



Hamilton

INFORMATION REPORT

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	September 6, 2022
SUBJECT/REPORT NO:	Enhancement of Digital Sign Portfolio (CM22004) (City Wide)
WARD(S) AFFECTED:	City Wide
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SIGNATURE:	

COUNCIL DIRECTION

In October of 2016 Council approved an Outfront Media operated Digital Billboard initiative Report FCS16082/PED16196 which included locating 10 digital signs in what were deemed suitable City owned land locations. This initiative resulted in a revenue flow of \$6.1 Million in the form of real estate land leases, in addition to over \$450,000 in permit fees over the 15-year term. Part of this engagement included the possibility of adding additional sites if suitable locations were to be identified.

Outfront has presented a proposal extending from the original initiative for one additional site (see Appendix 'A' for detailed location info), the site would be located at Wilson St. and Mason Drive (Ancaster Business Park). The proposed rent for this site has been identified through competitive intelligence review to be on the top end of rent ranges for these locations. The proposed rent for this site is \$36,800/year or \$552,000 over the 15-year contract term (inflation adjusted every 5 years). Please refer to Appendix 'B' for a detailed breakdown of rent and benefits being offered for this site.

The value of this transaction is within the delegated staff authority for real estate transactions, and therefore does not require Council approval. However, given the nature of the locations being proposed for the billboards, staff thought it prudent to bring forward this Information Report for Council's information, prior to executing any agreements. Should Council have concerns with the proposed locations, Council

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OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

could give direction to not execute the agreements, or to undertake an alternative process for identifying potential partners for the proposed locations.

INFORMATION

The Strategic Partnerships Division has developed a well-established partnership with Outfront Media over the past seven years. Outfront has maintained all its financial obligations to the City despite the significant decline in sign utilization as a result of the COVID 19 pandemic. This reliability has been invaluable and benefitted the City with a significant revenue stream (\$364,000/year). Outfront continues to go above and beyond in accommodating requests from the City, including the incorporation of custom messaging on all the billboards since their installation (~\$150,000/year in-kind value), COVID related community messaging, supporting Amber Alert scenarios, sponsorship of community events and beautification of City properties (i.e. removing defunct City of Hamilton owned Valley Park recreation sign with an estimated costs savings to the city of \$75,000). The Digital Sign Portfolio is also providing the City of Hamilton with approximately \$20,000 in additional permit revenue each year.

In addition, Outfront has accommodated the City's request to remove a significant portion of end-of-life or ill-placed static billboards; to date over 40 static sites have been removed and the land renewed on which they sat. Outfront has also committed to the removal of all lower City static signs and with the addition of this new site, the digital portfolio is at a scale to remove a significant portion of static billboards throughout the lower City.

Outfront has always paid their rent on time (even through the pandemic when revenue flows were significantly impaired), taken great care (maintenance/repair) of assets on City property, and have a proven history of working very well with the City of Hamilton. Additionally, given the partnership Strategic Partnerships has been able to establish with Outfront, the rents being offered are on the high side of the range that would normally be associated with this location.

In addition, as highly detailed in the original report (Report FCS16082/PED16196) with respect to digital signage and road safety there has been no definitive correlation between road safety and the placement of digital signs. White papers conducted by the Department of Transportation, Transport Canada and the Ministry of Transportation have indicated this (as represented through detailed psychomotor and ocular – eye dwell studies). Similarly, a detailed study conducted in Ottawa and by Staff here in Hamilton, also have shown no correlation to an increase in the level of traffic related accidents after a digital sign has been installed. In some cases, there was a decrease.

Another unique aspect of this synergistic partnership is the ability for Council and the City to maintain control of the location of where these signs are located, ensuring a

consistent aesthetic and more importantly, the regulation of stringent safety and operating protocols to maintain full oversight over potential impacts (such as residential view shed).

Strategic Partnerships has consulted with Real Estate, Corridor Management, Legal and Traffic, Operations & Maintenance to ensure suitability and safety evaluation of this site and will continue to work with appropriate City divisions going forward as part of the detailed site review, safety, and installation. In addition, these sites also conform to the previously approved digital sign by-law parameters.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report CM22004 - Proposed Site Location

Appendix "B" to Report CM22004 - Detailed Lease Rent Breakdown