



CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Corporate Assets and Strategic Planning Division

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	September 2, 2014
SUBJECT/REPORT NO:	Coordinated Street Furniture Program (PW09033c) - (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Lugene MacDonald (905) 546-2424, Extension 2199
SUBMITTED BY:	Gerry Davis, CMA General Manager Public Works Department
SIGNATURE:	

RECOMMENDATION

- (a) That the City of Hamilton enter into an agreement to amend the terms of an existing Advertising Licence Agreement with Creative Outdoor Advertising for the placement of advertising and non-advertising benches (known as transit benches/waste receptacles) on approved locations within the City's road allowance;
- (b) That the Mayor and City Clerk be authorized and directed to execute the amended Advertising Licence Agreement referred to in subsection (a) together with all necessary associated documents, in a form satisfactory to the City Solicitor and with content acceptable to the General Manager of Public Works.

EXECUTIVE SUMMARY

At its meeting on March 26, 2014, Council approved Item 12 of Public Works Committee Report 14-003 which included the following recommendation:

(b) That Staff be directed to renegotiate the Creative Outdoor Advertising (known as transit benches/waste receptacles) contract one year prior to its expiration in order to facilitate the installation of new street furniture elements prior to the 2015 Pan Am Games.

Staff have been working with representatives from Creative Outdoor Advertising and have successfully negotiated the key terms for the amended Advertising Licence Agreement in order to facilitate the installation of new benches throughout the City of Hamilton. These key terms are set out in Table 1 of Report PW09033(c).

The implementation will include replacement of existing benches and installation of new benches in approved locations. Implementation will occur in stages with the initial

phase being replacement and installation along the Games Route Network and in other key areas prior to the 2015 Pan Am Games. The second phase of implementation is complete replacement of all existing benches throughout the City with installation to be completed no later than July 2016. The key terms of the amended Licence Agreement require a higher quality product that is more aesthetically pleasing, improved maintenance requirements, the addition of public space recycling and increased annual revenue for the City of Hamilton year over year.

Alternatives for Consideration - See Page 5

FINANCIAL - STAFFING - LEGAL IMPLICATIONS

Financial: The Advertising Licence Agreement will set out the financial terms by which Creative Outdoor Advertising will remit revenue to the City of Hamilton. There will be no negative financial implications to the City.

Staffing: Staff will continue to administer the contract with current staff levels. Installation and ongoing maintenance and of the benches, including emptying waste and recycling receptacles, repairs and graffiti removal, is the responsibility of Creative Outdoor Advertising.

Legal: The current Advertising Licence Agreement will be amended to set out the terms by which Creative Outdoor Advertising will install, maintain and generate revenue from their Benches. Legal Services is currently preparing the amended agreement to include the negotiated key terms.

HISTORICAL BACKGROUND

The City's transit bench program is currently delivered through an agreement with The Bench Press Limited operating as Creative Outdoor Advertising (COA). The current agreement consists of the installation, maintenance and removal of bench furniture (most with built in waste receptacles) at approximately four hundred and fifty (450) locations across the City of Hamilton. This street furniture element is completely managed and maintained by Creative Outdoor Advertising with no operational or financial implications to the City.

At its meeting on March 17, 2014, Public Works Committee recommended, and Council subsequently approved on March 26, 2014:

(b) That Staff be directed to renegotiate the Creative Outdoor Advertising (known as transit benches/waste receptacles) contract one year prior to its expiration in order to facilitate the installation of new street furniture elements prior to the 2015 Pan Am Games.

Staff have been working with COA to negotiate key terms such as enhanced maintenance levels, product lines, installation practices, increased revenue and compliance with the terms of the agreement. Staff have successfully negotiated the key terms, as set out in Table 1 of Report PW09003(c).

In conjunction with the contract renegotiation, staff are undergoing the creation of Site Selection Criteria and Guidelines to be utilized as a tool for placement of all street furniture elements. Initial drafts have been created and continued development is underway. COA has agreed to adhere to the Site Selection Criteria and Guidelines once finalized. In the meantime, COA has committed to replace an initial one hundred (100) benches by June 2015 throughout the Games Route Network and other key areas to be affected by the travelling public for Pan Am Games. Following this first phase of implementation, continued implementation of new benches will occur throughout the City until all benches are replaced with the new style bench. COA has committed to full implementation by July 2016, including any necessary retrofitting to adhere to the Site Selection Criteria and Guidelines.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The City of Hamilton's Barrier Free Design Guidelines and the Province of Ontario's Accessibility for Ontarians with Disabilities Act , both contain regulations and guidelines for street furniture elements. The Creative Outdoor Advertising agreement will require all products being placed within the City's streetscape are accessible and allow for barrier free movement. The Site Selection Criteria and Guidelines will be consistent with these regulations.

RELEVANT CONSULTATION

The following City Departments / Divisions have been consulted on the review and renegotiations of the Advertising Licence Agreement:

- City Manager's Office: Legal Services
- Public Works Department: Transportation - Transit Planning; Operations - Roads Maintenance and Waste Collections
- Corporate Services Department: Procurement

The final content of the amended Advertising Licence Agreement will contain provisions acceptable to the General Manager of Public Works and Finance & Corporate Services. The final forms of the Advertising Licence Agreement are required to be acceptable to the City Solicitor.

ANALYSIS AND RATIONAL FOR RECOMMENDATION

The terms of the existing Licence Agreement provide for the use of benches and waste receptacles for the general public, with no cost to the City of Hamilton. In allowing COA to install and maintain advertising bench units, including waste receptacles, they provide the City of Hamilton with services that the City would otherwise need to fund and provide directly. In conjunction with the services provided, COA remits an annual licence fee for each bench to the City. Therefore, execution of an amended Advertising Licence Agreement, with enhancements based upon the City of Hamilton's needs, is recommended.

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The major provisions of the amended Advertising Licence Agreement, as well as the rationale for the changes, are set out in Table 1 below. The key terms are advantageous to the City have been agreed to by COA.

Table 1- Key Terms

Item	Amendment	Rational																				
Term	Ten (10) Years	Ten years is recommended in order for COA to amortize the full cost of the City-wide replacement.																				
Renewal	The City agrees to provide COA with notice, in writing, of the intent NOT to renew the agreement under the same terms and conditions, at least one year before the expiry of the agreement. If said notice is not provided in writing, the agreement will automatically renew for an additional one year. Thereafter, in the absence of one year's notice, the agreement shall continue for an additional 12 months, until such time as notice is issued.	Renewal notice of a year allows the City to remain proactive in looking ahead to new opportunities while ensuring a quality program continues in the interim.																				
Licence Fees Payable	<p>City Annual Gross Revenue based upon current complement of 450 units</p> <p>(3% increase per year)</p> <table border="1" data-bbox="423 1115 930 1518"> <tr><td>Year One:</td><td>\$50,850</td></tr> <tr><td>Year Two:</td><td>\$52,375</td></tr> <tr><td>Year Three:</td><td>\$53,946</td></tr> <tr><td>Year Four:</td><td>\$55,566</td></tr> <tr><td>Year Five:</td><td>\$57,231</td></tr> <tr><td>Year Six:</td><td>\$58,950</td></tr> <tr><td>Year Seven:</td><td>\$60,718</td></tr> <tr><td>Year Eight:</td><td>\$62,541</td></tr> <tr><td>Year Nine:</td><td>\$64,417</td></tr> <tr><td>Year Ten:</td><td>\$66,348</td></tr> </table>	Year One:	\$50,850	Year Two:	\$52,375	Year Three:	\$53,946	Year Four:	\$55,566	Year Five:	\$57,231	Year Six:	\$58,950	Year Seven:	\$60,718	Year Eight:	\$62,541	Year Nine:	\$64,417	Year Ten:	\$66,348	The existing agreement increased revenue increments by fifty cents (\$0.50) per year per bench. Using the three percent (3%) increase allows the City to generate greater revenue, at a faster pace, over the life of the contract and better reflects an expected average inflationary rate. Year One revenue rates reflect the 2015 rate agreed upon in the original agreement with COA.
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Phase One: Bench Replacements <u>Prior</u> to Pan Am Games	COA has committed to replacing and installing 100 benches prior to the Pan Am Games. Seventy Six (76) bench replacements (Appendix "B") within the Games Route Network (Appendix "A") and identified supplemental routes. Twenty Four (24) benches to remain as a reserve to be installed in areas of need for new or severely damaged units.	With the Pan Am Games approaching, this schedule of implementation allows cohesion along the Games Route Network and supplemental routes to and from the Tim Horton's Field. It also allows for the installation and replacement of new benches in other key areas of the City.																				

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Item	Amendment	Rational
Phase Two: Bench Replacements Post Pan Am Games	All remaining benches (approximately 350) throughout the City of Hamilton shall be replaced with new units by July 31 st 2016.	Complete City-wide replacement of existing benches with new products
New Bench Installation throughout the Term	For each year of the term, the City may choose, at its option, to request installation of Twenty Five (25) new benches at approved locations throughout the City.	Current records show over the past several years only 4-5 new benches have been requested to be installed per year. The twenty five (25) new benches provide the City with flexibility to identify new areas which may be underserved with bench amenities and strategically place these units.
Bench Style	COA to provide their Concourse style bench, with built in waste and recycling receptacles, as the standard product throughout the City. For Business Improvement Areas the City may request the placement of an enhanced model with or without a coordinated waste receptacle. (See Appendices "C" and "D") The Lexington model will be the enhanced model but due to higher costs (to the supplier) in creating this unit, the use for the City is limited.	The Concourse model provides seating and customizable waste and recycling receptacles. It has a better aesthetic and will provide for a more cohesive image throughout the City, eliminating the mismatched, damaged and weathered benches currently in place. The complementary Lexington model can be installed in Business Improvement Areas (with or without a separate waste receptacle) to allow for a unique image in specified areas.
Maintenance	COA will continue to maintain their units and provide waste removal for their litter receptacles. COA will provide enhanced access to their Web Portal which allows City staff to view upcoming visits and 'check lists' to ensure completed service visits.	Greater access to maintenance and tracking data will allow City staff to better monitor the maintenance requirements of the agreement and respond more efficiently to calls about damage or overflowing waste receptacles.

ALTERNATIVES FOR CONSIDERATION

The City, as an alternative, could consider not renegotiating the Advertising Licence Agreement with COA and allow the existing agreement to expire on December 31, 2015. The result would be a removal of all current bench/waste receptacle amenities from the streetscape and reduction of all revenues. The City would need to arrange for the replacement of these amenities and the associated maintenance, repair and waste removal responsibilities. An additional impact of this alternative would be the City remains in a state of 'status-quo' at it relates to street furniture, until December 31, 2015. This would include the duration of Pan Am Games. The lack of an enhanced or coordinated image would continue should staff be directed to use this alternative of not

executing the agreement. As this amended Advertising Licence Agreement provides enhanced, continued, uninterrupted amenities to residents that are cost-conscious and provide a source of revenue to the City, staff are not recommending this alternative.

ALIGNMENT TO THE 2012 - 2015 STRATEGIC PLAN

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

- 1.3 Promote economic opportunities with a focus on Hamilton's downtown core, all downtown areas and waterfronts.
- 1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

- 2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.
- 2.2 Improve the City's approach to engaging and informing citizens and stakeholders.
- 2.3 Enhance customer service satisfaction.

Strategic Priority #3

Leadership & Governance

WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.

Strategic Objective

- 3.4 Enhance opportunities for administrative and operational efficiencies.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A"	Games Route Network
Appendix "B"	Phase One Implementation
Appendix "C"	Illustration of Concourse bench model
Appendix "D"	Illustration of Lexington bench model