



**For Action
with Confidential Attachment**

TTC Digital Signage Program Implementation Update

Date: December 3, 2024

To: TTC Board

From: Chief Strategy and Customer Experience Officer

Reason for Confidential Information

This report contains information about a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the City or local board.

Summary

The Pattison Digital Signage Program updates the TTC's static signage to modern digital installations. This is an important part of the TTC's efforts to modernize and improve customer experience and will provide more timely messaging to customers, while minimizing the use of non-recyclable material. It also provides companies looking to advertise on the TTC with a video-friendly option ensuring continued non-fare revenue. Once completed, the Program will result in increased revenue through the Minimum Annual Guarantee (MAG) agreement between the TTC and Pattison.

This Program was authorized by the TTC Board in April 2022, when the existing contract between the TTC and Pattison Advertising LP was extended from January 1, 2024, to December 31, 2033. At the same time, the Board also approved internal installation costs as part of the TTC's 2023-2032 Capital Budget and Plan submission as well as an increase to the TTC's 2022 workforce complement to enable acceleration of digital advertising asset installation.

With existing funds, the Program cannot be completed and the full revenue potential would not be realized. With appropriate capital investment, the TTC and Pattison will complete the Program by adding resources thereby realizing the expected benefits in 2027.

The recommended approach to complete this project is a dual workforce that would enable the TTC to hire new employees, and Pattison to hire and manage an electrical workforce (subcontractors) to support the digital signage installations.

Recommendations

It is recommended that the TTC Board:

1. Approve the Recommendations contained in the Confidential Attachment; and
2. Authorize the information in the Confidential Attachment to remain confidential until such time as the final negotiations with Pattison Advertising LP have been completed.

Financial Summary

Financial details are contained in the Confidential Attachment of the report to protect proprietary commercial information.

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

Equity/Accessibility Matters

The TTC is deeply committed to serving the needs of transit riders by providing a safe, reliable, efficient, and accessible mass public transit service through a seamless integrated network to create access to opportunity for everyone. One important way the TTC can improve its accessibility is by modernizing its signage, wayfinding, and digital advertising platforms.

Once installed, these digital signs will have the ability to showcase written messages during a major service disruption or emergency to enhance the TTC's ability to communicate with customers.

Decision History

At its meeting on April 14, 2022, the TTC Board endorsed the principles and strategic objectives of the Digital Connectivity Strategy.

[Digital Connectivity Strategy](#)

At its meeting on April 14, 2022, the TTC Board also approved the contract amendment with Pattison Outdoor Advertising LP (Pattison) exercising the options to extend the contract term from January 1, 2024, to December 31, 2033. At the same time, the Board also approved internal installation costs as part of the TTC's 2023-2032 Capital Budget and Plan submission as well as an increase to the TTC's 2022 workforce complement to enable the acceleration of digital advertising asset installations.

[Amendment to TTC's Advertising Contract](#)

Issue Background

The TTC has an opportunity to create a more modern experience for its customers and generate much-needed advertising revenue. This investment would increase the TTC's annual non-fare revenue, with other opportunities to generate additional ad revenue if Pattison is able to increase gross sales. With adequate investment, the Program could be completed by 2026.

Approved funding is expected to be exhausted by Q2 2025, allowing only nine more stations to be completed. Additional funding is required to complete the project, including TTC labour costs, and to keep the project on schedule.

At the current rate of installation, the earliest the TTC would reach its first hardware threshold would be 2027, eliminating the next threshold revenue opportunities of the MAG in 2025, 2026, and 2027.

Comments

The Pattison Digital Signage Program capitalizes on the ever-changing world of technology. This program of digital installations will modernize the TTC's static signage, driving innovation by providing our customers with improved messaging. This will enhance the customer experience, while benefitting the TTC through increased revenue from the MAG agreement between the TTC and Pattison.

This initiative supports the TTC's Corporate Plan in the following ways:

Pillar 3. Place Transit at the Centre of Toronto's Future Mobility

3.3 Minimize Environmental Impacts and Build Resiliency for a Climate-Changed Future.

By shifting to a digital format, the TTC is minimizing the amount of non-recyclable materials produced and discarded. In addition, the TTC is eliminating the need for the inks and thermal processes required to produce static advertising panels.

Pillar 4. Transform and Modernize for a Changing Environment

4.3 Embrace technology to drive efficiency and improve employee and customer experience.

Pillar 5. Address the Structural Imbalance

5.2 Maximize revenue, protect customer affordability.

Accelerating this project maximizes non-fare revenue and supports additional revenue streams. Modern, digital technology that is easy for customers to engage with also creates a superior customer experience.

Additional information is provided in the Confidential Attachment.

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Signature

Josh Colle
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Attachments

Confidential Attachment 1