

Date: 2023-03-20

Subject: **Request to Begin Procurement – Digital Billboard Advertising on City Property**

Contact: Tara Hunter, Manager, Sponsorship and Corporate Development

Report Number: CAO's Office-2023-257

Recommendations:

1. That the report from Tara Hunter, Manager, Sponsorship and Corporate Development, to the Committee of Council Meeting of March 29, 2023 re: **Request to Begin Procurement – Digital Billboard Advertising on City property**, be received;
2. That the Purchasing Agent be authorized to begin the Procurement for Digital Billboard Advertising on City property to provide increased City messaging to residents and an alternative revenue source.

Overview:

- **There is potential for the City to generate revenue through third-party advertising and increase City messaging to residents at no cost with the installation of digital billboards on City property, through a land lease to a company in the out-of-home advertising industry and a site-specific Sign By-law amendment.**
- **Managing the number of digital billboards is an important consideration and retaining control as the City contemplates future development and re-zoning is a priority to protect the interest of residents.**
- **This report seeks Council approval to commence the procurement to establish a contract for digital billboard advertising on city property for a 15-year period, with the option to renew the contract for one additional five year period.**

Background:

Pursuing alternative sources of revenue to reduce the burden on the taxpayer is an important strategy for the City of Brampton. The Advertising on City Property Policy supports the placement of advertisements on City assets to assist in the provision of City services.

Out of home (OOH) or outdoor advertising remains one of the most effective ways to advertise to a target audience. Transit and billboards (static and digital) are examples of OOH advertising and most municipalities generate revenue through both channels. Brampton Transit offers advertising on its buses, shelters and benches. Through this program it delivers over a million dollars each year to the City offsetting Brampton Transit's operating costs.

Billboards are large signs and classified as "Ground Signs" under the City's Sign By-law 399-2002 as amended. Under the by-law these signs are permitted based on specific conditions such as must be on private property that is vacant land and a minimum distance from residential, as well the size of the sign is restricted.

In December 2022, Council approved a site-specific Sign By-law amendment to erect digital signs on CN rail bridge overpasses for the purpose of City and commercial messaging. The City will be receiving annual revenue and free messaging on each sign as part of the contract.

Current Situation:

There is potential for the City to generate revenue and increase City messaging to residents at no cost with the installation of digital billboards on City property through a land lease to the OOH industry. The installation of digital billboards on City property will have the added benefit of providing local businesses new ways to advertise boosting economic development and reinforcing Brampton as an urban innovative city.

The full revenue potential and cost savings is significant. For example, a rate card estimate for a four-week campaign on a digital billboard can range from \$1,500 to \$15,000 depending on the size and location of the sign.

A strategic approach is required to maximize the benefit to the City. Managing the number of digital billboards is an important consideration and retaining control as the City contemplates future development and re-zoning is a priority to protect the interest of residents.

The request to begin procurement to establish a contract for digital billboards for third-party advertising on City property will include proposed locations, free messaging opportunities for the City, and minimum annual guarantee revenue paid to the City. The contract term will be for a 15-year period, with one option to renew for one additional

five-year period. The 15-year term will optimize the revenue share to the City because it accounts for the large upfront capital investment required of the successful bidder. Final locations will require a site-specific Sign By-law amendment.

Brampton is in a unique position as one of the few municipalities without market saturation of digital signs. This will change with the eight approved CN locations (16 digital signs) and with this Request for Proposal (RFP), which will not limit the number of locations that may be proposed.

The requirement of a safety assessment prepared in accordance with the City's Public Works Department: Digital and Projected Advertising Displays (DPAD) Terms of Reference for any site specific By-law amendment, including those proposed in an RFP, is designed to help manage proliferation and for the City to retain control in light of future rezoning and new development.

It is with that awareness that any future requests for an exemption to the Sign by-law to erect digital signs on private property be considered.

Corporate Implications:

Purchasing Implications

A public Procurement Process will be conducted and the Bid submissions shall be evaluated in accordance with the published evaluation process within the bid document. Purchase approval shall be obtained in accordance with the Purchasing By-law.

All communication with Bidders involved in the procurement must occur formally, through the contact person identified in the Bid Document.

Financial Implications:

There are no direct financial implications associated with this report. Revenue from the Digital Billboards will be incorporated in future operating budget submissions, pending Council approval.

Communications Implications

The installation of digital signs on City property will benefit residents by creating a new channel for the City to communicate important city messaging, at no cost.

Term of Council Priorities:

This report demonstrates that Brampton is a Well Run City providing a non-tax revenue source for the corporation, cost savings, increased city messaging to residents, and

supporting economic growth creating new opportunities for the business community to advertise.

Conclusion:

It is recommended by staff that Council authorize the Purchasing Agent to commence procurement, as described in this report.

Authored by:

Reviewed by:

Tara Hunter, Manager, Sponsorship
and Corporate Development
Office of the CAO

Melissa Qi
Senior Manager Public Affairs
Office of the CAO

Submitted by:

Approved by:

Marlon Kallideen
Chief Administrative Officer

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