

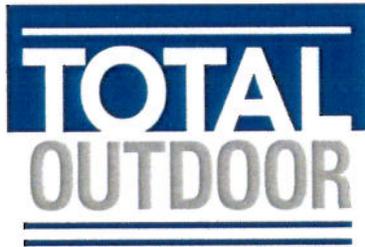
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Response to:

REQUEST FOR INFORMATION

Seeking revenue-generating marketing ideas
Public-Private Partnership concepts

To develop Advertising-Supported Public Amenities in the Right of Way

Submitted To:

Jeremy Doane, Procurement Project Manager
Pam Tokunaga, City Purchasing Manager
City Purchasing
700 Fifth Avenue, Suite 4112
Seattle, Washington 98104
By Hand Delivery and e-mail

November 30, 2012



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Jeremy Doane, Procurement Project Manager
Pam Tokunaga, City Purchasing Manager
City Purchasing
700 Fifth Avenue, Suite 4112
Seattle, Washington 98104

Letter of Interest:

Public-Private Partnership to develop Advertising-Supported Public Amenities in the Right of Way

Total Outdoor appreciates the opportunity to respond to this Request for Information to help the City of Seattle ("City") produce actionable ideas for additional revenue-generating marketing ideas.

Throughout its history, Seattle has been at the forefront of industrial developments beginning with logging and shipbuilding in the 19th century, rail, aircraft manufacturing and telecommunications in the 20th century, and software, biotechnology and Internet at present. This commercial growth has been accompanied by a strong appreciation of diverse cultures, arts, and environmental sustainability.

Despite this growth, Seattle (similar to other municipalities) faces significant fiscal challenges and must constantly identify creative ways to generate additional revenue without raising taxes. We think that a long-term public-private partnership will be the most cost-effective and actionable way for the City to provide new public amenities and generate on-going income for municipal use.

Our company is proudly headquartered in Seattle and we are enthusiastic to be considered as a partner in an endeavor that should reinforce the City's unique cultural heritage and its entrepreneurial spirit of sustainable innovation.

Untapped Market for Advertising-Supported Public Amenities

The City's commercial center (where the program is being contemplated) does not currently have advertising-supported amenities along the public right of ways. Based on precedents in other major metropolitan areas, the City is currently not maximizing the potential operational and financial opportunities along these highly valuable corridors. Given recent technological improvements, the City has a unique opportunity to bolster street "furniture" with real-time transit information, on-demand interactive data, ubiquitous connectivity, and other value-added services consistent with Seattle's history of innovation. This program can also unify the appearance of bus shelters, newspaper dispensers, litter receptacles, and other street furniture into a consistent modern and functional design.

It is difficult to estimate the revenue potential of this project without more detailed scope and size. However, based on comparable programs in other cities, Total Outdoor expects that the advertising revenue potential from a complete street furniture program can represent a material percentage of total outdoor advertising dollars in the market. Local businesses and public transportation should also experience an uplift in demand. The entire cost of the program (e.g., design, manufacture, installation,



and on-going maintenance) can be borne by the private partner. Consistent with similar agreements in other municipalities, Seattle will receive a significant portion of the on-going revenues with an annual minimum guarantee, which should provide the City's operating budget a new, dependable source of income.

Total Outdoor is Uniquely Positioned to Assist

Homegrown Company and Management Dedicated to Seattle

Headquartered in Seattle, Total Outdoor is an advertising company uniquely positioned to assist the City on this project. As citizens of the greater Seattle-metro area, members of the downtown business district and active participants in the community, we are very interested in any project that will spur economic growth based on the values of the City. The principals at Total Outdoor have lived in Seattle for over 40 years and focused on the outdoor advertising industry for the last three decades running local enterprises like the Ackerley Group and iconGroupe prior to Total Outdoor.

Total Outdoor owns and operates large-format outdoor advertising locations focused on national clients in Seattle, Portland, Chicago, San Francisco and other major markets. Large metropolitan areas attract national buyers of outdoor advertising aiming to reach concentrated and demographically-attractive populations. These buyers include local Seattle companies (e.g., Microsoft, Starbucks, T-Mobile and Amazon) as well as other well-known brands (e.g., Apple, McDonalds, Pepsi). Total Outdoor currently has the most large-format locations in the commercial center of Seattle, and is staffed with an industry-leading sales organization focused on local, regional, and national clients. Since we are a local company, we also maintain a dedicated salesforce that specifically caters to small- and medium-sized businesses in the area and a portion of any advertising program will be aimed at servicing these customers. With our position in Seattle and our team, we are very well placed to sell effectively the locations in this program.

Involved Equity Partners with Significant Capital and Global Relationships

Total Outdoor's senior management team has partnered with two strong financial firms, Flexis Capital and Homewood Capital. The investors have capitalized Total Outdoor with significant funds, earmarked for projects such as this public-private program. Along with our management expertise, we have the financial wherewithal to quickly execute on any program in downtown Seattle.

The senior partners at Flexis and Homewood have built and maintain strong relationships with global companies outside the outdoor advertising industry with which we will engage to provide value-added services. These enterprises will be able to provide Seattle residents and visitors best-in-class services and user experiences that will help make the downtown corridor a leader in innovation, excitement and environmental sensitivity.



Program Must Embody Seattle's Ethos

Regardless of which avenue the City takes in the process, we support a program which reflects the core values of Seattle:

- Vibrant, metropolitan hub
- Stunning natural coastal setting with beautiful cityscape
- Culture of entrepreneurship and innovation
- Tech- and business-friendly environment
- Keen interest in environmentally-friendly practices
- Advanced communication connectivity
- International and cultural diversity
- Commitment to arts and music organizations

Our attached whitepaper focuses on potential ideas that exemplify these qualities, which are central to Seattle's identity. In the weeks ahead, we look forward to receiving feedback from the City and the community at large about the responses to this Request for Information as well as notifications of any updates as this worthwhile endeavor unfolds. As Seattle citizens and members of the downtown business community, we look forward to helping Seattle develop a comprehensive final Request for Proposal that will be beneficial for both the City and its citizens.

Thank you again for giving us the opportunity to comment.

Sincerely,

A handwritten signature in black ink that reads "Randy Swain". The signature is written in a cursive style with a large, prominent "R" and "S".

Randy Swain

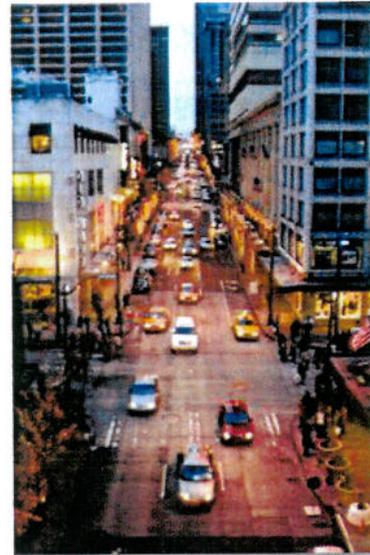
A handwritten signature in blue ink that reads "Frank Podany". The signature is written in a cursive style with a large, prominent "F" and "P".

Frank Podany



Whitepaper in Support of a Public-Private Partnership for Advertising-Supported Public Amenities in the Right-of-Way

Total Outdoor endorses the installation of advertising-supported amenities, because it would greatly benefit the City of Seattle. A well-executed program to enhance the public space would boost public transportation usage and maintain the beauty of Seattle's streetscape. This whitepaper highlights a number of design concepts that could be utilized in the formulation of such a program. Our Company is headquartered in downtown Seattle, and our employees utilize public transportation and public spaces on a daily basis. We recognize that Seattle is a unique and beautiful city. What follows is our attempt to assist the city in creating a program that would generate significant revenue for the city and maintain the coastal, technologically-advanced and environmentally-friendly topography of Seattle.



"Public Amenities in the Right-of-Way" are frequently referred to as Street Furniture and include bus/transit shelters, bike share and parking facilities, information kiosks, trash/recycling receptacles and newspaper racks. These amenities are supported through a combination of national and local advertisements. Unsold inventory can be used by the government to advertise local not-for-profit institutions and cultural/arts organizations. However, the opportunity for the City of Seattle goes beyond simply installing advertisement-supported information kiosks and bus shelters. The advent of high-quality digital LED displays and the proliferation of broadband wireless Internet create the potential for interactive, state-of-the-art public amenities. Digital displays are capable of displaying information in real-time and more interestingly, location-based, GPS-enabled technology deployed across a network of urban locations could create a platform for interactive services that could distinguish Seattle as a cutting-edge, technology-leading environment.

On the following pages, we highlight several opportunities the City of Seattle should consider in its program. These amenities could be installed in any combination and would be capable of including one or several advertising panels as a source of incremental revenue to the City. A full roll-out of Street Furniture could be phased in over a period of time that would not be disruptive to the City.

Public Transportation Shelters

The Seattle population has had a long history of utilizing public transit as a safe, efficient and environmentally-friendly mode of transportation. With the first Metropolitan Monorail in 1963 and as far back as 1988, the U.S. Department of Transportation cited King County Metro Transit as the best among public transit agencies. More than 1.7 million area residents use the public transportation system to commute into and around the city every year. Twice a day at the minimum, these residents wait for buses, trolleys and streetcars. Transit shelters offer the opportunity to house riders while they wait in a comfortable, well-lit and open-air environment. Transit shelters typically include two or three



advertising panels. Shelters can display real-time transit information and route maps to assist riders. Total Outdoor employees utilize Metro every day and understand the challenges of maintaining a top public transportation system. We know that well-designed Metro transit shelters will encourage people to use public transportation. Riders will enjoy their commute more and will trust the efficiency of the system as they will see the arrival times for approaching buses and trolleys. Properly designed shelters will not inhibit (but rather improve) the look and feel of building fronts. A coordinated roll-out of transit shelters will yield a unified look and feel. We recommend converting all current bus shelters in the proposed program neighborhoods (Commercial Core, West Edge and Belltown) and would expand the footprint over time.



Bike Sharing and Bike Parking Facilities



The Barclays Cycle hire was launched mid-2010 as a modern bike-share program. Since then, it has been replicated in several cities. Most notably, New York and Chicago will launch bike-share programs in early 2013.

Bike sharing programs have been allowing residents to travel quickly and safely in cities since the mid-1960s when Amsterdam created the first program. Since then, as the University of Washington's Department of Urban Design & Planning notes, technological advancements have "paved the way for the modern bike-share system." More than 160 cities utilize bike-share programs and two major U.S. metropolitan cities, New York City and Chicago, will launch bike-share programs in early 2013. A bike share program in Seattle would allow residents and visitors to rent bicycles at kiosks placed around the City. They could return them to any kiosk in the City, allowing for one-way travel. National and local advertisers are attracted to bike share programs because they have the opportunity to have their ads seen on both the kiosks and around the City on bicycles. Kiosks could display

bike riding routes throughout the City as well as display information about City events. During the summer months, tourists would be attracted to renting bikes so they can enjoy Seattle's weather and get around the City. The City could display information about upcoming cultural events at bike-share kiosks.

In 1994, in a sign of urban mass transit innovation, bike racks were first installed on all Metro coaches. Seattle residents rely on bicycles as part of their public transportation. If a bike-share program were not implemented, the City could nevertheless install advertising-supported bike racks and bike stands throughout the City to assist bike-riding commuters. If implemented as part of a full roll-out of street furniture, standalone bike racks without advertisements could be installed throughout the City. If installing only bike racks and bike stands throughout the City (without any bike-share program), we recommend replacing existing bike racks and bike stands and subsequently determining the need for additional bike storage throughout the City. If implementing a bike-share program, we agree with the findings of the University of Washington's Department of Urban Design & Planning's [Seattle Bicycle](#)

Share Feasibility Study. We recommend a three-phase roll-out of a sharing program, beginning with 780 to 980 bikes and 50 to 70 kiosks in Phase 1 (downtown Seattle and surrounding areas in Lower Queen Anne, South Lake Union, Capitol Hill, International District and SODO).

Pay Phone Kiosk



New York City will replace 250 public pay telephones with these interactive touch screens.

The traditional pay phone booth is outdated and in need of an overhaul. The number of pay phones has steadily declined as mobile phone usage has grown. However, a need exists for public access to telecommunications and, importantly, broadband networks. In the aftermath of Hurricane Sandy, New York City residents lined up to use pay phones as their mobile connectivity was unstable or unavailable. We recommend retrofitting pay phone booths into advanced telecommunication hubs. We would recommend that the retrofit and overhaul of pay phone kiosks be phased in slowly. A careful evaluation of which technologies were needed could be followed by a pilot program. For example, in July 2012, New York City issued a Request for Information regarding the future of their public pay telephones. Starting this month, they are turning 250 pay phone booths into interactive touch screens.

Seattle has historically enjoyed a close relationship with the technology and telecommunications industries. Seattle residents tend to be technologically-savvy, and the population is spending more time than ever outside the home. Today, mobile Internet accounts for 10% of all Internet usage worldwide. Pay phone booths could support broadband Internet connectivity and serve as mobile phone/tablet charging stations. Pay phone kiosks would be capable of serving as Wi-Fi hotspots for residents as well. Traditional pay phones would still be available for use by the public but with Wi-Fi connectivity available in the city, the number of pay phones could be reduced. Each kiosk, much like the transit shelters, could display both city information and advertisements. All kiosks would also function as emergency call boxes with direct content to emergency medical services.

Other Public Amenities and Street Furniture

City Information Panels / Kiosks

As part of a street furniture program, the City would also have the ability to create information panels throughout town. These panels are typically two or three-sided with one panel reserved for the City's use. These information panels could also be used by the City to promote government programs and cultural events. They could be structured as two flat panels or as curved around a kiosk.

Newspaper Racks

Newspaper racks could be placed throughout the city with street-facing advertisement banners. If included as part of a roll-out of all street furniture, newspaper racks without any advertising could be provided (although the City would need to evaluate the diminution of ad revenue against the less commercial environment).

Trash and Recycling Receptacles

Trash and recycling receptacles would be available throughout the city. These receptacles could feature advertising on them or could be installed without advertising as part of a roll-out of other street furniture. Installing solar-powered, self-compacting trash cans would greatly benefit the City of Seattle, as these receptacles can hold nearly 3 to 5 times the amount of waste as an ordinary receptacle. Since solar panels can charge a battery, these waste receptacles would keep the city clean and promote a cleaner environment at the same time.

The Role of Digital

Digital LED panels could be installed with any Street Furniture as a replacement for static, backlit boards. While digital panels are not required for Street Furniture to enhance public spaces, they have several advantages over traditional backlit displays. The advent of digital LED panels and touch-screen technology greatly enhances the ability for street furniture to host dynamically updated public service announcements, non-profit advertising for cultural events, and public and emergency information and provide a foundation for interactive communications.

1. Digital touch screen panels would allow for the public to interact directly with maps, data and information of the local neighborhoods. They could pull up a map with local businesses and restaurants and be able to see contact information and location for each. Maps for public transportation would allow for the public to route site-to-site directions.
2. Digital panels would allow for the City to have an "emergency" over-ride feature where the City could use all of the panels to display important safety information. In the case of an emergency, the City would be able to quickly disseminate important information to the general public. For example, the City would be able to display "Amber" alerts for missing children across these digital panels in real-time.
3. Digital panels would also be able to support local not-for-profit and cultural organizations. A provision of unsold advertising could show advertisements for these organizations at no cost. These advertisements could be situated around the cultural centers of the City and would attract residents and tourists to these beloved institutions.
4. All advertisements and information shown on digital panels can be dynamically updated. Real-time important public transportation information (travel advisories, route changes, etc.) would enhance network reliability and encourage ridership.





Public Benefit

An advertising-supported Street Furniture program would provide the City of Seattle significant revenue-generation opportunities. The City would be able to collect a material percentage of annual sales. Depending on the scope of the project and the extent of digital panels used, the partnership could be structured with an annual guaranteed payment or a share of revenues (whichever was greater). The City would also receive an upfront bonus payment upon the commencement of operations. All Street Furniture would be designed, manufactured, installed and maintained at no cost to the City.

Municipal Code Changes

Total's initial assessment is that the Municipal Code may need to be amended to allow off-premise advertising along the public right of ways. All transportation-related issues (e.g., driver distractions) should be dealt with within the Department of Transportation. Signs within public rights of way are regulated by the Street Use Ordinance, Title 15 of the Seattle Municipal Code. To support the Total Outdoor proposal, it would be necessary to amend Title 15 to authorize the placement of off-premise signs on street furniture in the public rights of way. First, a definition of "street furniture" should be added to SMC 15.02.046. The definition could include information kiosks, trash and recycling receptacles, newspaper racks, bike share facilities and bike parking facilities, bus and transit shelters, and any other "furniture" captured by this proposal. Second, a new section (D) should be added to SMC 15.12.010. This section should authorize the Director of Transportation to approve the placement of off-premise signs on street furniture, and to adopt rules and policies regulating the signs' height, size, dimensions, light and glare impacts, location and other criteria as necessary to limit distraction to drivers, prevent visual blight, and to ensure consistent and pedestrian-oriented design. The City's Sign Code Chapter 23.55 excludes from its scope signs located completely within public rights of ways, no amendments to Chapter 23.55 would be necessary.