



City of
Peterborough

To: Members of the General Committee

From: Sandra Clancy, Chief Administrative Officer

Meeting Date: October 4, 2021

Subject: Report CAOCS21-004
Third Party Advertising on Street Benches and Waste Receptacles

Purpose

A report to provide an update and recommended direction on agreements between the City and companies that provide third party advertising on street benches and waste receptacles on City property in the City of Peterborough.

Recommendation

That Council approve the recommendation outlined in Report CAOCS21-004, dated October 4, 2021, of the Chief Administrative Officer, as follows:

That, prior to the City issuing an expression of interest under the Sponsorship Policy to solicit proposals for third-party advertising with the provision of street furniture and waste receptacles, the City issue notice, in a form satisfactory to the Chief Administrative Officer and City Solicitor, notifying Hutchinson Signs of the City's intent to terminate the 1966 agreement between the City and Hutchinson Signs for the company's third-party advertising activity on City property.

Budget and Financial Implications

There are no direct financial implications associated with the issuing of an expression of interest for third-party advertising on street benches and waste receptacles or from providing notice to terminate the 1966 agreement with Hutchinson Signs (Hutchinson). The City does not receive revenue from the agreement with Hutchinson.

Through a separate agreement with Creative Outdoor Advertising (COA), that expired in 2019, the City receives approximately \$3,000 annually in revenue sharing from advertising sales.

Following the expression of interest, it is anticipated that a new agreement to allow third-party advertising on street benches and waste receptacles on City property will include revenue sharing provisions for the City.

Background

Over the last few years, the installation of new Peterborough Transit shelters, the co-location of benches and waste receptacles for third-party advertising by multiple providers, and the expiry of existing agreements led to a review of how the City provides the opportunity for businesses, the associated public space amenities, and revenue generating opportunities for the City.

The City currently has three businesses selling third-party advertising in these public spaces: Pattison Outdoor Advertising (Pattison) that sells largely regional/provincial/national advertising campaign space on transit shelters, Creative Outdoor Advertising that sells advertising on waste receptacles that it provides, and Hutchinson Signs that sells advertising on benches that it provides.

The three-year agreement with Pattison will expire on June 30, 2024 with options to extend the agreement provided both parties are mutually agreeable. It includes a guaranteed annual payment or a revenue share if the revenue share amount exceeds a threshold.

The current agreement with COA expired in 2019. The parties continue to operate under the terms of the expired agreement, providing the approximately \$3,000 a year in revenue to the City as well as the associated waste receptacle services that are associated with each third-party advertising fixture.

The Hutchinson agreement was signed by the Mayor and Clerk in February 1966. It has no expiry date. It allows the City to terminate the agreement on 90-days notice. The Hutchinson agreement specifies 47 locations that Hutchinson can place benches as fixtures for third party advertising. Over the years, additional locations have been provided; however, the agreement has not been updated. It is estimated that there are approximately 100 Hutchinson advertising bench locations. The City receives no revenue from the Hutchinson agreement.

The City has informed Hutchinson and COA that it is reviewing its current agreements and how it manages the sale of third-party advertising on street benches and garbage receptacles.

Given the current status of the COA and Hutchinson agreements, the City has an opportunity to take a strategic approach to managing these agreements in a way that

will maximize overall advertising revenue returns to the City with the ongoing consideration of benches and garbage receptacles provided through the sponsorship agreements.

An open expression of interest will invite both COA and Hutchinson to submit proposals, if interested, as well as any other interested proponent. Revenue to the City as well as the associated fixtures for advertising that would be supplied by the proponent (e.g., benches and waste receptacles) will be considered. The process and approval will be subject to the City's Sponsorship Policy.

Any third-party advertising provided on City property under agreement with the City is subject to the Sponsorship Policy.

Summary

With the expiration of existing agreements and the recommendation to provide notice to end a historical agreement from 1966, the City will update its agreements for third party advertising on street benches and waste receptacles in the City of Peterborough considering revenue generation and the parties providing fixtures for the third-party advertising, including benches and waste receptacles.

Submitted by,

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