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## **2012 BUDGET BRIEFING NOTE**

### **Disposition of Revenues Generated by the Street Furniture Program**

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#### **Issue/Background:**

- The General Manager, Transportation Services was requested to provide a briefing note summarizing the disposition of revenues generated by the Street Furniture Program, i.e. staff, capital, etc.
- Revenues from the Street Furniture Program are directed to the Public Realm Reserve Fund. The purpose of this fund is set out in a report entitled, "Coordinated Street Furniture Program – Revenue; and Establishment of a new "Public Realm" Reserve Fund," adopted by City Council at its meeting of December 11, 12 and 13, 2007.
- The direction for the use of these funds was set out in the following hierarchy:
  - Funding the establishment and operation of the Public Realm Section, including management and administration of the Street Furniture Program.
  - Maintenance of existing net revenue streams, as required, by Transportation Services to replace revenue from the previous shelter contract.
  - Disposition of new revenues for initiatives that will deliver enhanced streetscaping, neighbourhood beautification and other physical public realm improvements within the City's road allowances, in connection with annual capital and operating programs.
- The Public Realm unit was established to have strategic responsibility and accountability for planning, design oversight, implementing and managing streetscapes to achieve an attractive, safe and functional public realm. Three areas of responsibility were identified:
  - Management and administration of the Street Furniture Program and roll-out in accordance with the "Vibrant Streets" principles.
  - Pedestrian space policy, planning and coordination, including implementation of neighbourhood improvement projects.
  - Project management/coordination for capital streetscape works and other public space initiatives. This unit was also to be involved in leveraging private sector investment.
- Section 17.2 of the Agreement between the City and Astral Media sets out the minimum yearly guaranteed fee or annual revenue to the City from Astral Media. The company pays

the greater of either the annual fee for each agreement year or the listed percentage of gross revenues, as set out in the attached chart.

- In addition, the Agreement required Astral Media to provide an upfront payment of \$28M plus the first three years of the contract valued at \$8.5M up front.

**Key Points:**

- As per the Council directive for funds generated between the City and Astral Media and, in consultation with Financial Planning in 2012, the Public Realm Reserve Fund will be directed to the following:
  - \$6.04M to fund the Public Realm Section including the operating costs of the Neighbourhood Improvement program, including staff dedicated to:
    - Street Furniture and the newspaper vending box programs
    - Pedestrian Projects including the Essential Links sidewalk program
    - Neighbourhood Improvement program and the Graffiti Management Plan.
  - \$1.24M to fund the Orphan Space program, a transfer to PF&R to maintain spaces in the public right-of-way.
  - \$5.52M directed to four districts in Transportation Services as per the previous transit shelter contract and a one time contribution of \$.71M as bridge financing for roadway mechanical sweeping and operations.
  - \$0.7M to Forestry in PF&R for maintenance of urban street trees, including a \$1M contribution to combat the Emerald Ash Borer.
  - \$0.15M (up to) to Economic Development to assist with the development of wayfinding maps and for the future wayfinding system.
  - One time contribution in 2012 of \$5M to Facilities Management for the perimeter treatment of Nathan Phillips Square.
  - \$2M for capital funding for the Neighbourhood Improvement program previously sourced from the Transportation Services Capital Budget.
- Reserve Fund balance in 2012 is expected at \$7.4M.

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**Date:** December 7, 2011

Attachment

**STREET FURNITURE AGREEMENT BETWEEN CITY OF TORONTO AND  
 ASTRAL MEDIA OUTDOOR (TORONTO) G.P. AND ASTRAL MEDIA INC.  
 July 20, 2007**

17.2 The Company will pay the City an annual fee for each Agreement Year listed in Column One below equal to THE GREATER OF the Guaranteed Minimum Annual Revenue amount listed in Column Two or the percentage of Gross Revenues in Column Three for the Agreement Year:

| <b>Agreement Year</b> | <b>Minimum Guaranteed Annual Revenue</b> | <b>Percentage of Gross Revenues</b> |
|-----------------------|--|-------------------------------------|
| 1                     | \$2,000,000.00                           | 10%                                 |
| 2                     | \$2,500,000.00                           | 10%                                 |
| 3                     | \$4,000,000.00                           | 20%                                 |
| 4                     | \$7,816,575.00                           | 25%                                 |
| 5                     | \$11,638,531.00                          | 32%                                 |
| 6                     | \$13,478,256.00                          | 32%                                 |
| 7                     | \$15,001,287.00                          | 32%                                 |
| 8                     | \$16,968,168.00                          | 32%                                 |
| 9                     | \$17,815,757.00                          | 32%                                 |
| 10                    | \$18,706,545.00                          | 32%                                 |
| 11                    | \$19,641,872.00                          | 32%                                 |
| 12                    | \$23,710,471.00                          | 32%                                 |
| 13                    | \$24,895,995.00                          | 32%                                 |
| 14                    | \$26,140,795.00                          | 32%                                 |
| 15                    | \$27,447,835.00                          | 32%                                 |
| 16                    | \$30,510,575.00                          | 32%                                 |
| 17                    | \$32,152,565.00                          | 32%                                 |
| 18                    | \$33,760,193.00                          | 32%                                 |
| 19                    | \$35,448,203.00                          | 32%                                 |
| 20                    | \$37,220,613.00                          | 32%                                 |