



November 30, 2012

BY ELECTRONIC MAIL

City Purchasing
Jeremy Doane & Pam Tokunaga
700 Fifth Avenue, Suite 4112
Seattle, Washington 98104

**Re: Request for Information
Advertising Supported Public Amenities in the Right of Way
Response of Titan Outdoor LLC ("Titan")**

Dear Mr. Doane and Ms. Tokunaga:

The following document represent Titan's response to the City of Seattle (the "City") Request for Information seeking revenue generating marketing ideas - Public-Private partnership concepts to develop advertising supported public amenities in the Right of Way (the "RFI"). As detailed below, we believe Titan is uniquely qualified to provide our perspective on a future RFP. Specifically, we believe that there are numerous options to achieve the City's goals. We have focused on (a) the installation of commercial street banners ("Street Banners") and (ii) the installation of street furniture ("Street Furniture"). We believe either or both of these opportunities could create a groundbreaking and innovative advertising program that (i) can generate significant revenue through the sale of advertising; (ii) provide useful communication amenities to pedestrians; (iii) provide access to Street Banners to community groups and not-for-profits in the City and (iv) avail the City of an entirely new way to communicate with its citizens. We are therefore very excited to have the opportunity to respond to the RFI and a future RFP.

Titan Experience & Credentials

The Senior Management of Titan has over one-hundred years of collective success in the operation and sale of advertising for a wide variety of global Out-Of-Home products, including but not limited to buses, subways, commuter and light rail, billboards, street banners, bus shelters and telephone kiosks. We have a history of creating significant revenue and innovative products for Municipal Authorities throughout the world. Since 2004, Titan has become the contractor-of-choice for Municipal Authorities wishing to increase revenue associated with their advertising Properties. Titan currently administers the following major-market public Municipal Authority contracts in the United States:

King County Metro Transit in Seattle
Pierce Transit in Tacoma
Community Transit in Seattle
The City of New York – Public Pay Telephone Franchisee
The City of New York – Street Pole Banner Advertising
The City of Philadelphia Bus Shelters
NJ Transit
Southeastern Pennsylvania Transportation Authority in Philadelphia
Amtrak

Massachusetts Bay Transportation Authority in Boston
Chicago Transit Authority (Static & Digital Advertising Contracts)
Suburban Bus Division of the Regional Transportation Authority d/b/a PACE in Chicago
Metro Transit in Minneapolis/St. Paul
Orange County Transportation Authority
Long Beach Public Transportation Company
Los Angeles Department of Transportation
Bay Area Rapid Transit District in the Bay Area
San Francisco Municipal Transportation Authority
Alameda Contra-Costa County Transit in Oakland
Charlotte Area Transportation System
Dallas Area Rapid Transit
Westchester County DOT in New York
Westchester County Airport
John Wayne Airport in Orange County, CA

Seattle Experience & Team

Titan has served as King County Metro's ("KCM") Transit Advertising Sales Contractor since January 1, 2005 and we were recently awarded a new five-year contract to commence on January 1, 2013. We believe that we have exceeded KCM's expectations over the eight-year term and have worked diligently with King County to maximize revenue to augment KCM's operating budget. During the 2004 Contract Year, our predecessor generated \$5,700,00 on King County's Properties. In the 2007 Contract Year, after just three years as KCM's contractor, Titan generated over \$10,200,000 for King County. The revenue results we have achieved have significantly increased the overall value of the KCM franchise, making it one of the most valuable Transit Advertising programs in the Pacific Northwest. We achieved these results by (i) aggressively marketing and selling KCM's Properties; (ii) expanding KCM's advertising inventory with innovative products and (iii) working collaboratively with KCM staff over the past eight years — always making sure that the advertising never interfered with KCM's operations.

Led by Pamela Quadros, Titan's VP and General Manager, we have an existing staff of 24 employees in our Seattle office that are experts at generating advertising revenue in Seattle. Most of our employees have been significantly involved in the day-to-day operation of the KCM contract since 2005. Our fully staffed Sales, Marketing and Operations teams understand how to operate a major-market municipal advertising contract and would be dedicated to operating a future concession with City. Our salespeople both in Seattle and nationally are already fully acquainted with the local and regional Seattle advertising market. Titan couples our dedicated local and regional focus in Seattle with over 115 additional salespeople in New York, New Jersey, Chicago, Los Angeles, Charlotte, San Francisco, Dallas, Philadelphia, Boston and Minneapolis. Titan is the only company in the United States with a sales force that is exclusively dedicated to the sale of municipal advertising.

Street Banners in New York City

As the premiere Street Banner provider in the United States since 2002, we have a proven track record of providing the services required to execute and maintain a successful Street Banner program in Seattle. As the administrator of 95% of all Street Banner programs installed in New York City, we have an excellent working knowledge of City Rules and Regulations governing Street Banner program implementation. We have a strong working relationship with the City of New York and understand the complexities of the Street Banner business. This knowledge and experience will allow us to effectively manage productive and efficient relationships with the City. As the exclusive Street Banner contractor for NYC & Company, we work with a wide of

variety of organizations in New York City and ensure that the City's Street Banner program is efficiently managed. We are well aware of the issues that arise between the multiple groups that wish to utilize the Street Banners and have always resolved any issues amicably and in the best interests of New York City and our Partners.

Titan has the largest and most successful Street Banner sales team in the United States. With over 125 experienced sales professionals in Seattle, New York City, and across the country in 13 major markets, we are the only company that has a sales team that is dedicated to the sale of Street Banners. We have generated millions of dollars for our New York City partners from the sale of advertising on Street Banners, and believe we could do the same for the City of Seattle.

Street Furniture in New York City

With over 1,900 locations, over 2,800 total phones and over 5,000 advertising panels, Titan is the largest Pay Phone Franchisee of the City of New York. Over the past 12 years, Titan has worked diligently to (i) maximize revenue from the sale of advertising, (ii) operate and maintain over 1,900 advertising enclosures and (iii) exceed the expectations of the City of New York. Titan acquired the overwhelming majority of curbside payphones from Verizon in 2009 and 2010. We perform all operational aspects of the Franchise with our in-house staff, including installation, maintenance and cleaning of the enclosures, coin collection, posting and removal of ads, as well as all aspects of running the public pay telephone itself. In addition, we have maximized revenue from the sale of advertising on our locations with a dedicated sales effort. We have a strong national, regional and local sales force that has increased revenue generation from the advertising panels during each year of our agreement with the City of New York.

We believe that the combination of Street Furniture and Street Banners in Seattle would generate millions of dollars for the City, provide amenities and services to your "customers", enliven public spaces, promote economic activity – all without compromising safety and mobility. We also believe that either of these proposed programs would work as a stand-alone.

As this document may become available to the public, we have excluded any proprietary or competitive information from our response. We expect that the City will issue an RFP in the future and will include our full proposal at that time (the "RFP"). Our response does provide significant information we have learned from our experience over the last seven years as KCM's advertising concessionaire, as well as our experience as (i) the largest pay-phone franchisee of the City of New York and (ii) the preeminent Street Banner advertising company in the United States. We would be happy to have a face-to-face meeting with you and your staff to discuss our response.

We thank you for allowing us to participate in your process and we hope to meet with you for further discussions. Please feel free to call us at the numbers provided below if you have any questions.

Sincerely,



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Street Banners

1. Advertising

Titan believes there is an opportunity to generate significant revenue from the sale of commercial Street Banners in downtown Seattle. We would propose that the 8' x 3' Street Banners provide a fully commercial double-sided advertisement. Titan would provide Street Banners that decorate the City, at absolutely no cost to the City. This would include fully Commercial Street Banners sold to local, regional and national advertisers, plus sponsored or community related Street Banners for events, non-profit organizations, cultural institutions and more. Titan will provide a full service and turn-key solution to manage the City's entire Street Banner program, from production and permitting, to installation, maintenance and removal. We estimate that we would require at least 1,000 banners in downtown Seattle to have enough critical mass to sell a network of commercial Street Banners. This program could be achieved quickly and without a significant amount of Capital Expense.

Titan has an extensive Street Banner design department that would be responsible for the creation of innovative and exciting creative executions and designs. We have talented artists on staff that can help create both aesthetically appropriate and lucrative Street Banner creative executions. All artwork will be compliant with amended City Rules and subject to the approval of the City. All Street Banners could include a City logo.

Titan knows how to sell Street Banners and we are experts at creating and expanding the client base for our municipal partners. Titan's goal in managing a commercial Street Banner Program for the City will be to provide superior service and to maximize revenue over both the short and the long term. Please see Exhibit A for an example of our Street Banners in New York City.

2. Locational Criteria

We have reviewed the Downtown Seattle landscape and have determined that there are ample available street poles on which to hang Street Banners. We believe that commercial Street Banners are an appropriate advertising medium for the central business district of downtown Seattle, but would not propose to install them in purely residential areas. We would propose to install not-for-profit Street Banners in all areas.

3. Amenities

Not-for-Profit Banners

Titan offers Not-for-Profit organizations a discount on the cost of the fabrication and installation of banner programs. Numerous cultural institutions, universities and community organizations have taken advantage of Titan's Street Banner program in New York City. Titan would also offer the City of Seattle an ability to install banners for a fixed price.

Promote Tourism and Conventions. Titan prides itself on having excellent relationships with our municipal partners. We believe that a future partnership would result in revenue generation for the City, as well as providing a way to market the City of Seattle to tourists and conventions. We are anxious to work with the Seattle Convention and Visitor's Bureau to understand upcoming events and networking opportunities. We would use this information to sell programs that will create exposure for the City of Seattle and drive tourism.

4. Maintenance

Titan will provide a full service and turn-key solution to manage the City's entire Street Banner program, from production and permitting, to installation, maintenance and removal. As we do in New York City, Titan would propose to utilize our in-house operations staff for the administration of the Banner Program. Our experience has been that the level of quality demanded by Titan and our partners can only be achieved by utilizing our internal staff. We would provide all installation hardware and would perform all installations at night – so as not to interfere with traffic flow during the day.

Titan would also create a customized Inventory Management System (IMS), which would account for every City light pole, with the functionality to allow us to chart available inventory based on all campaigns. This would allow us to maximize revenue for the program. We have mapped every street pole in New York City (by longitude and latitude in Manhattan) and would propose to do the same in Seattle. We will maintain this database in our proprietary mapping system. This system allows us to chart banners accurately, so that we are able to have a clear understanding of availability and sold programs.

5. Public Benefits

Easy Implementation. Street Banner programs are easy to implement and require little Capital Expense. The program is completely non-invasive, limits clutter on the sidewalks and does not require any change to the existing City streetscape.

Revenue. We believe that a Commercial Street Banner program could generate significant revenue for the City. This revenue could be used to beautify the downtown core or improve infrastructure like Third Avenue's Transit Mall. Our revenue estimates will be included in our response to a future RFP.

Environmentally Friendly. After extensive testing, Titan has sourced a fully "green" and environmentally friendly, fully recycled vinyl (better for the planet and with the added benefit of making them an even more attractive proposition for sponsors). Titan may also recommend that clients reach out to not-for-profit organization, Urban Samaritan, with whom we partner, to recreate the banner vinyl as tote bags. Many clients are able to take advantage because of the long life the Street Banners can have due to the quality vinyl Titan uses, plus thanks to the care Titan takes in preserving the vinyl upon removal. All Street Banners would also be disposed of in an environmentally-friendly manner.

6. Municipal Code Changes

We believe that the Municipal Code would have to be amended to allow for a Commercial Street Banner Program.

Street Furniture

1. Advertising

Titan believes there is an opportunity to generate significant revenue from the sale of advertising on street furniture in Seattle. Unlike Street Banners, however, the design, fabrication and installation of a coordinated Street Furniture program requires the expenditure of significant capital and a full re-examination of the streetscape. While we have significant success in New York City with our over 5,000 static advertising panels on Pay Phone kiosks, we believe that a digital solution (along with static locations) is a necessary component to any future coordinated Street Furniture program.

There is tremendous excitement in the global out-of-home (and broader media) marketplace surrounding the use of digital technology. With the recent growth of on-line media and the rapid maturation of traditional media, most industry experts see digital out-of-home advertising as a key platform for increasing out-of-home's share of the global advertising market. As the leader in digital advertising for Transit and Municipal authorities, Titan is well positioned to continue its leadership in digital advertising. Many major-market US cities are now allowing and encouraging the installation of digital advertising in their street furniture franchises.

Since the inception of our digital program with Transit and Municipal Authorities, Titan has been able to achieve demonstrable increases in monthly revenue as the system becomes more robust and clients and advertisers become more familiar with this exciting media format. SEPTA in Philadelphia, CTA in Chicago and New Jersey Transit have enjoyed significant incremental revenue generated from digital, as well as enhanced customer communication capability. Titan's digital program allows Transit and Municipal Authorities to (i) communicate in a real-time fashion with its customers in the event of an emergency and (ii) generate significant incremental revenue based on the ability to have multiple advertisers where there was previously only one static ad.

Titan's NYC Digital Pilot

In late 2011, Titan designed, fabricated and installed a three-location Digital Phone Kiosk Pilot (the "Pilot") in New York City (the "Pilot Units"). Over the year test, the Pilot Units have functioned perfectly. We have had absolutely no issues from a technical standpoint. Similarly, we have received very good feedback from (i) the general public, (ii) numerous Business Improvement Districts, (iii) NYC & Company and (iv) the advertising community. We have received no negative feedback whatsoever. We believe that the program has been well received because of the high quality of our product and because we adhered to the following methodology:

- Appropriate Siting. The Pilot Units are located in high-density commercial areas and not within residential zoning districts. Moreover, we have installed the digital display on the panel facing away from on-coming traffic, which negates any driver distraction issues. We are not convinced, however, that having a digital display facing on-coming traffic will be distracting, especially considering the limited ad movement discussed below.
- Limited Ad Movement. The advertising on the Pilot Units are formatted as "limited motion graphics" and not full motion video. These panels read more like richly textured print ads that employ little if any motion graphics. We call this

Static Digital. Static Digital ads are exciting to the advertising community, yet unobtrusive on the street. Moreover, Static Digital provides the most effective and impactful impression to pedestrians that are typically walking quickly past the displays. An example of limited motion graphics can be found by visiting the following link: www.titan360.com/digitalkiosks;

- Appropriate Ad Cycle. Ads have a duration of seven and one-half seconds – creating a seamless loop of different advertisers. It has been our experience that the seven and one-half second length ensures that the pedestrians see the ads without being distracted by them.
- Ambient Lights Sensor. Each unit is equipped with an ambient light sensor that automatically adjusts the brightness of the Digital Display based on the external lighting conditions. For example, at night the brightness level is reduced by over 50% from the daytime level. Our current Digital Panels are designed to be no brighter than the current illumination level in a static display.

The success of the Digital Pilot suggests that a digital panel, when properly sited and maintained, is no more intrusive than a standard illuminated telephone kiosk. Titan believes the City can embrace digital technology without causing the perceived negative impacts that might be associated with digital signage.

2. Locational Criteria

Titan's current Public Pay Telephone advertising franchise in New York City is popular among local, regional and national advertisers. It is unique to New York City and one of the most successful street furniture programs from a revenue standpoint. It generates significant revenue for the City of New York because it has the following unique attributes:

- It offers wide-spread coverage in New York City;
- It allows advertisers to reach its desired demographic in a meaningful way;
- The large number of available panels allow an advertiser to either dominate a particular street corner, block, neighborhood or the entire City;
- The relatively low-price point allows local businesses to take advantage of a high-impact media format¹;
- Local advertising highlights local businesses, encouraging residents to buy local goods and services that generate even more revenue for the City; and
- It offers street level engagement with excellent line of sight to pedestrians.

We would suggest that the City adopt the same methodology to ensure that the Street Furniture program generates significant revenue, while also offering local businesses the opportunity to advertise.

3. Amenities

Titan is excited at the prospect of providing a suite of innovative and useful amenities to the

¹ In comparison, a bus shelter ad costs approximately three to four times more than a phone kiosk ad. Local businesses cannot afford bus shelters.

citizens of Seattle in connection with the RFP. This Franchise could be technologically and aesthetically transformative – while also taking advantage of new ways to generate significant revenue. We have worked hard to investigate potential communications amenities in our Street Furniture business, but note that there are likely communications technologies that will be available in the future that are not currently developed. We therefore urge the City to develop and RFP that is broad enough to accommodate new technologies.

Wi-Fi (Technology)

Titan has installed a Wi-Fi pilot program at three locations in New York City. We believe that a widespread network of Wi-Fi antennas incorporated into a sidewalk enclosure is desirable and feasible. While our current pilot has worked well, it does not provide a large enough sample to truly test the feasibility and desirability of a citywide Wi-Fi network. We are not convinced that pedestrians will stop at an enclosure and opt into a Wi-Fi network. We can, however, envision a citywide Wi-Fi network that would work and be desirable if it included the following attributes:

- Accessible in all areas of the City;
- Easy opt-in (i.e. - pedestrians should not have to opt into the network each time they want to access the Wi-Fi network. It simply appears on their devices once they opt in); and
- Open to everyone, regardless of a pre-existing relationship/account with the provider.

Wi-Fi (Revenue Potential)

We believe that a citywide Wi-Fi network has the potential to attract a sponsor that could help defray the cost of design, implementation and maintenance of the network. We have seen a number of examples of sponsored Wi-Fi at airports and Transit Authorities (Virgin Mobile sponsored a Wi-Fi network on the London Underground in 2012). We also believe that advertising could be sold on the splash page, though we believe that an exclusive sponsorship will generate significantly more revenue and interest from potential advertisers.

Touch-Screen

We have researched the feasibility and desirability of installing touch screen displays within Street Furniture. We are not yet convinced, however, that pedestrians will stop and interact with such a display. If a touch-screen display offered pedestrians the opportunity to obtain vital City information, we would be interested in exploring the installation of a touch-screen display within the enclosure. We could envision the utility of a display that offered way-finding maps, information on local businesses, City information (including info on tourist attractions), etc. We are not optimistic that there is a viable advertising revenue model for these touch screen displays. The one-on-one nature of the interaction does not provide enough impressions to interest an advertiser. Moreover, we do not believe that advertisers will be interested in purchasing display advertising within the enclosure, as the impression will not be viable by pedestrians on the sidewalks. There may be a “hyper-local” model that could offer local businesses the right to appear in a “paid-search” section. We are confident that we could design, fabricate, install and maintain a touch screen display that was ruggedized for weather and vandalism. It would be essential that the interface be simple, elegant and easy to use by all pedestrians. Titan

currently maintains digital displays in the Transit Authority environment and we have had a very few instances of vandalism or issues with weather.

Power/Plug In

Titan believes that providing a charging station within an enclosure would be a desired amenity for pedestrians. We have tested a variety of technology options which have performed well. We also believe pedestrians will pay a nominal fee for a short charge. We do not believe that offering this service would create queuing on the sidewalk, as we would likely limit the amount of time that each person would have to charge their phone.

Simplicity of Operation

We would strongly encourage that the communications amenities be selected and designed with a preference for simplicity of operation. It will encourage usage by a larger cross-section of the population and will be easier to maintain.

4. **Maintenance**

As we do with our King County Metro business, Titan handles all operations and maintenance with our internal staff. Our experience has been that the level of quality demanded by Titan and our partners can only be achieved by directly employing our operational staff rather than subcontracting operations. This is why Titan can guarantee a response to an emergency request within four (4) hours and that our inventory is inspected on a regular basis. This is a hallmark of Titan's operational methodology.

5. **Public Benefits (See Amenities above)**

6. **Municipal Code Changes**

We believe that the Municipal Code would have to be amended to allow for a new Street Furniture program.

EXHIBIT A



NYC

SHOP SOHO

VERSACE

VERSACE

FRANK
10/10/07

