing the costs and revenues reflected in this report, an expected value was also estimated by considering that only nine of the 19 states that tried to establish a sponsorship program—through attempts to pass legislation, research, or issuance of an RFP—were successful. As a result of the 47 percent success rate (nine successful of the 19 total states that attempted) costs and revenues were reduced to reflect a realistic expected value of costs and revenues for West Virginia. Furthermore, to counter the overly optimistic assumption in this chapter that all rest areas will secure a sponsorship under the fee-based revenue approach, no additional revenues were assumed to be generated from the sponsorship of highways nor through sponsorship of the ADHS, which were assumed to be a part of this program. Both ratio-based and fee-based revenue forecasts are presented for each scenario in the rest of this chapter for reference purposes, but all conclusions included in **Chapter 6** and the **Executive Summary** are based on the fee-based revenues forecasts.

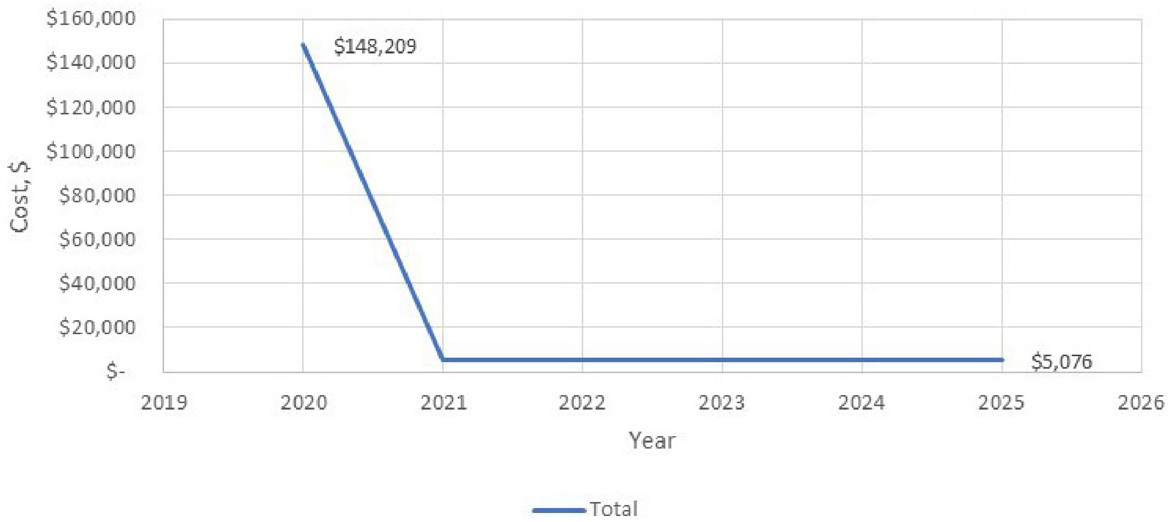
The first-year implementation cost for external support implementation cost for all scenarios is estimated to be $63,609. Also, there were no additional costs assumed for periodic updates and training that are also likely to occur. In the interest of simplicity and clarity around the results, escalation was not applied to any of the costs; however, it is likely that escalation of between 2 percent and 4 percent each year could be expected. Sunk costs for DOH personnel are not included in any of the scenarios.

5.1 Costs for Each Scenario

The main cost driver for the sponsorship is acknowledgment sign production. A range of sign costs are possible depending on the complexity of sign structures installed (the signage costs are described in greater detail in **Chapter 4**); however, an average of $6,000 per sign is used for generating the net revenue scenarios in this study. The cost includes labor, materials, and installation for each sign. It is assumed that there will be one sign included in each direction for the sponsorship per allocated site. For each scenario, an additional cost during the first year, approximately $63,609, involves external support for assisting the program implementation. Signage costs were also reduced to 47 percent to reflect the expected value and described in the introduction to this chapter.

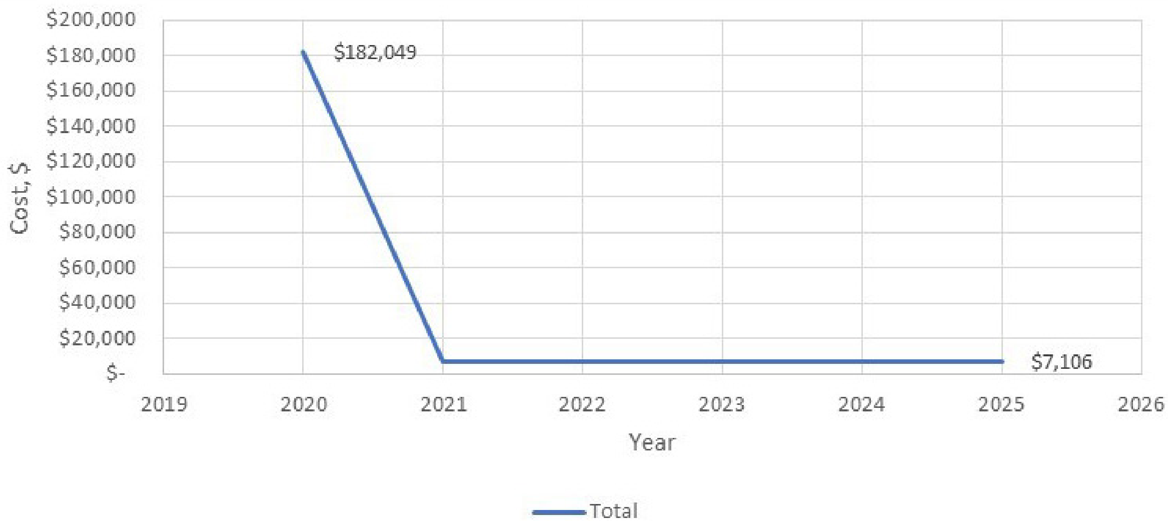
Scenario 1: Rest Area Sponsorship has 15 spots available: nine welcome centers and six rest areas. Year 1 cost is approximately $148,209. After year 1, if a new sign is needed, the sign panel replacement cost is $360. Replacement of $5,076 occurs annually; however, if the contract lasts longer than a year, these reoccurring costs are diminished.

Figure 5.0: Scenario 1—Rest Area Sponsorship Costs



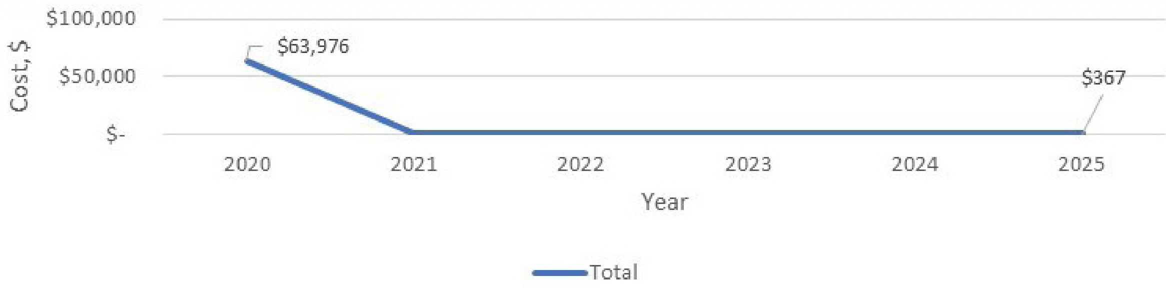
Scenario 2: Rest area and Turnpike sponsorship has 21 spots available: nine welcome centers, six rest areas, and six Turnpike areas. The year 1 cost is approximately $182,049. After year 1, the sign panel replacement costs $360. The year 6 cost is $7,106. The same condition mentioned in Scenario 1 applies here as well: if the contract lasts longer than a year, the replacement cost annually is diminished.

Figure 5.1: Scenario 2—Rest Area and Turnpike Sponsorship Costs



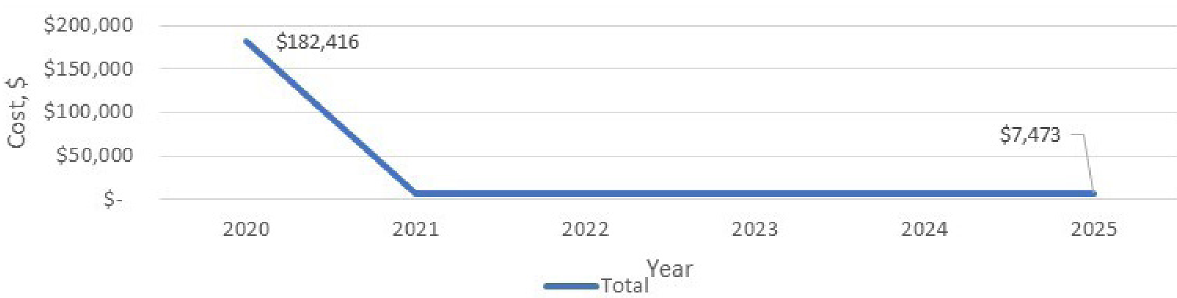
Scenario 3: Courtesy patrol fleet involves the decals needed for acknowledgment on the vehicles. A 2′x2′ colored logo decal was assumed for size and quality. It would cost $30 per decal according to TKO Graphics. The year 1 cost is $63,976, and $367 in year 6. Year 1 includes the implementation cost of $63,609. Contracts lasting longer than a year would reduce the annual replacement cost similar to scenarios 1 and 2.

Figure 5.2: Scenario 3—Courtesy Patrol Fleet Costs



Scenario 4: The combination of all sponsorship types includes rest areas, the Turnpike locations, and the courtesy patrol fleet. A comprehensive and fully active sponsorship program would cost $182,416 in year 1 and $7,473 every year after, assuming everything is being replaced on an annual basis.

Figure 5.3: Scenario 4—Combination of All Sponsorship Types Cost



5.2 Fee-Based Forecasts

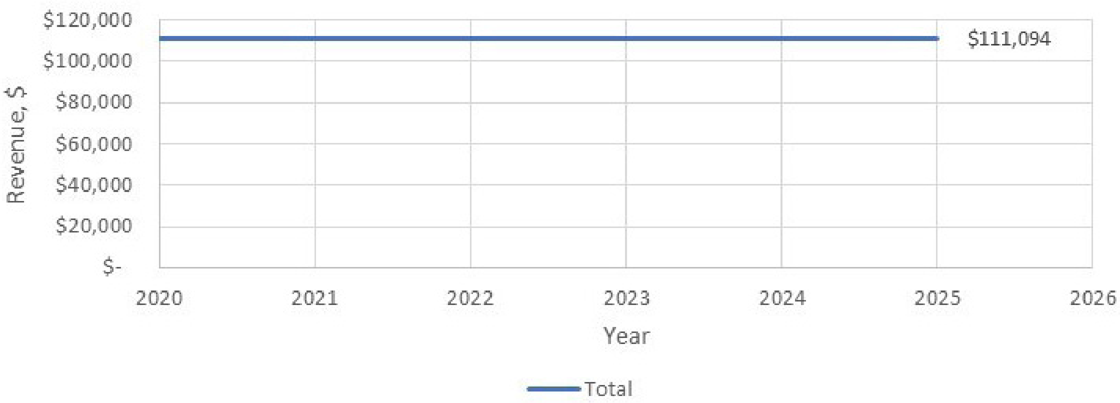
To more closely align the revenue forecast results with actual sponsorship programs in other states, a fee-based revenue forecast was created to present a practical potential structure for West Virginia's revenue. Considering the unique characteristics of Florida—including extraordinary tourism, population growth, and overall economic expansion trends—the likelihood of West Virginia matching the performance of Florida is low. Therefore, we placed greater emphasis on the actual fees collected in other states and applied an approach similar to Virginia's unit calculation methodology. This approach excludes Florida from the estimation process, as it is an outlier compared to the experiences of other states. As described in the introduction to this chapter, 19 states tried to establish a sponsorship program, and only nine of those succeeded in their implementation. As a result, revenues were also reduced to 47 percent of calculated amounts to reflect the expected value, as described in the introduction to this chapter.

5.2.1 Scenario 1

Scenario 1 includes rest areas and welcome centers along the interstate highway system in West Virginia. There are 15 rest area sites, eight welcome centers, and five rest areas. Sponsorship fees could be increased for sponsor acknowledgment at a welcome center; however, welcome centers were treated the same as rest areas for this study.

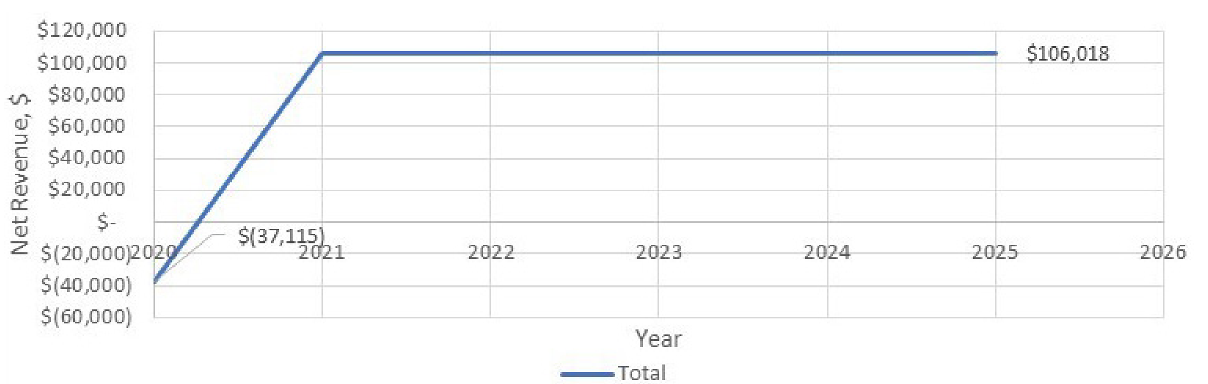
The annual fee for the sponsor was estimated to be $7,406 based on the cost of two sponsorship signs, one in each direction approaching a rest stop or welcome center. If all of the sites are sponsored, there is a revenue generation potential of $111,094 annually.

Figure 5.4: Scenario 1—Fee-Based Revenue



A net revenue-based on fees for Scenario 1 in year 1 is a deficit of $(37,115); but, in the years after there is approximately $106,018 in positive net revenue. The initial deficit is due to the large amount of first-year costs, including the fabrication of entire sign structures and implementation activities. After year 1, the only cost is the sign panel replacements, thus a higher retention of the revenue.

Figure 5.5: Scenario 1—Fee-Based Net Revenue



5.2.2 Scenario 2

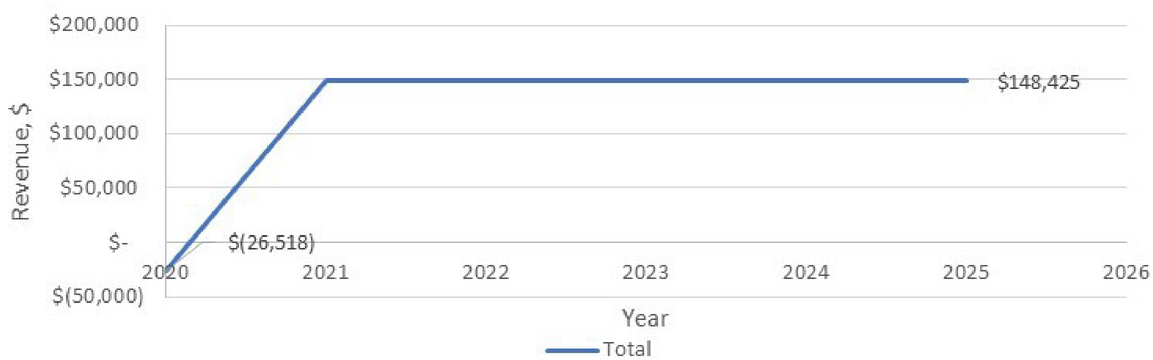
Scenario 2 includes sponsorship of rest areas along the interstate highway system in West Virginia and encompasses those on the Turnpike as well. Therefore, 21 sites are available for sponsorship due to the additional six locations from the Turnpike. The revenue and net revenue figures disregard any current sponsorship programs existing along the Turnpike.

By including six more sites, the revenue in year 1 is approximately $155,531 annually. The fee for sponsors is the same as Scenario 1 at $7,406 per site. Adding the Turnpike sites, there is an additional $44,000 in potential revenue annually compared to Scenario 1.

Figure 5.6: Scenario 2—Fee-Based Revenue

Similar to Scenario 1, the net revenue in year 1 is significantly lower due to the high year 1 costs, and the years afterward stabilize with the lower annual cost. Year 1 has a deficit net revenue of $(26,518) while the years after produce $148,425 annually.

Figure 5.7: Scenario 2—Fee-Based Net Revenue

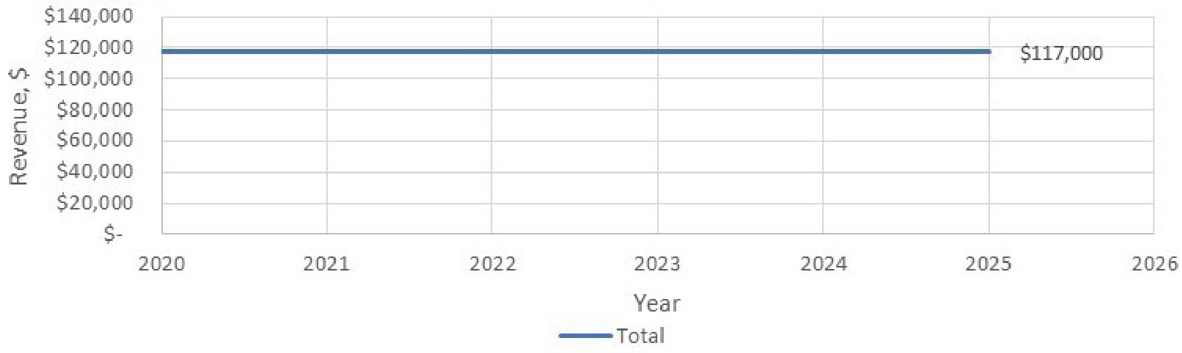


5.2.3 Scenario 3

Scenario 3 includes sponsorship of the courtesy patrol fleet only. The patrol consists of trucks used solely to aid drivers on the state highway system. Vehicles not included are maintenance trucks, state department cars, dump trucks, and other construction or maintenance equipment and vehicles.

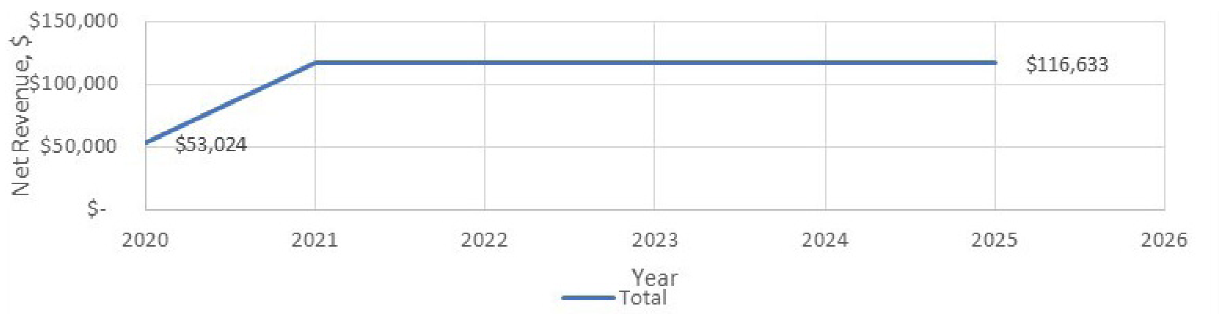
The current purchase order between the DOH and INCIDENTCLEAR, LLC provides courtesy fleet services and lists various requirements for the DOT. The DOT shall provide 36 trucks for the fleet, while only 26 of the trucks will be active at one time. The fee-based revenue is generated by an annual fee per vehicle that is sponsored. The fee is estimated at $4,500 per vehicle for a year-long acknowledgment. The revenue generated for the entire fleet each is year is estimated to be $117,000.

Figure 5.8: Scenario 3—Fee-Based Revenue



The net revenue is retained mostly due to the low cost of the decal. However, in year 1, the net revenue is $53,024 due to the implementation activities costing approximately $63,609. After year 1, the annual net revenue is $116,633.

Figure 5.9: Scenario 3—Fee-Based Net Revenue

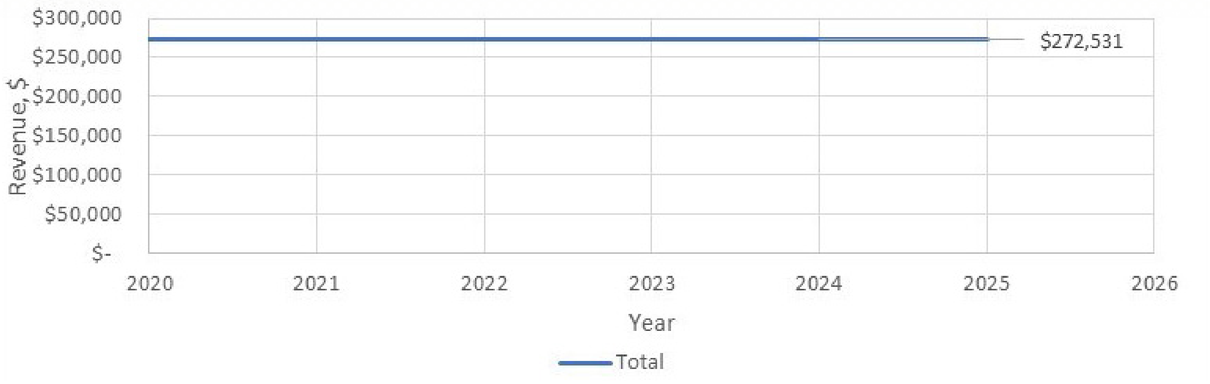


5.2.4 Scenario 4

Scenario 4 combines all the sponsorship opportunities. The revenue and net revenue include the comprehensive sponsorship program including rest areas, the Turnpike locations, and the courtesy patrol fleet, all of which are on DOH-operated interstates.

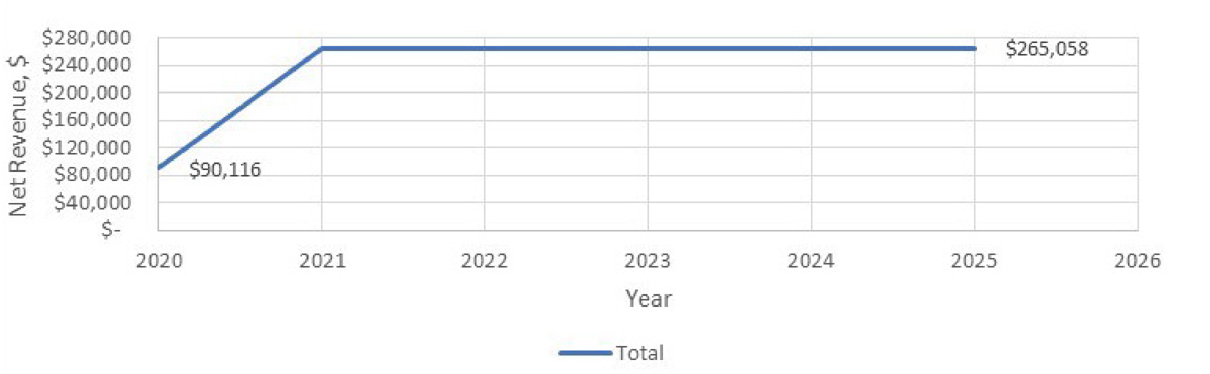
The revenue includes $155,531 from rest areas, welcome centers, and the Turnpike sites and $117,000 from the courtesy patrol fleet. The total is $272,531 each year from all sponsorship opportunities combined.

Figure 5.10: Scenario 4—Fee-Based Revenue



The net revenue combines the results of Scenarios 2 and 3, providing a total of $90,116 in year 1 and $265,058 in each year after. The growth between year 1 and 2 is due to the change in first-year costs and the reoccurring annual cost in the following years.

Figure 5.11: Scenario 4—Fee-Based Net Revenue



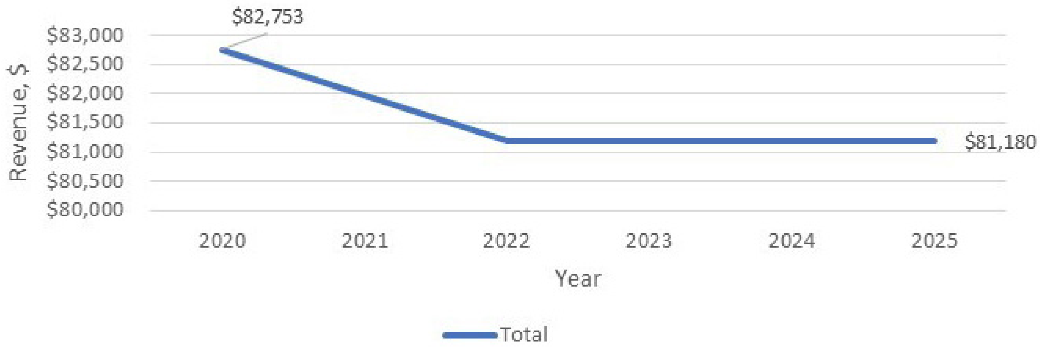
5.3 Ratio-Based Forecasts

A ratio-based forecast was derived purely from statistical data, drawing comparisons from other states' figures with little context applied. The figures presented in this section are derived from the ratio-based formula as described in **Chapter 2**, which unsurprisingly is skewed higher compared to the fee-based revenue forecasts due to the exceptional revenue performance of Florida. Nineteen states tried to establish a sponsorship program, and only nine of those succeeded in their implementation. The 47 percent success rate also was used to establish a reduced revenue amount based on the expected value of the sponsorship program as described in the introduction to this chapter. Despite displaying unlikely results, this forecast was completed to give an alternative comparator to West Virginia's more likely fee-based revenue potential.

5.3.1 Scenario 1

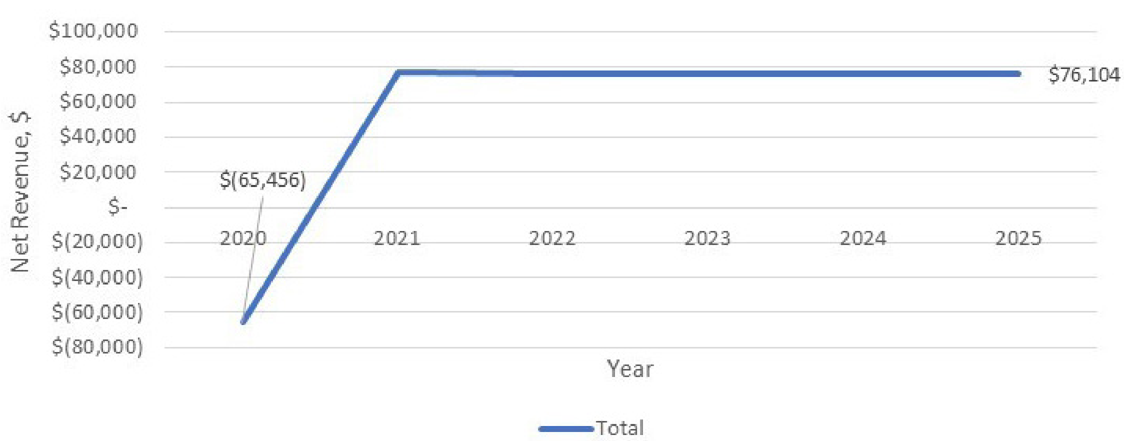
Correlation factors were applied to the other states' revenues to calculate the potential for West Virginia. Other states that provided revenue information include Florida, Virginia, Iowa, and New York (NYSDOT Region 1). The projected revenue from the rest areas is $82,753 in year 1 and $81,180 in year 6.

Figure 5.12: Scenario 1—Ratio-Based Revenue



The net revenue based on the ratio of states displays similar trends to the fee-based condition because the cost did not change. Year 1 is estimated to have a deficit of $(65,456), while there is a positive $76,104 annually post year 1.

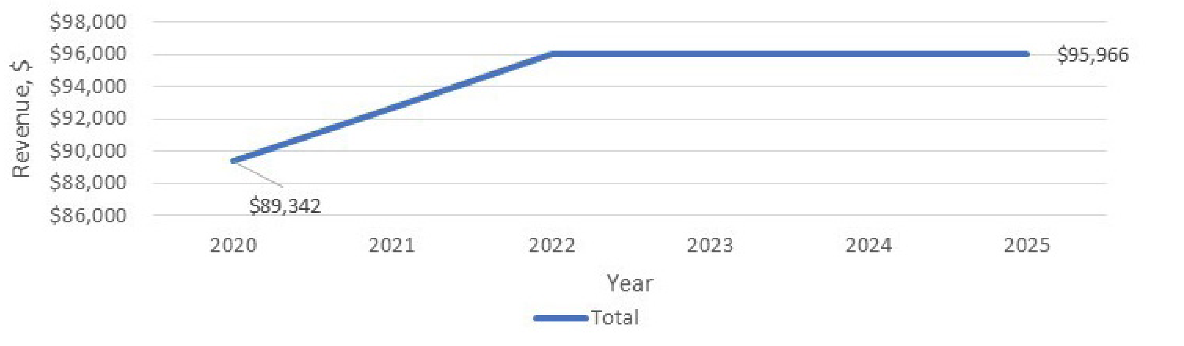
Figure 5.13: Scenario 1—Ratio-Based Net Revenue



5.3.2 Scenario 2

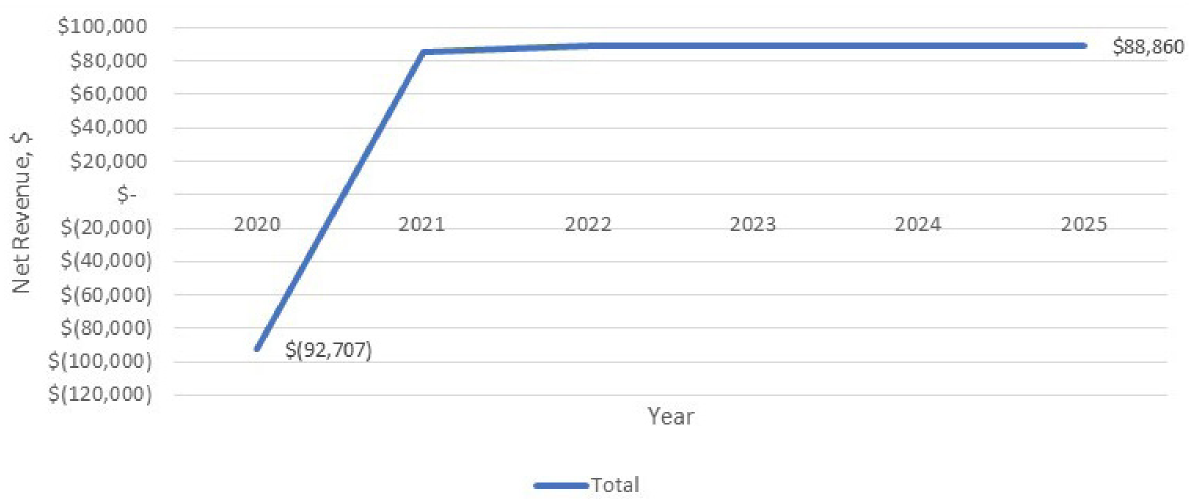
The revenue includes Turnpike sites in addition to those of Scenario 1—the rest areas and welcome centers. Projections used the ratio of the target states and the revenue provided from Florida, Virginia, Iowa, and New York (NYSDOT Region 1). In year 1, the revenue is approximately $89,342. After year 1, the revenue is estimated at $95,966.

Figure 5.14: Scenario 2—Ratio-Based Revenue



The net revenue for Scenario 2 with the ratio is negative in year 1 and positive starting in year 2. The deficit in year 1 is approximately $(92,707), while $88,860 annually after year 1.

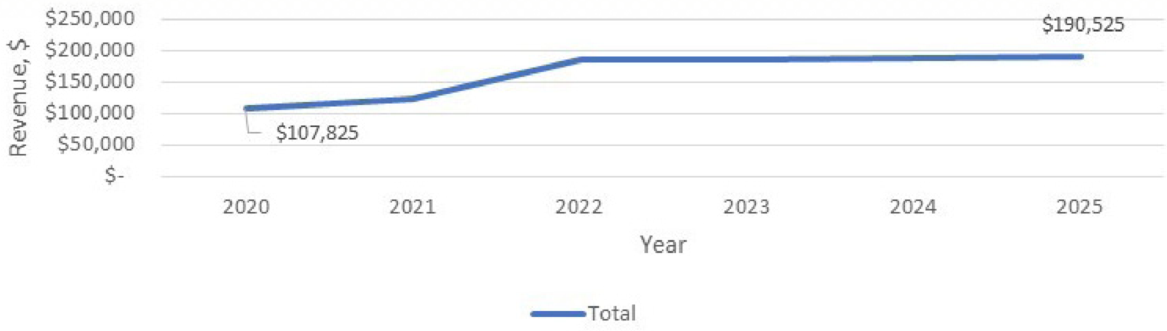
Figure 5.15: Scenario 2—Ratio-Based Net Revenue



5.3.3 Scenario 3

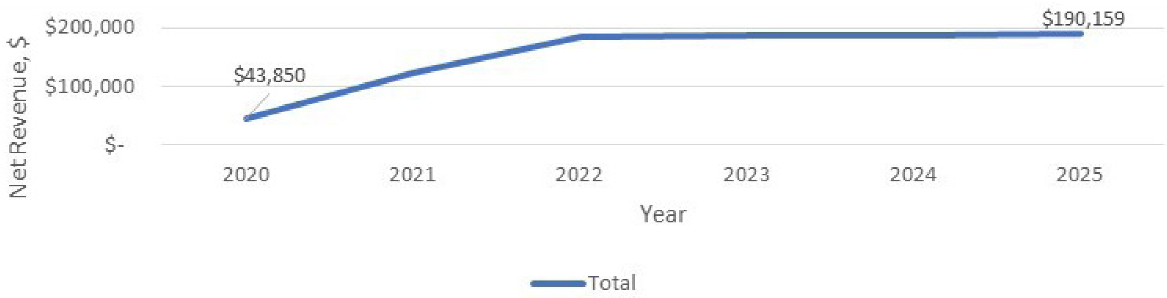
The revenue estimate for courtesy patrol sponsorship is generated based on Florida's "Road Ranger" program. Florida provided a breakdown of their total revenue and listed the generation solely from their patrol fleet. Ohio and New Hampshire also provided revenue information from their courtesy patrol. A correlation factor was applied to the revenue provided to develop the relative values for West Virginia. In year 1, it is estimated the program will generate $107,825. In year 6 the revenue increases to approximately $190,525.

Figure 5.16: Scenario 3—Ratio-Based Revenue



The net revenue is mostly retained due to the low costs of the decals. Year 1 nets $43,850 and rises to $190,159 in year 6. The difference is due to the implementation activity needed during the first year of the program.

Figure 5.17: Scenario 3—Ratio-Based Net Revenue

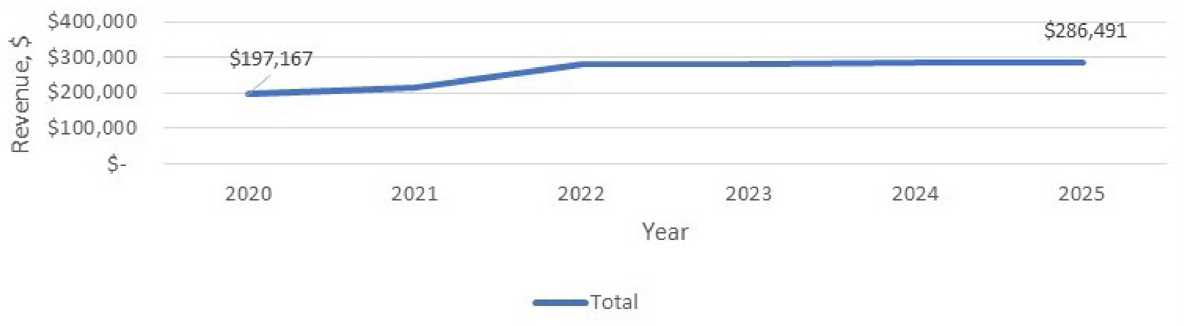


5.3.4 Scenario 4

Scenario 4 combines all the sponsorship opportunities. The revenue and net revenue include the comprehensive sponsorship program including rest areas, the Turnpike locations, and the courtesy patrol fleet.

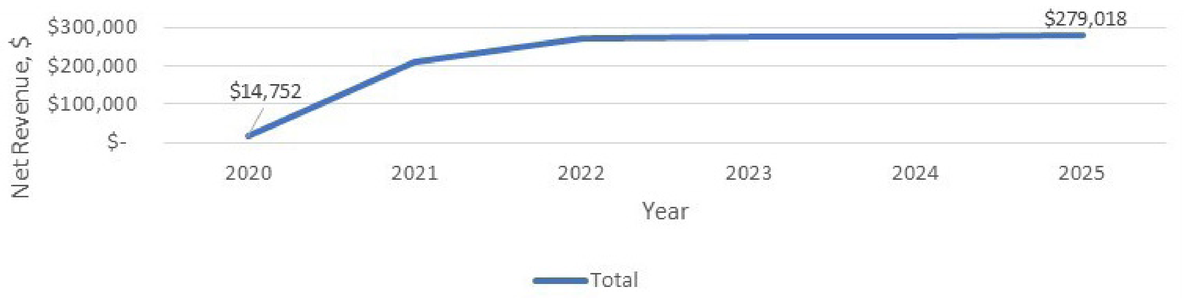
The revenue includes the generation from rest areas, welcome centers, and the Turnpike sites, as well as the generation from the courtesy patrol fleet. The total increases each year from all the sponsorship opportunities combined.

Figure 5.18: Scenario 4—Ratio-Based Revenue



The net revenue projection has a deficit in year 1 but grows in the years after. This forecast can be considered the highly unlikely revenue scenario for a fully implemented and successful sponsorship program for West Virginia.

Figure 5.19: Scenario 4—Ratio-Based Net Revenue



It is unrealistic that West Virginia will generate $279,018 in the sixth year, therefore the fee-based revenue forecasts described in **Section 5.2** are the more suitable values.

Chapter 6 Conclusion

Based on the research conducted, positive net revenue is possible through implementation of a sponsorship program in the state of West Virginia. However, the revenues are entirely dependent on the willingness of sponsoring companies to participate. Furthermore, it is not feasible nor practicable because DOH would be too dependent on a limited pool of likely sponsors. Additionally, there are start up and maintenance costs that will significantly reduce net revenues, and those costs will escalate over time while the revenues are likely to remain static, based on the research conducted as part of this study.

Fees were calculated two ways, based on correlation factors and using a fee-based approach. The ratio revenue calculation was based on correlation factors of population, tourism, and rest area visitation from target states Florida, Virginia, Iowa, and New York (NYSDOT Region 1). States that provided revenue information for their sponsorship programs also provided context for the generation of West Virginia's revenue forecast. Florida had large revenues with growth over several years. Virginia, Iowa, and NYSDOT Region 1 all had 3-year contracts where the revenue was flat. The fee-based revenue consisted of annual fees per rest area and vehicle to solicit to sponsors, which was used by Virginia instead of taking a percentage of other states' revenue. Taking a fee-based approach produces more possible results and is the basis for the conclusions drawn in this report. Furthermore, based on survey results, the universe of sponsors is limited. For four of the nine states with sponsorship programs, GEICO or State Farm are the only major sponsors. Florida, New York, and Virginia have GEICO as a sponsor, and Florida, New York, and Ohio have State Farm as a sponsor. CDM Smith also became aware of another national sponsor that may be interested in rest area or courtesy patrol sponsorship in West Virginia: CVS Pharmacy, which sponsors New York's courtesy patrol. As part of the potential sponsorship outreach effort, State Farm indicated they had an application process through which DOH would need to apply, and GEICO did not offer any application and they said they would get back to us, but did not do so.

One option to generate additional revenue involves offering signs along the highway mainlines instead of just offering locations approaching rest areas. Another option is to increase sponsorship fees for both the rest area and courtesy patrol programs. However, the increase of fees may decrease the interest of sponsors.

The forecasts presented can be considered possible. Nineteen states tried to establish a sponsorship program, and only nine of those succeeded in their implementation. The 47 percent success rate was used to establish a reduced revenue amount and a realistic expected value of the sponsorship program.

States that tried and failed to establish a commercial sponsorship program have conveyed reasons, in their responses to our questionnaire, that could be encountered in West Virginia. **Table 6.0** provides highlights related to the variety of challenges encountered.

Table 6.0: States with "Tried and Failed" Sponsorship Programs

	Response Highlight
California	In 1995, state statutes allow to "contract for private organizations for the operation of traveler service information facilities and for the maintenance of all or any of these safety roadside rests." Sponsorships only included kiosks. California has never had a sponsor.
Georgia	Put out an RFP in 2014 but there was no interest (From Tennessee Study)
Iowa	In 2013, only eight of the 37 rest areas were awarded sponsorship. Fiscal impact was estimated to be $100,000 per year, which never occurred. Program was eliminated after a 3-year contract.
Louisiana	LaDOTD has a sponsorship contract for their motorists to assist trucks and a "blanket" contract for all other state assets, including trucks, facilities, and "everything else." The "blanket" contractor is charged with acquiring sponsors for rest areas. However, there has been no interest in sponsorship for the rest areas. (Two RFPs generated no responses.) (From Tennessee Study)
Michigan	Michigan DOT believes that there are legal impediments to businesses at rest areas and advertising on state highway rights of way, and for policy reasons MDOT would not allow these activities.
Minnesota	Minnesota passed a new statute in 2017, MN 160.801, to allow highway sponsorship – the vision is aesthetic upgrades to the right of way. We are not pursuing a fiscal sponsorship, or revenue-generating sponsorship model at this time. Our vision is partnering with businesses and civic organizations to do ROW enhancement and maintenance projects (see fact sheet). Currently MDOT is evaluating all of them. Rest areas – past evaluation was done, and the decision was made to not pursue a fiscal sponsorship model. The same is true of the FIRST (Mn Emergency response vehicles).
Missouri	MODOT let a 3-year contract to a single contractor for statewide sponsorship and advertising at rest areas. The contract was to be progressive –$0 for year 1, $50K in year 2 and year 3 was to pay whatever was generated. The contractor was able to sell advertising at kiosks in five of eight rest areas and a few framed wall ads. The program performed so poorly that by the third year, the fee was waived entirely and the contract was not renewed. There are no current plans to further pursue sponsorship. (From Tennessee Study)
North Dakota	No sponsorship program – proposed legislation that did not pass.
Oregon	Oregon DOT has a sponsorship acknowledgment program specific to safety rest areas. The program was created in response to an inquiry to provide onsite acknowledgment of possible donations for a specific interstate rest area project. Since sponsorship acknowledgment signs are allowed by federal regulation, Oregon adopted administrative rules to outline a program. The program requires a competitive process for the selection of the sponsor. Sponsorships may be solicited for the development, maintenance, and operation of the entire rest area or a specific feature of the rest area and would be documented in a rest area sponsorship agreement. However, after developing the program, the potential sponsorship opportunity did not come about and there has not been another opportunity.

	Response Highlight
South Dakota	No sponsorship program. Legislation was passed allowing advertising on a limited basis in welcome centers; however, to date, advertising has not happened.
Tennessee	Meager returns for sponsorship programs: Arizona receives $100,000 per year in sponsorships for its 26 rest areas – about $3,850 annually per rest area. Iowa has sponsorship of six of its 38 rest areas, generating a total of $67,000 per year – $11,667 per rest area. Iowa has met with no success in finding sponsors for the others. Texas has had a sponsorship program in place for 2 years, but it "generates no revenue." Virginia has a P3 Office that involves a large number of state assets and state services. The sponsorship program for their rest areas is very complex and shares revenue with the contractor, onsite vendors, and the state. Lack of interest: Georgia, Louisiana, and Missouri have sought sponsorships, but all received very little interest from the corporate sector. All the remaining states have no sponsorship programs in place, nor do they intend to consider pursuing them. The following reasons were cited by almost every state, even those with sponsorship programs in place: Approval process too ambiguous/convoluted/time-consuming/costly. FHWA rules for rest area sponsorship are too restrictive. There is little to no interest among potential sponsors. Sponsorship revenues fall far short of being enough to meaningfully offset costs of operation and maintenance of rest areas. RECOMMENDATION: Rest area sponsorship programs have not proven to date to provide any significant revenue for state DOTs that will help offset operational costs. The small revenue that is generated is diminished by administrative costs. Texas and Iowa have estimated their administrative costs to be about $1,000 per year. Tennessee's estimated administrative costs would likely be in the range of $1,000 per year. Given the four primary reasons cited by other states that are listed above and considering that there is a very high probability that those problems would be common to Tennessee as well, it is recommended that Tennessee DOT not pursue rest area sponsorship at this time.
Utah	In 2016, Utah awarded a sponsorship contract. In 2017, the contract was canceled due to lack of activity. Limitations imposed on the program by the legislative process in Utah and FHWA caused failure. Concerns with sponsorships included: Competition with the Outdoor Advertisers Association Public perception/recognition of SSP/IMT vehicles during accidents, emergencies, and disasters.

The revenue forecast is greater than the estimated costs of implementing the program, but the level of net revenue does not indicate a very lucrative program, and there is potential for additional costs due to inflation and periodic updates. Methods exist to increase revenue potential, but many of the most effective methods—such as internet, print, and social media promotional activities—are expensive and may increase costs to a level that would impact financial feasibility. It can be inferred from this study that the most cost-effective sponsorship option is offering acknowledgment of sponsors on courtesy patrol fleet vehicles. The low capital and operating costs and steady revenue stream make this the most attractive opportunity for West Virginia and provide an opportunity to subsidize a portion of the expense of the courtesy patrol program. Following is a snapshot of revenue potential for a fully implemented sponsorship program for DOH, as well as a summary of each sponsorship scenario.

Net Revenue: **Year 1: $90,116** **Annually after Year 1: $265,058**

In year 1, the anticipated net revenue is low due to significant first-year costs. The rest area-only Scenarios 1 and 2 have negative net revenue in year 1 with growth in the following years. Starting in year 2, rest area scenario revenue appears to stabilize to a modest 1 percent increase in net revenue each year. The courtesy patrol portion has positive net revenue starting in year 1. When combined, the overall program generates a positive net revenue starting in year 1.

Cost: **Year 1: $182,416** **Annually after Year 1: $7,473**

Cost figures for rest area scenarios were derived from average unit price lists from DOH. In the first year, for rest areas, entire sign structures need to be built. After year 1, the signs can be replaced while the foundations and poles do not need to be replaced. The main cost for the courtesy patrol program is the decals.

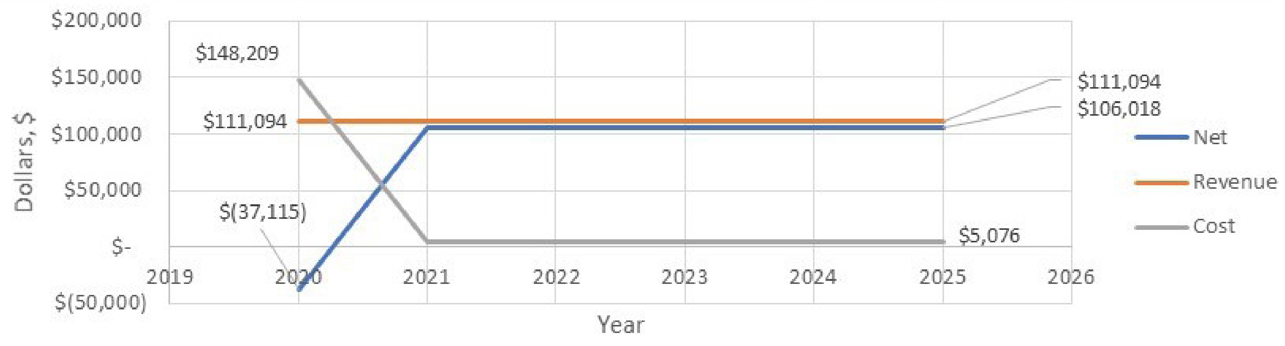
Revenue: **Annually: $272,531**

The following scenarios were evaluated with a fee-based revenue structure and result in the cost, revenue, and net revenue forecasts shown below. In each scenario, it was assumed that contracts are renewed on an annual basis, while it is possible to have contracts that last longer than 1 year. By extending the contract beyond a year, the annual costs are diminished in all the scenarios.

- **Scenario 1:** Sponsorships of sign acknowledgments at rest stops and welcome centers and roads
- **Scenario 2:** Sponsorships of sign acknowledgments at rest stops, welcome centers and roads, and within the Turnpike
- **Scenario 3:** Sponsorship of the entire courtesy/safety patrol fleet, not including state vehicles nor maintenance vehicles
- **Scenario 4:** A comprehensive program that includes all viable sponsorship options

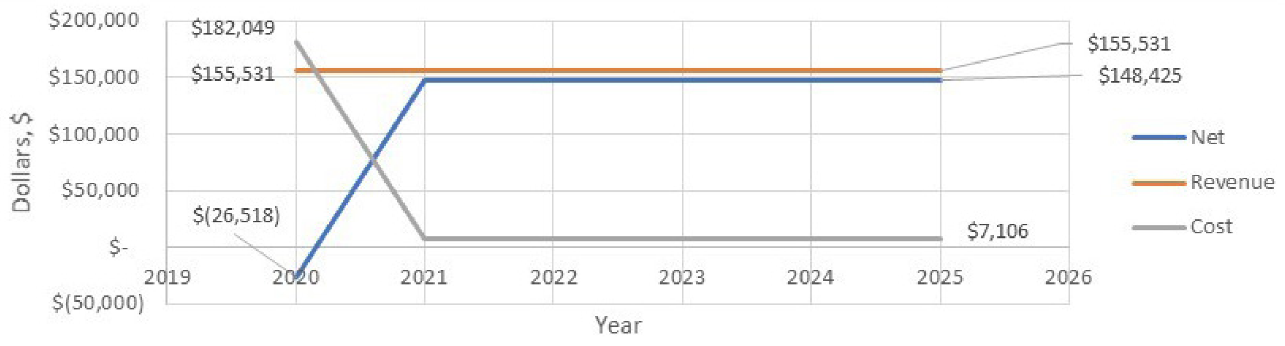
Scenario 1 consists of the sponsorship of acknowledgment signs located at rest areas and welcome centers along the interstates of West Virginia. The potential impressions at the rest areas alone is nearly 300,000 views. Along the interstates, the impressions total approximately 4 million views. The first-year costs are higher due to the fabrication of the entire sign structure, while only the panel replacement cost is needed after year 1. The cost of hiring external professionals during year 1 is $63,609, as well. The base fee per rest area is $7,406 a year. The net revenue in year 1 is $(37,115), while $106,018 in year 6.

Figure 6.0: Scenario 1—Analysis



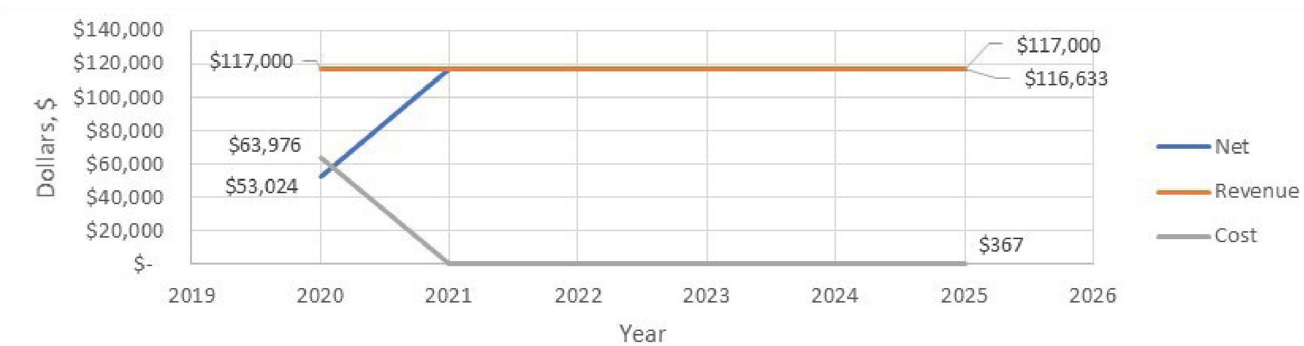
Scenario 2 consists of the sponsorship of acknowledgment signs located at rest areas, welcome centers, and throughout the Turnpike. The impressions are the same from Scenario 1; however, there are an extra 500,000 views from the addition of the Turnpike locations. Overall, there are a total of 4.7 million impressions within Scenario 2. The first-year costs are high due to the fabrication of the entire sign structure, while only the panel replacement cost is needed after year 1. The base fee per rest area is $7,406 a year. The cost of hiring external professionals is approximately $63,609. The net revenue in year 1 is $(26,518), while $148,425 in year 6.

Figure 6.1: Scenario 2—Analysis



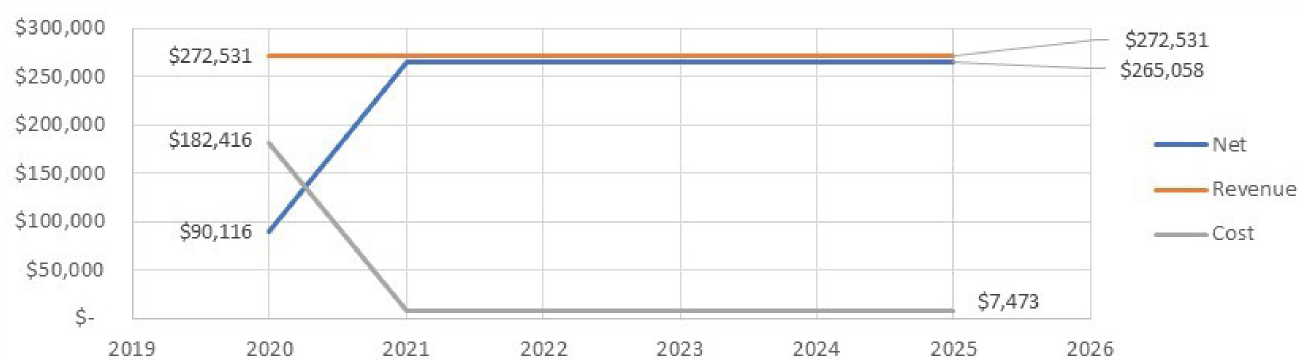
Scenario 3 consists of the sponsorship of courtesy patrol vehicles. The sponsor's logo is placed on the vehicles within the courtesy patrol that aid drivers on West Virginia's interstates. The value of this scenario comes from the number of potential impressions and positive view of the sponsor when seen on a highway-safety vehicle. The only cost in this program is the decal, where a 2'x2' colored decal costs approximately $30. The cost of hiring external professionals during year 1 is approximately $63,609. The base fee to sponsor all 26 vehicles for a year was estimated to be $117,000. The likelihood of obtaining sponsorship is 47 percent; therefore, the net revenue in year 1 is $53,024, while $116,633 in year 6.

Figure 6.2: Scenario 3—Analysis



Scenario 4 includes all the sponsorship types available consisting of acknowledgment signs at rest areas, welcome centers, and on the Turnpike, as well as business logos on the courtesy patrol fleet vehicles. The total net revenue in year 1 is $90,116, while $265,058 in year 6.

Figure 6.3: Scenario 4—Analysis



In addition to outreach to DOTs across the U.S., an extensive outreach effort was also undertaken to gauge interest in sponsorship if a program was established in West Virginia. Thirty-one potential sponsors were carefully selected in coordination with DOH. The results from this effort was there is likely to be very limited interest in becoming a sponsor. There were no positive responses received indicating a desire to become a sponsor. Nine of the 31 respondents indicated a willingness to consider sponsorship if a proposal is submitted by DOH.

Appendix A
Calculations

States that have replied to CDM Smith survey		28
Arizona Colorado Florida Idaho New Hampshire New York - Region 1 North Carolina Ohio Virginia	States with a program	9
Georgia Iowa Louisiana Michigan Minnesota Missouri North Darkota Oregon Tennessee Utah	States that Tried and Failed	10
Alaska Arkansas California Kentucky Maine New Jersey New Mexico South Carolina South Dakota	States with no program	9

State Database

State	# of Rest Areas	# of Welcome Centers	# of Visitors to Rest Areas	# of Visitors to Welcome Centers	# of Roadways Allowed	# of Vehicles in Courtesy Patrol	Operation	# of People Visiting Annually	Spending Annually (Billions)
Arizona	14	1			6	8	Public		22.7
California	85	3	100000000		48	300+	Public		132.4
Colorado	15	5			19	35	State Farm		19.7
Connecticut	10	3			7	15	State Farm	43,900,000	$ 14.7
Florida	53	4				121	"Ranger Road" FDOT Safety Service Patrol	116,500,000	$ 109.0
Georgia	15	8			10	113	State Farm	274000000	60.8
Indiana	24	7			6	10	State Farm	82,400,000	$ 12.2
Idaho	31	4							
Iowa	38		17000000						
Kansas	17	1			15	3	State Farm	106600000	6.7
Maryland	10	1			15	50	State Farm	79000000	17.3
Massachusetts	12	1			20	22	Public	36000000	20.7
Michigan	39	7			9	24	Public	42100000	23.7
Nevada	8	2			6	14	State Farm	26800000	
New Hampshire	14	6			8	3	State Farm	119000000	5.5
New Jersey	9	1			6	64	State Farm	51400000	42.9
New York	47	3			33	99	State Farm	10900000	64.8
New York - East	7	1				4		243,800,000	
North Carolina	19	9	25,783,000	12,118,000	11	70	State Farm	101,000,000	$ 24.0
Ohio	35	3	12,646,000	1,084,000		22	State Farm	219,000,000	$ 35.0
Oklahoma	10	4			6			239,000,000	$ 8.6
Pennsylvania	64	14	50,290,000	23,636,000	10	50	State Farm	197,000,000	$ 41.0
Rhode Island	0	0			8			22,000,000	$ 6.5
Texas	31	8			35	103	Public	24,800,000	$ 34.9
Utah	31	3		345000	11	24	Incident Management Team	68500000	8.4
Virginia	31	10	20,251,198	9,643,427	6	46	Private		$ 25.0
Washington	21	0			4	58	Public	42,500,000	$ 18.4
Wyoming	12	5			5	25	Public	8,700,000	$ 3.6
West Virginia	6	9	8,044,000	3,500,000	I- 77, 64, 79, 81, 50?	26	INCIDENTCLEAR, LLC	65,000,000	$ 4.1

Popular Attractions to State Database and Sources

State	Popular attractions
Arizona	Grand Canyon, Sedona, Hoover Dam,
California	Yosemite National Park, Golden Gate Bridge, Disneyland, Lake Tahoe, Redwood National/State Park
Colorado	Garden of the Gods, Mesa Verda, Black Canyon/Gunnison National Park, Rocky Mts Natl Park
Connecticut	Mystic Seaport, Historic Ship Nautilus Submarine Force Museum, Gillette Castle State Park, Mark Twain House/Museum, Yale University Art Museum
Florida	Theme parks, ocean access, State/National parks
Georgia	Georgia Aquarium, Forsyth Park, Stone Mountain Park, Anna Ruby Falls,Chattahoochee Oconee National Forest, MLK Natl Historical Site.
Indiana	Indi Motor Speedway, White River State Park, Lucas Oil Stadium, Conner Prairie Interactive History Park, Marengo Cave National Landmark
Idaho	State parks, national parks, water bodies.
Iowa	Lake George, Lake Placid, Adirondack Park
Kansas	KA Cosmosphere and Space Center, Botanica the Wichita Gardens, Boot Hill Museum, Dwight D Eisenhower Library and Museum, Fort Larned Natl Historic Site, Monument Rocks the Chalk Pyramids, Tallgrass Prairie Natl Preserve
Maryland	Ocean City Boardwalk, Six Flags America, Assateague Island National Seashore,
Massachusetts	Freedom Trail, Norman Rockwell Museum, Cape Cod Beaches, Fenway Park, Tanglewood Concerts, Mayflower II and Plimoth Plantation, Old Sturbridge Village, Salem Historic Houses
Michigan	Mackinac Island, Pictured Rocks National Lakeshore, Henry Ford Museum, U of M, Isle Royale Natl Park, Sleeping Bear Dunes, Natl Lakeshore, Colonial Michilimackinac, Detroit Institute of Art, Windmill Island Gardens,
Nevada	Vegas Strip, Bellagio fountains, Fremont Street, Hoover Dam, Lake Tahoe, Lake Mead Natl Rec Area, Great Basin Natl Park, Red rock Canyon Natl Conservation Area
New Hampshire	Mount Washington Auto Road, Conway Scenic Railroad, Castle in the Clouds, Mount Monadnock, Polar Caves Park, Kancamagus Highway, Loon Mountain,
New Jersey	Atlantic City Boardwalk, Ocean City, Cape May, Casino Pier and Breakwater Beach Water Park, Six Flags, Battleship New Jersey, Thomas Edison National Historical Park,Liberty Science Center
New York	Times Square, Statue of Liberty, Niagara Falls, MMoA, Central Park, Hudson Valley, Letchworth State Park, Adirondacks Mountains, Thousand Islands, Finger Lakes
New York - East	
North Carolina	Baltimore Estate, Great Smoky Mountains Natl Park, USS NC Battleship, Blue Ridge Parkway, Wright Brothers Natl Memorial, Chimney Rock State Park, Charlotte Motor Speedway,
Ohio	Cedar Point, Rock N Roll Hall of Fame
Oklahoma	OK City Natl Memorial, OK Route 66 Museum, Myriad Botanical Gardens, Woolaroc Museum and Wildlife Preserve, Sam Noble OK Museum of Natural History, Gilcrease Museum, Turner Falls Park, JM Davis Arms and Historical Museum, Wichita Mountains Wildlife Refuge,
Pennsylvania	Hersey Park, Gettysburg Natl Military Park, Fallingwater, Philadelphia Museum of Art, Independence Natl Park and Liberty Bell, Valley Forge National Historical Park, Phipps Conservatory and Botanical Gardens, Eastern State Penitentiary,
Rhode Island	Block Island, Newport cliff Walk, The Breakers Newport, Water Fire Providence, Rough Point, Providence Athenaeum, The Elms, Blithewold Mansion and gardens,
Texas	Alamo, San Antonia River Walk, Space Center Houston, Big Bend Natl Park, Moody Gardens and Aquarium Galveston Island, Fort Worth Stockyards Natl Historic District
Utah	Bryce Canyon Natl Park, Arches Natl Park, Zion Natl Park, Canyonlands Natl Park, Grand Staircase Escalante Natl Monument, Park citiy, Temple Square, Capitol Reef Natl Park, Lake Powell,
Virginia	Virginia Beach, Virginia Tech
Washington	Plymic Natl Park, Mount Rainier Natl Park, Space Needle/Seattle Center, Pike Place Market, Snoqualmie Falls, Lake Chelan, Mt St Helens Natl Volcanic Monument, North Cascades Natl Park, San Juan Islands
Wyoming	Yellowstone Natl Park, Grand Teton Natl Park, Devils Tower Natl Monument, Buffalo Bill Center of the West, Hot Springs State Park, Bighorn Canyon Natl Rec Area, Cheyenne Frontier Days Old West Museum, Fossil Butte Natl Monument, Toton Village,

West Virginia	Harpers Ferry National Historical Park, Snowshoe Mountain, Seneca Caverns, New River Gorge Bridge, Blackwater Falls State Park, Virginia Tech

State	Sources
Arizona	https://tourism.az.gov/research-statistics/economic-impact
California	https://industry.visitcalifornia.com/Research/Report/Economic-Impact-by-State-1992-2017p
Colorado	https://www.colorado.com/news/colorado-tourism-sets-all-time-records-sixth-consecutive-year
Connecticut	https://www.ct.gov/cct/lib/cct/tourism/econimpact/Conn_Tourism_Economic_Impact_-_CY2015_full_Web.pdf
Florida	Survey response
Georgia	http://www.georgia.org/industries/georgia-tourism/industry-research/
Indiana	http://www.visitindianatourism.com/industry-partners/welcome-indiana
Idaho	Survey response
Iowa	Survey response
Kansas	https://assets.simpleviewcms.com/simpleview/image/upload/v1/clients/kansas/Kansas_Economic_Impact_2016_client_e4ebb090_baac_4c23_8e97_3a00c9ea4f59_f61ca191-2197-4b57-8b7f-4813fa5e4703.pdf
Maryland	http://industry.visitmaryland.org/wp-content/uploads/2017/11/18MD_FY18_AnnualReport_HR.pdf
Massachusetts	https://www.massvacation.com/travel-trade/getting-around/stats-reports/
Michigan	https://medc.app.box.com/s/0y4ihokfc9mwit5wlfv84lfckhqysdz1
Nevada	https://www.leg.state.nv.us/Division/Research/LegInfo/Orientation/2012-13/Handouts/03-EconTourHandouts.pdf
New Hampshire	http://www.deanrunyan.com/NHTravelImpacts/NHTravelImpacts.html
New Jersey	https://www.visitnj.org/new-jersey-tourism-research-and-information
New York	https://www.governor.ny.gov/news/governor-cuomo-announces-economic-impact-new-york-state-tourism-achieves-historic-1048-billion
New York - East	Survey response
North Carolina	https://partners.visitnc.com/contents/sdownload/69272/file/2017-Economic-Impact-Fast-Facts.pdf
Ohio	Survey response
Oklahoma	https://s3-us-west-2.amazonaws.com/otrd-nfs-trav/files/2018_Legislative_Infographic.pdf
Pennsylvania	https://dced.pa.gov/key-industries/tourism/
Rhode Island	https://www.visitrhodeisland.com/industry/
Texas	https://travel.texas.gov/tti/media/images/Pages_content/Section_callouts_268x170/3_Texas-Travel-Industry-Impacts.pdf
Utah	https://travel.utah.gov/research-planning/utah-tourism-industry-metrics
Virginia	Survey response
Washington	http://www.deanrunyan.com/doc_library/WAStImp.pdf
Wyoming	https://www.travelwyoming.com/sites/default/files/uploads/industry/State%20and%20County%20Economic%20Impact%20Report%202017.pdf

West Virginia	https://wvtourism.com/wp-content/uploads/2018/02/GoToWV_AnnualReport_2017_011918.pdf

Correlations

Universal Ratio:	0.58

Population (Millions)		
State	Amount	Ratio
West Virginia	1.82	-
Florida	20.98	0.09
Ohio	11.66	0.16
North Carolina	10.27	0.18
Virginia	8.47	0.21
	Average:	0.16

Tourism (Millions)		
State	Amount	Ratio
West Virginia	65	-
Florida	117	0.56
Ohio	219	0.30
North Carolina	101	0.64
Virginia	32.6	1.99
	Average:	0.87

Rest Area Visitors		
State	Amount	Ratio
West Virginia	3,737,582	-
Florida	N/A	-
Ohio	13,700,000	0.27
North Carolina	6,051,009	0.62
Virginia	3,084,793	1.21
	Average:	0.7

Courtesy Patrol		
State	Amount	Ratio
West Virginia	26	-
Florida	121	0.21
Ohio	22	1.18
North Carolina	70	0.37
Virginia	46	0.57
	Average:	0.58

Reduction Factor

States that Tried at Establishing a Program:	10
States that have an Existing Program:	9
Total:	19

Success Rate of States that Tried:	47%

Scenario Breakdowns

(Costs, Ratio-based Revenue, Fee-based Revenue, Ratio-based Net Revenue, Fee-based Net Revenue)

Values Not Reduced

Scenario 1	Cost	Ratio Rev	Fee Rev	Ratio Net	Fee Net
Year 1	$ 243,609	$ 176,071	$ 236,370	$ (67,538)	$ (7,239)
Year 2	$ 10,800	$ 174,397	$ 236,370	$ 163,597	$ 225,570
Year 3	$ 10,800	$ 172,724	$ 236,370	$ 161,924	$ 225,570
Year 4	$ 10,800	$ 172,724	$ 236,370	$ 161,924	$ 225,570
Year 5	$ 10,800	$ 172,724	$ 236,370	$ 161,924	$ 225,570
Year 6	$ 10,800	$ 172,724	$ 236,370	$ 161,924	$ 225,570

Scenario 2	Cost	Ratio Rev	Fee Rev	Ratio Net	Fee Net
Year 1	$ 315,609	$ 190,090	$ 330,918	$ (125,519)	$ 15,309
Year 2	$ 15,120	$ 197,136	$ 330,918	$ 182,016	$ 315,798
Year 3	$ 15,120	$ 204,183	$ 330,918	$ 189,063	$ 315,798
Year 4	$ 15,120	$ 204,183	$ 330,918	$ 189,063	$ 315,798
Year 5	$ 15,120	$ 204,183	$ 330,918	$ 189,063	$ 315,798
Year 6	$ 15,120	$ 204,183	$ 330,918	$ 189,063	$ 315,798

Scenario 3	Cost	Ratio Rev	Fee Rev	Ratio Net	Fee Net
Year 1	$ 64,389	$ 229,416	$ 248,936	$ 165,027	$ 184,547
Year 2	$ 780	$ 264,266	$ 248,936	$ 263,486	$ 248,156
Year 3	$ 780	$ 393,451	$ 248,937	$ 392,671	$ 248,156
Year 4	$ 780	$ 397,385	$ 248,937	$ 396,605	$ 248,156
Year 5	$ 780	$ 401,359	$ 248,938	$ 400,579	$ 248,156
Year 6	$ 780	$ 405,373	$ 248,938	$ 404,593	$ 248,156

Scenario 4	Cost	Ratio Rev	Fee Rev	Ratio Net	Fee Net
Year 1	$ 316,389	$ 419,505	$ 579,854	$ 103,116	$ 263,465
Year 2	$ 15,900	$ 461,402	$ 579,854	$ 445,502	$ 563,954
Year 3	$ 15,900	$ 597,634	$ 579,855	$ 581,734	$ 563,954
Year 4	$ 15,900	$ 601,568	$ 579,855	$ 585,668	$ 563,954
Year 5	$ 15,900	$ 605,542	$ 579,856	$ 589,642	$ 563,954
Year 6	$ 15,900	$ 609,556	$ 579,856	$ 593,656	$ 563,954

Values Reduced by 47% Success Factor

Scenario 1	Cost	Ratio Rev	Fee Rev	Ratio Net	Fee Net
Year 1	$ 148,209	$ 82,753	$ 111,094	$ (65,456)	$ (37,115)
Year 2	$ 5,076	$ 81,967	$ 111,094	$ 76,891	$ 106,018
Year 3	$ 5,076	$ 81,180	$ 111,094	$ 76,104	$ 106,018
Year 4	$ 5,076	$ 81,180	$ 111,094	$ 76,104	$ 106,018
Year 5	$ 5,076	$ 81,180	$ 111,094	$ 76,104	$ 106,018
Year 6	$ 5,076	$ 81,180	$ 111,094	$ 76,104	$ 106,018

Scenario 2	Cost	Ratio Rev	Fee Rev	Ratio Net	Fee Net
Year 1	$ 182,049	$ 89,342	$ 155,531	$ (92,707)	$ (26,518)
Year 2	$ 7,106	$ 92,654	$ 155,531	$ 85,548	$ 148,425
Year 3	$ 7,106	$ 95,966	$ 155,531	$ 88,860	$ 148,425
Year 4	$ 7,106	$ 95,966	$ 155,531	$ 88,860	$ 148,425
Year 5	$ 7,106	$ 95,966	$ 155,531	$ 88,860	$ 148,425
Year 6	$ 7,106	$ 95,966	$ 155,531	$ 88,860	$ 148,425

Scenario 3	Cost	Ratio Rev	Fee Rev	Ratio Net	Fee Net
Year 1	$ 63,976	$ 107,825	$ 117,000	$ 43,850	$ 53,024
Year 2	$ 367	$ 124,205	$ 117,000	$ 123,838	$ 116,633
Year 3	$ 367	$ 184,922	$ 117,000	$ 184,555	$ 116,633
Year 4	$ 367	$ 186,771	$ 117,000	$ 186,405	$ 116,633
Year 5	$ 367	$ 188,639	$ 117,000	$ 188,272	$ 116,633
Year 6	$ 367	$ 190,525	$ 117,000	$ 190,159	$ 116,633

Scenario 4	Cost	Ratio Rev	Fee Rev	Ratio Net	Fee Net
Year 1	$ 182,416	$ 197,167	$ 272,531	$ 14,752	$ 90,116
Year 2	$ 7,473	$ 216,859	$ 272,531	$ 209,386	$ 265,058
Year 3	$ 7,473	$ 280,888	$ 272,531	$ 273,415	$ 265,058
Year 4	$ 7,473	$ 282,737	$ 272,531	$ 275,264	$ 265,058
Year 5	$ 7,473	$ 284,605	$ 272,531	$ 277,132	$ 265,058
Year 6	$ 7,473	$ 286,491	$ 272,531	$ 279,018	$ 265,058

Costs per Scenario

Scenario 1	Rest Area Sign Sponsorship without the Turnpike			
	Unit Cost	Implementation Cost	# of Rest Areas	Total
Year 1	$ 12,000	$ 63,609	15	$ 243,609
Years 2-6	$ 720	$ -	15	$ 10,800

Scenario 2	Rest Area Sign Sponsorship with the Turnpike			
	Unit Cost	Implementation Cost	# of Rest Areas	Total
Year 1	$ 12,000	$ 63,609	21	$ 315,609
Years 2-6	$ 720	$ -	21	$ 15,120

Scenario 3	Courtesy Patrol Sponsorship			
	Unit Cost	Implementation Cost	# of Vehicles	Total
Year 1	$ 30	$ 63,609	26	$ 64,389
Years 2-6	$ 30	$ -	26	$ 780

Scenario 4	Total of Scenarios 2 and 3		
	Scenario 2	Scenario 3	Total
Year 1	$ 315,609	$ 64,389	$ 316,389
Years 2-6	$ 15,120	$ 780	$ 15,900

Summary of Gross Costs per Scenario				
Year	Scenario 1	Scenario 2	Scenario 3	Scenario 4
1	$ 243,609	$ 315,609	$ 64,389	$ 316,389
2	$ 10,800	$ 15,120	$ 780	$ 15,900
3	$ 10,800	$ 15,120	$ 780	$ 15,900
4	$ 10,800	$ 15,120	$ 780	$ 15,900
5	$ 10,800	$ 15,120	$ 780	$ 15,900
6	$ 10,800	$ 15,120	$ 780	$ 15,900

Summary of Reduced Costs per Scenario				
Year	Scenario 1	Scenario 2	Scenario 3	Scenario 4
1	$ 148,209	$ 182,049	$ 63,976	$ 182,416
2	$ 5,076	$ 7,106	$ 367	$ 7,473
3	$ 5,076	$ 7,106	$ 367	$ 7,473
4	$ 5,076	$ 7,106	$ 367	$ 7,473
5	$ 5,076	$ 7,106	$ 367	$ 7,473
6	$ 5,076	$ 7,106	$ 367	$ 7,473

Fee Breakdown for Rest Areas and Courtesy Patrol

Fee per Rest Area (Rest Stop, Welcome Center)

Virginia's Fee Schedule

Rest Area	Estimated Annual Impressions	Estimated Annual visitation	Bid	Ratio of Bid / Impressions
1	3,400,000	320,000	$ 10,000	0.294%
2	13,600,000	540,000	$ 20,000	0.147%
3	17,500,000	870,000	$ 26,000	0.149%
4	3,100,000	120,000	$ 10,000	0.323%
5	13,500,000	600,000	$ 20,000	0.148%
6	17,500,000	680,000	$ 25,600	0.146%
				0.20% Average

Estimated Bid for WV

Rest Area	Impressions	Bid by Impressions
1	1,284,600	$ 2,584
2	488,300	$ 982
3	443,600	$ 892
4	330,600	$ 665
5	741,500	$ 1,491
6	2,317,500	$ 4,661
		$ 1,879 Average Bid
		$ 3,758.46 Bid Per Area

Fee per Rest Area (Rest Stop, Welcome Center):	$ 15,758
Reduced Fee per Rest Area (Rest Stop, Welcome Center):	**$ 7,406**

Fee per Vehicle (Courtesy Patrol)

Other State Courtesy Patrol Revenue

Year	Florida	Ohio	New Hampshire	Average
2016	$ 326,632	$ 860,000	$ -	**$ 395,544**
2017	$ 506,891	$ 860,000	$ -	**$ 455,630**
2018	$ 1,012,846	$ 860,000	$ 162,245	**$ 678,364**

Courtesy Patrol Correlation

State	Value	Ratio
Average Ratio		0.58
West Virginia	26	
Florida	121	0.21
Ohio	22	1.18
North Carolina	70	0.37
Virginia	46	0.57

Virginia's Courtesy Patrol Fees

$ 1,925
$ 2,425
$ 3,425
$ 4,425
$ 5,425
$ 6,425
$ 7,425
$ 4,496 Average
$ 4,500 Rounded

Other States Estimated Annual Fee

Year	Florida	Ohio	New Hampshire
Courtesy Patrol Vehicles	121	22	3
2016	$ 2,699	$ 39,091	$ -
2017	$ 4,189	$ 39,091	$ -
2018	$ 8,371	$ 39,091	$ 54,082

26 Vehicles in West Virginia Courtesy Patrol

According to INCIDENTCLEAR, LLC Purchase Order

Estimated West Virginia Courtesy Patrol Ratio-based Revenue

Year	Gross Revenue	Gross Calculated Fee	Reduced Revenue	Reduced Calculated Fee
1	$ 229,416	$ 8,824	**$ 107,825**	$ 4,147
2	$ 264,266	$ 10,164	**$ 124,205**	$ 4,777
3	$ 393,451	$ 15,133	**$ 184,922**	$ 7,112
4*	$ 397,385	$ 15,284	**$ 186,771**	$ 7,184
5*	$ 401,359	$ 15,437	**$ 188,639**	$ 7,255
6*	$ 405,373	$ 15,591	**$ 190,525**	$ 7,328
		$ 13,405 Average		$ 6,301 Average

Assumed 1% increase

Estimated West Virginia Courtesy Patrol Fee-based Revenue

Year	Gross Revenue	Gross Fee	Reduced Revenue	Reduced Fee
1	$ 248,936	$ 9,574	**$ 117,000**	$ 4,500
2	$ 248,936	$ 9,574	**$ 117,000**	$ 4,500
3	$ 248,936	$ 9,574	**$ 117,000**	$ 4,500
4	$ 248,936	$ 9,574	**$ 117,000**	$ 4,500
5	$ 248,936	$ 9,574	**$ 117,000**	$ 4,500
6	$ 248,936	$ 9,574	**$ 117,000**	$ 4,500

Summary of Fee-Based Courtesy Patrol Fees

Reduced Fee per Vehicle:	**$ 4,500**

Scenario 1: Rest Area Sign Sponsorship without the Turnpike
Scenario 2: Rest Area Sign Sponsorship with the Turnpike
Scenario 3: Courtesy Patrol Sponsorship
Scenario 4: Total of Scenarios 2 and 3

Universal Ratio:	0.58

Ratio-Based Revenue

Other State Revenues				
FY Year	Florida	Virginia	Iowa	New York - Region 1
2014	$ -	$ -	$ 88,505	$ -
2015	$ -	$ -	$ 88,505	$ -
2016	$ 568,287	$ 300,000	$ 88,505	$ 260,000
2017	$ 505,323	$ 300,000	$ -	$ 260,000
2018	$ 545,153	$ 300,000	$ -	$ 260,000

Breakdown of Florida's Revenue					
FY Year	Safe Phone Zone	Toll Booth Advertising	511 Program	Road Ranger	Turnpike Enterprise
2016	$ 568,287	$ 23,220	$ -	$ 3,226,632	$ 96,878
2017	$ 505,323	$ 23,446	$ -	$ 506,891	$ 281,673
2018	$ 545,153	$ 33,756	$ -	$ 1,012,846	$ 217,409
2019*	$ -	$ -	$ 51,000	$ 319,447	$ -

**2019 values as of September 2018*

State Courtesy Patrol Revenues				
Year	Florida	Ohio	New Hampshire	Average
2016	$ 326,632	$ 860,000	$ -	$ 395,544
2017	$ 506,891	$ 860,000	$ -	$ 455,630
2018	$ 1,012,846	$ 860,000	$ 162,245	$ 678,364

Estimated West Virginia Revenue calculated from applying Universal Ratio to Other State Revenues: **Scenario 1**				
Year	Florida	Virginia	Iowa	New York - Region 1
1	$ 328,927	$ 173,641	$ 51,227	$ 150,489
2	$ 292,483	$ 173,641	$ 51,227	$ 150,489
3	$ 315,537	$ 173,641	$ 51,227	$ 150,489
4	$ 315,537	$ 173,641	$ 51,227	$ 150,489
5	$ 315,537	$ 173,641	$ 51,227	$ 150,489
6	$ 315,537	$ 173,641	$ 51,227	$ 150,489

Estimated West Virginia Revenue based on Average of Universal Ratio and Other State Revenues: **Scenario 1**		
Year	Ratio-based Revenue	47% Reduced Revenue
1	$ 176,071	$ 82,753
2	$ 174,397	$ 81,967
3	$ 172,724	$ 81,180
4	$ 172,724	$ 81,180
5	$ 172,724	$ 81,180
6	$ 172,724	$ 81,180

Estimated West Virginia Revenue calculated from applying Universal Ratio to Other State Revenues: **Scenario 2**				
Year	Florida	Virginia	Iowa	New York - Region 1
1	$ 385,000	$ 173,641	$ 51,227	$ 150,489
2	$ 455,517	$ 173,641	$ 51,227	$ 150,489
3	$ 441,374	$ 173,641	$ 51,227	$ 150,489
4	$ 441,374	$ 173,641	$ 51,227	$ 150,489
5	$ 441,374	$ 173,641	$ 51,227	$ 150,489
6	$ 441,374	$ 173,641	$ 51,227	$ 150,489

Estimated West Virginia Revenue based on Average of Universal Ratio and Other State Revenues: **Scenario 2**		
Year	Ratio-based Revenue	47% Reduced Revenue
1	$ 190,090	$ 89,342
2	$ 197,136	$ 92,654
3	$ 204,183	$ 95,966
4	$ 204,183	$ 95,966
5	$ 204,183	$ 95,966
6	$ 204,183	$ 95,966

Estimated West Virginia Revenue calculated from applying Universal Ratio to Other State Revenues: **Scenario 3**		
Year	Fee	Number of Vehicles
1	$ 8,874	
2	$ 10,223	
3	$ 15,220	26
4	$ 15,372	
5	$ 15,526	
6	$ 15,681	

Estimated West Virginia Revenue based on Average of Universal Ratio and Other State Revenues: **Scenario 3**		
Year	Ratio-based Revenue	47% Reduced Revenue
1	$ 229,416	$ 107,825
2	$ 264,266	$ 124,205
3	$ 393,451	$ 184,922
4	$ 397,385	$ 186,771
5	$ 401,359	$ 188,639
6	$ 405,373	$ 190,525

Estimated West Virginia Revenue based on Average of Universal Ratio and Other State Revenues: **Scenario 4**		
Year	Ratio-based Revenue	47% Reduced Revenue
1	$ 419,506	$ 197,167
2	$ 461,402	$ 216,859
3	$ 597,634	$ 280,888
4	$ 601,568	$ 282,737
5	$ 605,542	$ 284,605
6	$ 609,556	$ 286,491

Scenario 1: Rest Area Sign Sponsorship without the Turnpike
Scenario 2: Rest Area Sign Sponsorship with the Turnpike
Scenario 3: Courtesy Patrol Sponsorship
Scenario 4: Total of Scenarios 2 and 3

Fee-based Revenue

	Gross	Reduced
Rest Area Fee	$ 15,758	$ 7,406
Courtesy Patrol Fee	$ 9,574	$ 4,500

	Number of Units
Scenario 1 Rest Areas	15
Scenario 2 Rest Areas	21
Courtesy Patrol Vehicles	26

Estimated West Virginia Fee-based Revenue: Scenario 1

Year	Fee-based Revenue	47% Reduced Revenue
1	$ 236,370	$ 111,094
2	$ 236,370	$ 111,094
3	$ 236,370	$ 111,094
4	$ 236,370	$ 111,094
5	$ 236,370	$ 111,094
6	$ 236,370	$ 111,094

Estimated West Virginia Fee-based Revenue: Scenario 2

Year	Fee-based Revenue	47% Reduced Revenue
1	$ 330,918	$ 155,531
2	$ 330,918	$ 155,531
3	$ 330,918	$ 155,531
4	$ 330,918	$ 155,531
5	$ 330,918	$ 155,531
6	$ 330,918	$ 155,531

Estimated West Virginia Fee-based Revenue: Scenario 3

Year	Fee-based Revenue	47% Reduced Revenue
1	$ 248,936	$ 117,000
2	$ 248,936	$ 117,000
3	$ 248,936	$ 117,000
4	$ 248,936	$ 117,000
5	$ 248,936	$ 117,000
6	$ 248,936	$ 117,000

Estimated West Virginia Fee-based Revenue: Scenario 4

Year	Fee-based Revenue	47% Reduced Revenue
1	$ 579,854	$ 272,531
2	$ 579,854	$ 272,531
3	$ 579,854	$ 272,531
4	$ 579,854	$ 272,531
5	$ 579,854	$ 272,531
6	$ 579,854	$ 272,531

Scenario 1: Rest Area Sign Sponsorship without the Turnpike
Scenario 2: Rest Area Sign Sponsorship with the Turnpike
Scenario 3: Courtesy Patrol Sponsorship
Scenario 4: Total of Scenarios 2 and 3

Ratio-based Net Revenue

Estimated West Virginia Net Revenue based on Ratio: **Scenario 1**		
Year	Ratio-based Net Revenue	47% Reduced Net Revenue
1	$ (67,538)	$ (65,456)
2	$ 163,597	$ 76,891
3	$ 161,924	$ 76,104
4	$ 161,924	$ 76,104
5	$ 161,924	$ 76,104
6	$ 161,924	$ 76,104

Estimated West Virginia Net Revenue based on Ratio: **Scenario 2**		
Year	Ratio-based Net Revenue	47% Reduced Net Revenue
1	$ (125,519)	$ (92,707)
2	$ 182,016	$ 85,548
3	$ 189,063	$ 88,860
4	$ 189,063	$ 88,860
5	$ 189,063	$ 88,860
6	$ 189,063	$ 88,860

Estimated West Virginia Net Revenue based on Ratio: **Scenario 3**		
Year	Ratio-based Net Revenue	47% Reduced Net Revenue
1	$ 165,027	$ 43,850
2	$ 263,486	$ 123,838
3	$ 392,671	$ 184,555
4	$ 396,605	$ 186,404
5	$ 400,579	$ 188,272
6	$ 404,593	$ 190,159

Estimated West Virginia Net Revenue based on Ratio: **Scenario 4**		
Year	Ratio-based Net Revenue	47% Reduced Net Revenue
1	$ 40,827	$ 14,752
2	$ 447,021	$ 209,386
3	$ 583,996	$ 273,415
4	$ 587,953	$ 275,264
5	$ 591,950	$ 277,132
6	$ 595,987	$ 279,018

Fee-based Net Revenue

Estimated West Virginia Fee-based Net Revenue: **Scenario 1**		
Year	Fee-based Net Revenue	47% Reduced Net Revenue
1	$ (7,239)	$ (37,115)
2	$ 225,570	$ 106,018
3	$ 225,570	$ 106,018
4	$ 225,570	$ 106,018
5	$ 225,570	$ 106,018
6	$ 225,570	$ 106,018

Estimated West Virginia Fee-based Net Revenue: **Scenario 2**		
Year	Fee-based Net Revenue	47% Reduced Net Revenue
1	$ 15,309	$ (26,518)
2	$ 315,798	$ 148,425
3	$ 315,798	$ 148,425
4	$ 315,798	$ 148,425
5	$ 315,798	$ 148,425
6	$ 315,798	$ 148,425

Estimated West Virginia Fee-based Net Revenue: **Scenario 3**		
Year	Fee-based Net Revenue	47% Reduced Net Revenue
1	$ 184,547	$ 53,024
2	$ 248,156	$ 116,633
3	$ 248,156	$ 116,633
4	$ 248,156	$ 116,633
5	$ 248,156	$ 116,633
6	$ 248,156	$ 116,633

Estimated West Virginia Fee-based Net Revenue: **Scenario 4**		
Year	Fee-based Net Revenue	47% Reduced Net Revenue
1	$ 263,465	$ 90,116
2	$ 563,954	$ 265,058
3	$ 563,954	$ 265,058
4	$ 563,954	$ 265,058
5	$ 563,954	$ 265,058
6	$ 563,954	$ 265,058

Appendix B
Sign Calculations

Photos provided by CDM Smith.

MDOT Meijer Sponsorship

To recreate the MDOT Meijer carpool sign it would cost around $6,000.

$$Column, Breakaway, W8x13 = \$1{,}000 * 2\ each = \$2{,}000$$

$$Foundation, breakway, W8x13 = \$1{,}000 * 2\ each = \$2{,}000$$

$$Sign, Type\ 1A = \frac{\$30}{sq\ ft} * 60\ sq\ ft = \$1{,}800$$

MDOT Adopt-A-Highway Sign

To recreate the MDOT Adopt-A-Highway sign, it would cost around $600

$$Post, Steel, 3\ lb = \frac{\$7}{ft} * 30\ ft = \$210$$

$$Sign, Type\ IIIA = \frac{\$20}{sq\ ft} * 18\ sq\ ft = \$360$$

Appendix C
Survey Example

West Virginia Department of Highway Survey Of DOTs with Sponsorship Programs

Respondent's Name: Click or tap here to enter text. **Agency Name:** Click or tap here to enter text.
Title: Click or tap here to enter text. **Date:** Click or tap to enter a date.

Thank you for your time in response to this questionnaire. Please respond via email to
munozjp@cdmsmith.com cc: to Perry.J.McCutcheon@wv.gov and mitchellr@cdmsmith.com .

To the extent known, what is the history of the sponsorship program?
Click or tap here to enter text.
How long has the sponsorship program been in place?
Click or tap here to enter text.
What were the drivers that brought about the creation of the program?
Click or tap here to enter text.

What types of sponsorships and for which types of facilities are sponsorships available in your program?
Click or tap here to enter text.
Specifically, does your program include sponsorship of park and ride facilities?
Click or tap here to enter text.
If so, does it add significant value?
Click or tap here to enter text.

What types of businesses participate in your sponsorship program?
Click or tap here to enter text.
Could you provide the names of these businesses?
Click or tap here to enter text.

What are the key metrics driving the success of your sponsorship program?
Click or tap here to enter text.

In order for us to see how West Virginia compares with your state's key factors impacting your sponsorship program, please provide the following:

- Number and location of rest areas, welcome centers, roads and passenger vehicle fleet
    - Click or tap here to enter text.
- Number of vehicles in your courtesy patrol
    - Click or tap here to enter text.
- Number of vehicles in your Turnpike's courtesy patrol
    - Click or tap here to enter text.
- Number of people that visit welcome centers annually
    - Click or tap here to enter text.
- Number of visitors to the state annually
    - Click or tap here to enter text.
- Your State's top tourist attractions and their number of visitors
    - Click or tap here to enter text.
- How many people stop at your rest areas
    - Click or tap here to enter text.
- Traffic volumes along roadways with rest areas, welcome centers, roads and passenger vehicle fleet.
    - Click or tap here to enter text.

Can sponsorship be provided in ways besides money? If so, what are those ways?
Click or tap here to enter text.

How much has the sponsorship program collected in revenues, or goods and services if applicable, per FY?
Click or tap here to enter text.
For goods and services received, could you provide the estimated value?
Click or tap here to enter text.

Have the revenues or participation from the sponsorship program changed over time and if so how?
Click or tap here to enter text.

How does the advertising get placed on the rest area, courtesy patrol vehicles etc. get "set up" and "taken down" after the sponsorship expires?
Click or tap here to enter text.
Is the sponsor responsible, the DOT or some other vendor responsible?
Click or tap here to enter text.

What are the types and amounts of costs associated with establishing and administering your program?
Click or tap here to enter text.

What are the perspectives or concerns within the agency and from the public regarding the sponsorship program? Specifically, has there been controversy over the success or failure of the program over onerous requirements placed on participants in the program?
Click or tap here to enter text.

Are there any changes to the program being considered?
Click or tap here to enter text.

What changes to the program could be made to optimize revenues or improve the perception of the program?
Click or tap here to enter text.

Please share/or confirm for us the documentation or URLs related to the creation and operation of the program.
Click or tap here to enter text.

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Appendix D
Tennessee Study

The Tennessee Department of Transportation conducted a similar study on potential revenue generation within the state of Tennessee during 2014. Their executive summary is enclosed in this appendix and contains helpful information that has been added to West Virginia's sponsorship study. Some state information differs from what is listed in this study due to the updated responses sent to CDM Smith during the fall of 2018.

According to the TDOT study, the following high-level findings were drawn from the feedback received from other states.

States with rest area sponsorships:

- Arizona
- Connecticut
- Delaware
- Iowa
- Texas (no revenue, however)

States that has a lack of interest:

- Alabama
- Georgia
- Louisiana
- Michigan
- Minnesota
- Missouri
- Nevada
- New Hampshire
- North Carolina
- Ohio

States that considered a program, but do not have one:

- California
- Illinois
- Oklahoma

Overall, the TDOT study indicates a negative outlook for sponsorships, and at the end of the study, Tennessee DOT recommended to not pursue a sponsorship program.

Enclosed: *TDOT Corporate Sponsorship of Highway Safety Rest Areas Executive Summary*

TN TDOT Department of Transportation

CORPORATE SPONSORSHIP OF HIGHWAY SAFETY REST AREAS

Overview:

Of the states that responded to our outreach, only four states currently have a rest area sponsorship program: Arizona, Iowa, Texas and Virginia. Some of these are run through a statewide Public/Private Partnership (P3) office or an awarded vendor. The rest areas and welcome centers in Connecticut and Delaware are 100% commercialized. This is possible because interstate highways in those states were built as toll roads and not with Federal monies.

Nevada is working through their contractor that operates and maintains their rest areas to pursue sponsorship. At this time, they are pursuing contracts for sponsorship of two rest areas. For any sponsorship revenue generated under $100K, the contractor will pay Nevada 20%, for anything over $100K, Nevada will receive 40%. Nevada reported low expectations for this program.

North Carolina is currently working on an RFP to go out in early 2017.

Meager returns for sponsorship programs:

Arizona receives $100,000 per year in sponsorships for its 26 rest areas – about $3,850 annually per rest area. Iowa has sponsorship of 6 of its 38 rest areas, generating a total of $67,000 per year – $11,667 per rest area. Iowa has met with no success in finding sponsors for the others. Texas has had a sponsorship program in place for two years, but it “generates no revenue”.

Virginia has a P3 Office that involves a large number of state assets and state services. The sponsorship program for their rest areas is very complex and shares revenue with the contractor, with on-site vendors, and with the state.

Lack of interest:

Georgia, Louisiana and Missouri have sought sponsorship but all received very little interest from the corporate sector.

All the remaining states have no sponsorship programs in place, nor do they intend to consider pursuing them.

The following reasons were cited by almost every state, even those with sponsorship programs in place:

1. Approval process too ambiguous/convoluted/time-consuming/costly.

2. FHWA rules for rest area sponsorship are too restrictive.
3. There is little to no interest among potential sponsors.
4. Sponsorship revenues fall far short of being enough to meaningfully offset costs of operation and maintenance of rest areas.

RECOMMENDATION:

Rest area sponsorship programs have not proven to date to provide any significant revenue for state DOT's that will help offset operational costs. The small revenue that is generated is diminished by administrative costs. Texas and Iowa have estimated their administrative costs to be about $1,000 per year. Tennessee's estimated administrative costs would likely be in the range of $1,000 per year.

Given the four primary reasons cited by other states that are listed above, and considering that there is a very high probability that those problems would be common to Tennessee as well, it is recommended that Tennessee DOT not pursue rest area sponsorship at this time.

REST AREA SPONSORSHIP STATUS BY STATE	
ALABAMA	ALDOT explored implementing rest area sponsorship in one of its divisions about 5 years ago. They met with little interest and scrapped the idea. As of now, they have no interest in pursuing sponsorship. POC Stacy Jones 334-242-6474
ALASKA	Alaska has no rest area sponsorship program in place and is not considering it. POC: Daniel Monteleone 907-269-6323
ARKANSAS	Arkansas has no rest area sponsorship program in place and is not considering it. POC: Brooks Booher 501-569-2467
ARIZONA	Rest areas are managed by a contractor (ICA). ICA sells sponsorships and shares the proceeds with ADOT. As of this year, the only sponsorships in place are 26 GEICO signs placed about 1 mile before each of Arizona's 26 rest areas. ADOT pays ICA $3.5 million to operate and maintain the rest areas, and ICA pays ADOT $100,000 per year from sponsorship proceeds. POC: Bobby Wheeler 602-291-0435
CALIFORNIA	CalTrans has no rest area sponsorship program in place but is considering it. The California Assembly defeated a bill to allow sponsorship of the state's rest areas in 2012 and the California Senate killed a similar bill in 2015. POC: Jeff Fenario 916-654-2926
COLORADO	Colorado has no rest area sponsorship program in place and is not considering it. POC: Brandy Kemper 303-757-9938
CONNECTICUT	All of Connecticut's rest areas and welcome centers are 100% commercialized. Connecticut's interstates were not built with Federal money, therefore they have more latitude in what they can and can't do on their interstates. POC: Shirley Villones 860-594-2000
DELAWARE	All of Delaware's rest areas and its single welcome center are 100% commercialized. Delaware gets a percent of revenue from the sale of gas, food and other goods, at least $1.6 million for the next 35 years. POC: John Sisson, DDOT. http://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2010/07/28/as-some-states-close-highway-rest-stops-others-see-roadside-revenue
DISTRICT OF COLUMBIA	No response
FLORIDA	FLDOT has no rest area sponsorship program in place and is not considering it. POC: Deanna Hutchison 850-410-5757

GEORGIA	Georgia put out an RFP in 2014 but there was no interest. POC: Chip Meeks 404-631-1300.
HAWAII	HIDOT only has five rest areas and they have not considered or pursued any kind of sponsorship. POC: Don Smith 808-873-3539.
IDAHO	Idaho currently has no rest area sponsorship program in place and is not exploring possibilities of sponsorship but has not ruled it out. POC: Cathy Ford (208) 334-8000
ILLINOIS	ILDOT has no rest area sponsorship program in place but is considering it. POC: Stephanie Dobbs 217-251-6036 Stephanie.dobbs@illinois.gov
INDIANA	No response POC: Brian Shaddock 317-847-3967
IOWA	Iowa has sponsorship on 8 of its 38 rest areas (2 have since closed, leaving only 6) for a total of $267,000. The IDOT repeatedly try to sell sponsorships for the other rest areas, but is finding little interest. Companies cite high cost and low returns for their advertising dollars. Smaller companies say they can't afford it, larger companies say they don't need it. IDOT says that the process for getting through the administrative rules in order to implement sponsorship in general and to implement individual sponsorships is difficult, very restrictive, takes a long time and is therefore very frustrating for the IDOT and discouraging to the sponsor. As a result, some of the sponsors say they will not go through the process again to renew their contracts. While program administration has very little cost associated with it, implementation of the program was very expensive. POC: Steve McMenamin 515-239-1680
KANSAS	Kansas has no rest area sponsorship program in place and is not pursuing it. POC: Clay Adams 785-296-3233
KENTUCKY	Kentucky has no rest area sponsorship program in place and is not considering it. POC: Dave Cornett 502-564-4556
LOUISIANA	LAOTD has a sponsorship contract for their motorists assist trucks and a "blanket" contract for all other state assets, including trucks, facilities and "everything else". The "blanket" contractor is charged with acquiring sponsors for rest area. However, there has been no interest in sponsorship for the rest areas. (Two RFPs generated no responses.) POC: Robin Wright 225-379-2526
MAINE	Maine DOT has no rest area sponsorship program in place and is not considering it. POC: Wayne Arsenauault 207-624-3600
MARYLAND	No response. POC: 410-865-1000

MICHIGAN	Michigan sent out an RFP but met with no success. Two potential sponsors replied, but they could not come to terms with MIDOT on the money. POC: Jennifer Moses 517-322-3305
MINNESOTA	Tried a pilot project in 2007 but it did not generate any meaningful revenue. Sent out a RFP in 2014 but received no responses. POC: Rob Williams 651-366-4702
MISSISSIPPI	Mississippi needs legislative action and at the present there is no indication that it is forthcoming POC: Heath Patterson 601-359-7111
MISSOURI	MODOT let a 3-year contract to a single contractor for statewide sponsorship and advertising at rest areas. The contract was to be progressive - $0 for year one, $50K in year 2 and year three was to pay whatever was generated. The contractor was able to sell advertising at kiosks in 5 of 8 rest areas and a few framed wall ads. The program performed so poorly that by the third year, the fee was waived entirely and the contract was not renewed. There are no current plans to further pursue sponsorship. POC: Paul Lofton 573-526-7933
MONTANA	POC: Mike Murolo 406-444-6163
NEBRASKA	NDOR has no rest area sponsorship program in place and is not considering it. POC: Denise Wallman (402) 479-4843.
NEVADA	NDOT lets runs sponsorship through Adopt-a-Highway, Inc. Currently, there are no contracts in place but Adopt-a-Highway is working on contracts with two large companies to sponsor two rest areas. The sponsor will pay Adopt-a-Highway $20K-30K. Adopt-a-Highway has a revenue-sharing partnership with NDOT. For any annual revenue generated under $100K, Adopt-a-Highway pays NDOT 20%. For anything over $100K, they pay NDOT 40%. POC: Guenivere Hobby (775) 888-7711
NEW HAMPSHIRE	NHDOT considered sponsorship a few years ago, but did not receive much interest. Currently "not aggressively" pursuing sponsorship. POC: Bill Boynton 603-271-6495.
NEW JERSEY	NJDOT only operates two rest areas and has no sponsorship for them and is not seeking sponsorship. Carl 609-530-8076
NEW YORK	No response.
NEW MEXICO	No Resonse. POC: Rick Padilla 505-827-0192
NORTH CAROLINA	NCDOT is currently working on an RFP which should go out early in 2017 for sponsorship on all its rest areas. POC: Jimmy Parrish 919 707-2920
NORTH DAKOTA	No response 701-328-2545

OHIO	Ohio released an RFP in 2012. Entered negotiations with Travelers Marketing but could not come to agreement. Abandoned negotiations in 2013. No current interest in pursuing sponsorship. POC: Andy Bremer 614-387-5179
OKLAHOMA	OKDOT has no sponsorship in place, but is considering it. POC Alex Calvillo 405-521-2557
OREGON	No response. POC: (503) 986-7915
PENNSYLVANIA	PennDOT Rest areas are generally perceived as "bathroom facilities". This perception, whether accurate or not, severely limits the viability of Rest Area Sponsorships under Pennsylvania code. POC: Michael Bonini 717-787-3154
RHODE ISLAND	Rhode Island has only two rest areas, only one of which is operated and maintained by RIDOT. RIDOT has no rest area sponsorship program in place and is not considering it. POC: Ann Holland 401-222-2450
SOUTH CAROLINA	SCDOT has no rest area sponsorship program in place and is not considering it. POC: Lee Thsiantis 803-737-1290
SOUTH DAKOTA	SDDOT has no rest area sponsorship program in place and is not considering it. POC: Mark King 605-773-3571
TEXAS	TXDOT has had a program in place for two years, however, the approval process took over a year before they could get the first sign in the ground. Currently they have sponsorship of 45 of their 80 rest areas. The sponsorship program generates no revenue, but returns the money directly back into the program for betterments and improvements in services and amenities at the rest areas. Also, TXDOT currently has plans to have sponsorships within the rest areas for things such as kiosks and interactive displays. That should be happening early in 2017. As with the rest area sponsorship, the monies generated will go directly back into the program. TXDOT does not install the signs; the sponsor does. Total cost of implementation and administration is less than $1,000 over the life of the 3-year contract. POC: Andy Keith 512-788-3177
UTAH	No response. POC: Ryan Ellsworth 801-965-4120
VERMONT	No response. POC: Tina Bold (802) 828-2657

VIRGINIA	In 2011, the Virginia Department of Transportation (VDOT) initiated the Safety Rest Area and Welcome Center Sponsorship, Advertising, and Vending Enhancement (SAVE) program to offset the cost of maintaining and operating Virginia's Safety Rest Areas and Welcome Centers. Through this program, VDOT contracted with a private firm to plan, implement, and manage a multimedia rights program including advertising, vending, and related goods and services for select rest areas and welcome centers. All products are dispensed from vending machines, and no advertising at the rest areas and welcome centers is visible from the main traveled way. VDOT shares revenues from the SAVE program with the Virginia Department for the Blind and Vision Impaired (DBVI) and the Virginia Tourism Corporation (VTC), both of which played active roles in developing the SAVE program. DBVI previously managed vending at the Safety Rest Areas while VTC previously managed the advertising program at the Welcome Centers. VDOT uses the remaining revenues to support the Safety Rest Area program and offset the annual operating expenses of $21 million. POC: Martin Krebs 804-786-0785 (804-786-0650)
WASHINGTON	No response. POC: Steve Holloway 360-705-7893
WEST VIRGINIA	WVDOT has discussed the idea of sponsorship, but has dismissed it and has no plans for pursuing it. POC: Dave Burroughs 304-420-4715
WISCONSIN	Issued an RFP for rest area sponsorship but received no responses. POC: Bob Spoerl 608-266-8665
WYOMING	Wyoming has no rest area sponsorship program in place and is not considering it. POC: Mark Anderson 3087-777-4375

Appendix E
Sponsorship Outreach

Rest Areas, Welcome Centers, Roads, Vehicle Fleet, Courtesy Patrol Sponsorship

Company	Website	Address1	City	State	Zip	Date Contacted	Notes	Follow up	Reply
Association of County Officials	https://www.wvaco.org/	2026 Kanawha Boulevard	East Charleston	WV	25311-2118	10/4/2018	Non Profit Organization - no sponsorships		
Chemical Alliance Zone	http://cazwv.com/	3200 Kanawha Turnpike	Charleston	WV	25303	10/1/2018	left voicemail	emailed 10-11-18	10-11-18 - non-profit with a small budget
Contractors Association of West Virginia	http://www.cawv.org/	2114 Kanawha Boulevard	East Charleston	WV	25311	10/2/2018	left vm for Mike Clowser	emailed 10-11-18	
CVS Headquarters	https://cvshealth.com/contact					10/2/2018	Proposal needs to be submitted	emailed 10-11-18	
Freight/Truck Council (State level)							Unable to find anything online		
Friends of Coal	https://www.friendsofcoal.org/	PO Box 3923	Charleston	WV	25339	10/2/2018	Bill Raney cell 304-545-8226	emailed 10-11-18	10-11-18 - Cost per year?
GEICO	http://www.corporate-office-headquarters.com/company-contact-help	5260 Western Avenue	Chevy Chase	MD	20815	10/11/2018	Kevin Green, in Marketing will call back - would not provide phone number or email addresss		
			Charleston	WV		10/19/2018	Joe called. The Agent is currently unavailable, Is supposed to call back.		
High-Tech Corridor (?) Morgantown/Fairmont Area	http://www.wvcommerce.org/info/wvmagazine/reunions2009/hometownjobs/hightechnology.aspx	1900 Kanawha Blvd, East, Bldg. 3, Suite 600	Charleston	WV	25305		Refer to West Virginia Department of Commerce (Row 19)		
IOGA WV (West Virginia Independent Oil and GAs Association)	https://iogawv.com/	300 Summers St., Ste 820	Charleston	WV	25301	10/3/2018	Spoke with Lori Miller. Suggested that an email be sent to Charlie Burd, Executive Director.	emailed 10-11-18	
McGriff Insurance Services (part of BB&T Bank)		300 summers St., Ste 650	Charleston	WV	25301	10/22/2018	The company would need to see a proposal to evaluate the benefit of sponsorship.		
Mylan Pharmaceuticals Inc.	http://www.mylan.com/	781 Chestnut Ridge Road	Morgantown	WV	26505	10/1/2018	Sponsorship Form emailed to us	emailed 10-11-18	
Nationwide Insurance						10/22/2018	Nationwide appears to be similar to the other big insurers. There is just a web site to submit a sponsorship proposal.		
Pfizer Inc.	https://www.pfizer.com/	235 E. 42nd st	New York	NY	10017		Dean Mastrojohn - Media Relations	emailed 10-11-18	
Polymer Alliance Zone	https://www.clustermapping.us/about/contact-us	1 Polymer Way	Davisville	WV	26142	10/1/2018	sent email	emailed 10-11-18	10-11-18 - no budget left
State Farm Insurance	https://www.statefarm.com/about-us/community-involvement/marketing-sponsorships	Marketing Dept				10/2/2018	Proposal needs to be submitted through website		
		David Smyer		WV		10/19/2018	Joe called David Smyer. No information available.		
Travelers Marketing	http://www.travelersmarketing.com/					10/12/2018	Carly Finigan		10-12-18 - will pass survey along 11-5-18 - Response: Travelers Marketing is interested in working with the WV. The company's business model is a revenue sharing model. The company is paid a % of revenue generated by sponsorship of facilities. If WV proceeds with legislation, this type of model may need to be addressed in the legislation. Travelers Marketing will work directly with the agency that issues the RFP. They will work either with a singular asset or all available assets. Rest Areas are sometimes a hard sell for sponsorship. Rest Areas can have criminal/unsavory activities that may hinder sponsorship. Travelers Marketing has worked with Incident Clear (won the WV courtesy patrol rfp) and said that sometimes Incident Clear is open to sponsorship on their vehicles. Travelers Marketing also provided a contact to Nevada DOT (Juan Hernandez) He is supposed to email me his email and phone number. I will contact after receiving the information.
Virginia Trucking Association	http://www.vatrucking.org/	4821 Bethlehem Road, Suite 101	Richmond	VA	23230	10/4/2018	No sponsorships - Dale Bennett, President & CEO		
West Virginia Chamber of Commerce	https://www.wvchamber.com/Default.aspx	1624 Kanawha Blvd. East	Charleston	WV	25311	10/11/2018	Brian Dayton - will forward email to correct person		
West Virginia Department of Commerce	http://westvirginia.gov/	1900 Kanawha Blvd, East, Bldg. 3, Suite 600	Charleston	WV	25305	10/4/2018	No funding available for sponsorships - Debbie Browning		
West Virginia Development Office	http://www.wvcommerce.org/business/default.aspx	1900 Washington St E # 553	Charleston	WV	25305	10/4/2018	No funding available for sponsorships - Debbie Browning		
West Virginia Hardwood Alliance Zone	https://www.clustermapping.us/content/west-virginia-hardwood-alliance-zone	10 11th Street	Elkins	WV	26241	10/1/2018	Robby Morris - left voicemail	emailed 10-11-18	
West Virginia Insurance Federation	http://www.wvinsurance.org/	PO Box 11887	Charleston	WV	25301	10/2/2018	left voice mail for Jill Cranston Rice, President - Dinsmore & Shohl, LLP	emailed 10-11-18	10-11-18 - will discuss at Board Mtg in Nov. Joe provided detailed email
West Virginia Oil and Natural Gas Association	https://www.wvonga.com	1700 Maccorkle Ave SE	Charleston	WV	25314	10/2/2018	left vm for Anne Blankenship, Exec Director Found a donation/sponsorship Request form	Submitted form through website and emailed Anne Blankenship 10-11-18	10-11-18 - Amount not in their budget
West Virginia Manufacturers Association	https://www.wvma.com/	2001 Quarrier St.	Charleston	WV	25311	10/2/2018	left vm for Patty Barnhart, Executive Assistant	emailed 10-11-18	10-12-18 - No
West Virginia Municipal League	https://www.wvml.org/	2020 Kanawha Blvd	Charleston	WV	25311	10/4/2018	Travis Blosser - email information to be considered	emailed 10-11-18	
West Viriginia Retailers Association	https://www.wvretailers.com/	2110 Kanawha Blvd.E	Charleston	WV	25311	10/2/2018	left message for Bridget Lambert	emailed 10-11-18	10-11-18 - Extended to other retail businesses?

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