



October 21, 2016

City of Hamilton
His Worship, Mayor Eisenberger & Council Members:

**RE: Digital Signage Budget Enhancement Opportunity –
Item 8.1 Planning Committee October 18, 2016**

We write to you today in regards the recent report, noted above, heard by the Planning Committee on October 18, 2016.

Pattison Outdoor Advertising LP is a national out-of-home advertising company, similar to Outfront Media. Both companies have had a mutually beneficial relationship with the City of Hamilton for many years. As national advertising providers, we compete amongst ourselves and other members in our industry for locations daily.

With respect to the above subject matter, in our opinion feel it was detailed, however it fell short in a couple of areas. These areas were presented by ourselves to the Committee on October 18. I would like to readdress our concerns to His Worship and other members City Council who were not present at the Planning Committee meeting.

First, after several meetings with the Revenue Generation department in late 2014 and early 2015, we were requested to submit a proposal based on where Pattison Outdoor Advertising would prefer to build its digital signage. This proposal was submitted on July 30, 2015. It isn't known, nor was it made known, when the Outfront Media proposal was submitted. However, a proposal letter was submitted by Outfront Media on September 12, 2016. This letter was included the Planning Committee report as Appendix H.

This whole process really should have been, or should be dealt with under an RFP, as each proposal addresses different opportunities:

Pattison's submission was for six (6) single sided digital boards with a maximum size of 10' h x 20' w to be solely placed near overpasses along the Lincoln Alexander Parkway.

Outfront's submission was for ten (10) double sided digital boards of various sizes at various City owned location. In addition, the proposal detailed a conversion of two (2) existing Outfront billboard locations to digital. The latter are locations that are owned by Outfront Media and media revenue generated at these locations will not be shared with the City of Hamilton.

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Following our July 30, 2015 submission, Pattison was not made aware of a second submission nor that other City owned locations are of interest to the City for digital signage. Clearly, there are very distinct differences between the proposals. Therefore, how could staff base their decision to go with a proposal over another when the variables of each are not consistent or even remotely similar? One needs to ask how you can compare the submissions with any degree of consistency.

Should this process have been subject to an RFP, then the requirements, as detailed by an RFP, would have been understood by all proponents. Only then can the City properly analyze the proposals as to who brings forward the "best benefits" to the City of Hamilton. An RFP establishes a "fair process", a level playing field, and the choosing of a proponent through this process would be accepted by all who replied.

The City of Hamilton has history in assessing City assets for revenue generation. Recently, the City issued an RFI for Transit related advertising concessions. It would be assumed that an RFP with specific requirements and terms of contract, gauged by the responses of the RFI, will be issued. One must question the process taken by City staff to sole sourcing an advertising concession for a fifteen (15) year term based on dissimilar characteristics.

Second, the Report contained a recommendation to amend the bylaw for digital signage. In our opinion, this amended bylaw is a red herring. The proposed amendment sets out all the parameters required to fully permit the twelve (12) new locations as proposed by Outfront Media. Also, the amendment, once carefully analyzed, would allow few, if any, future digital locations, either on City lands or private property, from being approved.

The City of Hamilton has a unique opportunity to present to the out-of-home industry. Many City owned assets offer the ability for advertisers to reach various demographics and new traffic circulations. Digital billboards offer out-of-home suppliers an opportunity for revenue growth, revenue that is shared with its concession partners. Only by way of an RFP will the City of Hamilton truly understand and realize the potential of their assets. We urge His Worship and City Council to recommend refusal of the Report at their meeting on October 26, 2016 and have the opportunity open to the out-of-home industry by issuing an RFP.

Should you require further information, please contact me at your convenience.

Yours truly,

A handwritten signature in black ink, appearing to read "Sid Catalano", written over a horizontal line.

Sid Catalano
Director of Legislation
Pattison Outdoor Advertising LP