

Coordinated Street Furniture Program - Status Update Year 10

Date: April 24, 2018
To: Public Works and Infrastructure Committee
From: General Manager, Transportation Services
Wards: All

SUMMARY

The Coordinated Street Furniture Program is a partnership with Astral Out-of-Home to install, operate, and maintain 24,500 pieces of street furniture over a 20-year period. The agreement with Astral began in 2007, and follows a fiscal year of September 1 to August 31. This report covers Year 10 of the agreement, for the 2016-17 fiscal year. The Program has resulted in the installation and maintenance of 19,711 elements to date and has provided the City with more than \$168 million in revenue.

As directed by City Council, the annual report outlines the revenues received by the City from the Program, an update on the rollout of the inventory of street furniture elements, and an overview of maintenance performance and issues. An update on the City's management of publication boxes is also provided, along with the status of removal of legacy (pre-Street Furniture Agreement) elements. The deployment of new street furniture pieces is on schedule. Maintenance of street furniture continues to be a challenge, particularly the maintenance of aging first- and second-generation litter bins.

RECOMMENDATIONS

The General Manager, Transportation Services recommends that:

1. The Public Works and Infrastructure Committee receive this report for information.

FINANCIAL IMPACT

There are no financial impacts that will arise from the adoption of the recommendation in this report.

The Acting Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

City Council, at its meeting of May 23, 24 and 25, 2007, adopted the motion that "City Council accept the proposal by Astral Media Outdoor LP as having achieved the highest evaluated score, to provide a coordinated street furniture program for the City of Toronto as described in the City's RFP 9103-06-7316."

<http://www.toronto.ca/legdocs/mmis/2007/cc/minutes/2007-05-23-cc08-mn.pdf>

City Council, at its meeting of June 6-8, 2012, adopted a motion requesting the General Manager, Transportation Services, to "... report annually to Council, through the Public Works and Infrastructure Committee, such report to include status updates on implementation of the Street Furniture Program, revenue, inventory and completion rates by street furniture element, installation locations, complaints and response times, maintenance compliance issues, and information related to the emerging practice of 'creative advertising' on bus shelters and other information relevant to compliance with the contract."

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.PW15.5>

City Council, at its meetings of May 6-8, 2014 and June 10-13, 2014, approved amendments to the Coordinated Street Furniture Program agreement to allow for the placement of creative advertising and the installation of digital advertising faces at transit shelters.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.CC51.8>

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.CC52.4>

City Council, at its meeting of May 3-5, 2016, adopted a motion to establish a new capital account for "Transit Shelter Property Acquisition" in the amount of \$100,000, and added the results of the program to the annual reporting requirement for the Street Furniture program. At the same meeting, City Council directed the General Manager, Transportation Services to, "...migrate all publications boxes into multipublication kiosks or box corrals with a target completion date of December 31, 2020 [and to] undertake measures to improve and increase the use of existing multipublication kiosks."

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.PW12.10>

City Council, at its meeting of December 13-15, 2016, adopted a motion to amend the Delegation of Authority in Certain Real Estate Matters (Item EX43.7, adopted by City Council on May 11 and 12, 2010) by adding an exception to General Condition (h) for property acquisitions of 50 square metres or less for transit shelter purposes.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.GM16.16>

COMMENTS

The Coordinated Street Furniture Program will deliver over 24,500 pieces of street furniture (transit shelters, litter bins, benches, etc.) across Toronto over a 20-year period. The Program is a partnership model between the City and the private sector, is being implemented citywide, and is unprecedented in its scale and scope. Now in its eleventh year, the Program has delivered marked improvements to Toronto's streets while reducing the amount of advertising and clutter in the public realm.

The partnership model with Astral ensures that the provision of street furniture for the public is fully funded from advertising revenue. In fact, the 20-year agreement with Astral guarantees a minimum of \$445.5 million is provided to the City over the contract term. This is in addition to the capital investment and maintenance of street furniture, which is valued at \$202 million and \$294 million, respectively.

A 2017 survey of 1,002 residents of Toronto found that at least six in ten had used a transit shelter, litter bin, or bench in the preceding twelve months. Most residents are satisfied with the convenience (69%), attractiveness (66%), and similarities in design (67%) between different types of street furniture. Three quarters of surveyed residents who lived in the city for more than ten years felt that street furniture was better now than ten years ago; one third of these residents believed it to be significantly better. One in ten felt there was no change, with less than one in twenty believing street furniture to be worse now than before 2007.

Over the course of the last ten years, the street furniture program has evolved to meet the changing needs of residents and businesses. A new litter bin, publication box corral, and transit shelter types were introduced to address changing needs and space constraints, while rollout of multipublication kiosks has stopped due to the declining numbers of publication box licences. Discussions continue with Astral Out-of-home to discontinue, modernize, retrofit, and upgrade elements as appropriate for the remainder of the partnership. A detailed proposal will be included with the status update report for Year 11.

Revenue

A guaranteed minimum annual revenue (MAG) payment is issued to the City at the beginning of each agreement year. In September 2016, the City received \$19,380,346 for the Year 10 MAG. The City can also receive additional revenue from creative advertising and revenue above the annual guarantee. In Year 10, \$69,784 in revenue was received for creative advertising, in addition to \$1,314,329 in revenue from digital advertising. A total of \$20,764,459 in revenue was received for Year 10 of the Street Furniture program.

The Year 11 MAG amount of \$20,507,706, which includes the MAG for digital advertising, has also been received. This means the City has received a total of \$168,403,577 to date as a result of the Program. A full accounting of revenue received is included in Attachment A.

Public Service/Unsold Advertising

Over the course of an agreement year, the City is entitled to utilize up to 8.5% of the total number of print advertising faces, and 4.4% of the digital advertising faces, for public service advertising at no charge. In Year 10, 8.6% of the 5,570 standard advertising faces were used, and 5.1% of the 10,800 daily digital advertising spots were used. This public service advertising has an estimated value of \$5,981,912. The placement of advertising is managed by the Strategic Communications division, and included messaging for citywide campaigns such as "Clean Toronto Together", "Doors Open Toronto", and promotion of Canada 150. Astral continues to be a responsive partner in working with the City to provide opportunities for time-sensitive messaging.

Outside of the Coordinated Street Furniture Program, Astral provides the City with free national advertising on television, radio, and outdoor media also owned by the company with a potential maximum value of more than \$2,000,000. In Year 10, this amount of advertising totalled an estimated \$1,661,888.

Creative Advertising

Creative advertising campaigns involve the use of additional materials, such as decals or wraps, inside or outside of the advertising caisson and on the rest of the transit shelter. Creative executions are usually limited to a small number of shelters where the attention can be focused, but are often important to the success of related larger advertising campaigns.

As per the Council-approved guidelines, a maximum of 5% of all transit shelters may contain creative advertising at any given time. In Year 10, a total number of 29 creative advertising campaigns were implemented on an average of 13.5 ad faces across the 12-month period, and at no time exceeding 5% of transit shelter ad faces.

Digital Advertising

Year 10 was the third year of digital screen deployment and advertising. Six additional screens were installed in Year 10, for a cumulative total of 58 digital screens. This is below the maximum 120 screens that are permitted. Revenue from digital advertising exceeded the prorated guaranteed annual revenue, resulting in an additional payment of \$1,314,329 to the City.

Environmental Reporting

Astral is required to report to the City annually on its environmental performance in delivering the Toronto Street Furniture Program. A summary of the reported environmental benefits from Year 8 is below:

- Use of an estimated 36% recycled content in components installed (by weight)
- Energy savings of 7.5 million kilowatt-hours of electricity, resulting in 671.3 tonnes of avoided carbon dioxide equivalent emissions
- Recycling of 8,000 kilograms of aluminum and more than 1,300 fluorescent lamps
- Diversion of 2.5 million trash bags through the use of reusable litter receptacle liners

Additional City Benefits

Further to revenue, the City receives additional benefits from the Coordinated Street Furniture Program agreement to be provided at the discretion of Astral Out-of-Home. The additional benefits are to be implemented at any time during the agreement term and include the following (with status updates as of the end of Year 10):

- Scholarship Program – An investment has been made for Year 10 in the amount of \$96,674 toward local music programs. Total investment to date is \$1,847,960.
- Summer Student Program – Summer students have been hired locally in Year 8 in the amount of \$148,491. Total investment to date is \$1,787,383.
- Public Art Funding Program – This program has been postponed to Year 11, following the existing and planned decommissioning of multipublication kiosks.
- Free Homeless Access to Public Toilets – As per the agreement, Astral continues to provide tokens for use in the three existing automated public toilets as needed. The distribution of tokens is managed by the Streets to Home Program in the City's Shelter, Support & Housing Administration division.

Inventory and Completion Rates

The Street Furniture Program agreement specifies the number of elements to be installed annually, and is front-loaded in the first eight years to provide amenities to the public as early as possible in the contract term. As of the end of Year 10, 100% of the total number of scheduled elements had been installed since the beginning of the contract, and over 80% of the total number of all elements to be installed over the 20-year term have been rolled out. A breakdown of installations by element and by ward is included in Attachment 2.

Litter Bins

The maintenance and state of good repair of litter bins continues to be a challenge in the street furniture program. A combination of greater-than-anticipated use from increased urban density and pedestrian activity, as well as customized designs with moving parts, have led to a significant number of service requests. Three quarters of the total number of requests to Astral Out-of-Home were for litter bin cleaning and maintenance (Attachment 3). The Year 10 satisfaction survey of Toronto residents found that only half (52%) were satisfied with the cleanliness and state-of-good-repair on the first two generations of plastic litter bins.

A new format of metal litter bin, without flaps or a foot pedal, was introduced in 2015. This slimmer, rectangular design maintains the same capacity of waste materials with two openings for recyclables and one for garbage, while using a smaller footprint to fit in tighter public spaces. Slightly more survey respondents (54%) were satisfied with the cleanliness and state-of-good-repair for this format of litter bin; however, fewer residents were dissatisfied (25%) compared to the earlier plastic format (40%). Members of the public are encouraged to report and bins requiring cleaning or repair to quality@astral.com or 1-866-4ASTRAL (1-866-827-8725).

City staff work continuously with Astral Out-of-Home to identify solutions for litter bin maintenance, cleaning, and vandalism issues. Examples include staff intervention on one in five service requests, inspection blitzes, temporary and targeted increases in cleaning (up to daily), and pilot projects to test retrofitting solutions to reduce repair requirements. Based on a successful pilot on Queen Street West, Astral will begin retrofitting the first two generations of plastic litter bins by bolting shut the little-used rear doors, and by removing the foot pedals that open the bin flaps. Instead, the flaps will hang open on a hinge and easily be opened with a slight push. Retrofitting will begin with bins located in high-volume pedestrian areas; the full number of bins to be modified is yet to be assessed. Bins with missing panels are also being repaired with a more secure fastening mechanism to keep the plastic sides in place.

Transit Shelters

Nearly all of the legacy transit shelters that require replacement have been upgraded or will be in 2018, with the exception of those impacted by rapid transit construction. Most transit shelters are now being installed at locations that have never had a shelter before, and hundreds more will follow in the next few years. In a 2017 customer satisfaction survey of the street furniture program, eight in ten residents reported using a fully enclosed transit shelter in the previous twelve months, and almost the same number reported that the shelter met their needs.

In some shelter locations, insufficient space has been available to install a fully-enclosed shelter. This can occur where a new shelter is being located for the first time, where pedestrian volumes are high, or where a legacy shelter had a smaller footprint than is currently required for accessibility. Instead of a fully enclosed shelter, a single-walled or three-walled "canopy" style shelter was installed. Understandably, fewer (57%) residents feel these shelters meet their needs.

Accordingly, City Council authorized the release of \$100,000 from the Public Realm Reserve Fund to acquire adjacent private land to install a fully enclosed shelter instead of a canopy where possible. Additional permission was granted in December of 2016 to allow staff to purchase up to 50 square metres for this purpose. Twenty-four pilot locations were identified as potential land acquisitions in more than a third of the City's wards and largely outside of Toronto and East York. The pilot project is intended to end in 2018, and a report of the results will be included in the Street Furniture Year 11 Status Update report.

Publication Boxes

The number of publication boxes licensed in the City of Toronto has been declining steadily since 2006. In 2018, less than one quarter of the boxes from 2006 continued to be licensed. It is anticipated that the number of boxes licensed will hold steady or decline slightly in 2019. Almost three quarters (73%) of the boxes licensed in 2017 were migrated into multipublication boxes or box corrals.

Year	Number of Licensed Boxes	Year-Over-Year Percent Change	Revenue (including HST)
2006	15,418	N/A	\$1,406,125.00
2012	9,818	-36% (from 2006)	\$1,056,810.91
2013	9,072	-8%	\$787,881.82
2014	7,795	-14%	\$869,062.22
2015	7,345	-6%	\$872,158.30
2016	6,328	-14%	\$757,255.59
2017	5,625	-11%	\$700,450.92
2018	3,624	-36%	\$431,992.71

With declining circulation and dissatisfaction from publishers with the multipublication boxes ("kiosks"), staff initiated a minimum occupancy threshold for maintaining these structures on the street. In 2017, kiosks were surveyed to identify those units with less than 50% occupancy. In cooperation with publishers, a total of 32 of the 103 units were removed and replaced with a corral and free-standing boxes attached to it. A similar occupancy study and appropriate conversion from kiosks to corrals is planned for 2018. Additionally, the corral design was modified to create a smaller format for locations with only one or two boxes. Lastly, staff removed almost 60 legacy "T-bar" structures and replaced them with publication box corrals where appropriate. No other known legacy T-bars remain on the right-of-way. This was the last legacy type of street furniture to be scheduled for removal from Toronto's streets. As per above, only a small number of legacy transit shelters will remain until rapid transit construction on the Eglinton corridor is completed.

CONTACT

Elyse Parker
Director, Public Realm Section
Transportation Services Division
Telephone: 416-338-2432
Email: Elyse.Parker@toronto.ca

Ryan Lanyon
Manager, Street Furniture
Transportation Services Division
416-392-1799
Ryan.Lanyon@toronto.ca

SIGNATURE

Barbara Gray
General Manager, Transportation Services

ATTACHMENTS

Attachment 1: Street Furniture Revenue Report
Attachment 2: Street Furniture Rollout Completion Rates
Attachment 3: Street Furniture Service Requests
Attachment 4: Glossary of Street Furniture Elements