

LA STAP RFP: FOLLOW-UP QUESTIONS

March 31, 2021



1. DO YOU HAVE ANY DESIGNS THAT CAN FIT ON NARROW SIDEWALKS, LIKE MICRO SHELTERS? IF NOT, ARE YOU OPEN TO DESIGNING THEM?

Our design strategy is based on modular kit-of-parts principles, which allows for vast customization on a site-specific basis. Two specific solutions include:

- a. **Shelters:** The Lite and Eco models can be configured so that the two side panels are aligned (as opposed to a split-design so that the ad panel is closer to the street yielding greater visibility), resulting in a shelter width of only four feet. Shelters are accessible from the back -- even for those using a wheelchair.
- b. **Pillars:** For locations that are even more constrained, the pillar provides similar functionality as shelters -- ePaper City-Transit screen, smart city lighting, smart city sensors, LoRaWAN -- and standalone bench and trash receptacles can be configured to conform to any sidewalk space.



The two formats above are examples of our kit-of-parts approach. Our design team is open and willing to propose other smaller-scale shelter formats as requested by the City.

2. WHAT WOULD THE IMPACT BE TO YOUR PROPOSAL IF THE LARGE PANELS ARE UNABLE TO BE INSTALLED?

Our proposal remains intact regardless if large panels are unable to be installed, including Vector's 75% MAG up to \$30m per year. Topline revenues will be affected, however, we are open to revising our financial models as-needed.

We believe large panels are consistent with STAP's goals and offer a creative solution to maximize advertising revenues. Large format advertising is also consistent with the Los Angeles visual aesthetic; they will be located only in areas where appropriate. The 16-foot height is also not arbitrary -- this provides the 15-foot minimum height clearance to install 5G small cells on top.

3. WHAT OPPORTUNITIES ARE AVAILABLE ON YOUR TRANSIT SHELTERS TO FEATURE LOCAL ART OUTSIDE OF THE GRAPHICS SHOWN ON THE 16' PANELS?

Even the most successful transit programs typically top out at 80% occupancy due to misalignment of start and end dates. And because the ePaper City-Transit screens will be 100% devoted to displaying public messaging and information, the remaining 20% of vacant ad displays -- both digital and static -- can be devoted to local and community art.

Local art is a prominent feature of our program through our ARTREACH initiative. Nic Cha Kim (founder of Gallery Row and three-time Emmy award winner) will curate local, community, and gallery art to showcase on digital ad screens and within the Curb App.

Additional local art can be prominently featured along an optional back panel as shown here:





4. WHAT IS LORAWAN AND HOW DO YOU EXPECT UTILIZING THIS WILL IMPACT STAP?

LoRaWAN is a low bandwidth, low power networking protocol with a long-range signal (thus the name LongRange). As a comparison, LoRa is akin to AM radio -- where fidelity and sound quality is low but can travel hundreds of miles -- while high-bandwidth / short-range networks like 4G/5G are akin to FM radio.

Benefits to LoRaWAN are its extremely lower power needs, inexpensive deployment and data costs, long-range signal and wide adoption among many emerging IoT participants. LoRa is quickly becoming the de facto standard for Internet-of-Things (IoT) devices such as wheeled drones, shared scooters, and connected infrastructure.

We believe a City-controlled LoRaWAN, offered to both public and private operators, is a vital resource to accelerate Los Angeles' smart-city vision for a more equitable and sustainable future. For example, the City could require MDS compliance in exchange for free or minimal cost access to use its LoRaWAN.

5. WHAT IS THE NUMBER OF STATIC, DIGITAL SHELTERS, AND SHELTERS WITHOUT ADVERTISING THAT YOU PROPOSE TO INSTALL?

Our financial models and rollout schedules are flexible, and our recommendations may change depending on further scoping with the City. Our current recommendations are based upon our

Optimized Rollout Schedule; we can share other rollout schedules that alter the timing and type of shelters based upon City preferences. We present two potential shelter quantities below -- Optimized // Digital-focused

- a. Static shelters (Eco): 2250 // 1450
- b. Digital shelters (Icon & Lite): 750 // 155
- c. Refurb shelters (w/o advertising): 570

6. HOW CAN SHELTER DESIGN BE MODIFIED IN THE FUTURE AS NEW TECHNOLOGIES AND AMENITIES BECOME AVAILABLE (E.G., RESPONSIVE SHADING ADJUSTMENTS)?

Our design strategy is based on modular kit-of-parts principles, which allows for vast customization on a site-specific basis and as future technologies and design preferences evolve. For example:

- Roof angles, configurations, material choice, and size can be altered.
- Benches are not fixed to the shelter, allowing it to be positioned to minimize direct sunlight (for example, a south-facing shelter may benefit from placing the bench further back).
- Solar panels are independent of the shade canopy which allows for maximum flexibility in adapting the canopy itself, while retaining the benefits of solar.
- Weather-protected and temperature-controlled cabinetry accommodates a wide range of smart-city devices and sensors, none of which are proprietary to allow for future partnership and technologies.
- Future responsive shading rooftops can be swapped-in-place as these technologies evolve.

7. HOW DO YOU PLAN TO ADDRESS/MANAGE THE PUBLIC'S PERCEPTION RELATED TO EQUITY WHEN LESS THAN 1/3 OF THE 3000 SHELTERS WILL HAVE DIGITAL MEDIA DISPLAY PANELS ASSOCIATED WITH THEM AND ALL OF THOSE WILL BE RESERVED FOR HIGH-REVENUE COMMUNITIES/LOCATIONS ONLY?

It is important to consider the practical limitations of an equity / interactive strategy that relies on digital ad screens. In real-world scenarios, many communities will resist digital screens. They symbolize gentrification to many communities,

specifically in neighborhoods that are majority people-of-color, and may result in delays and excessive vandalism.

The economic realities must also be considered:

- a. Many areas are not pre-wired with grid power, resulting in costly trenching.
- b. Digital screens are costly to purchase and maintain, resulting in a net-negative when considering revenues minus costs compared to static ads.
- c. Digital screens have a finite life (about 5 years); some areas may be better served by launching first with static ad boxes and converted at a later time.

Our modular kit-of-parts design strategy allows for components to be swapped-in-place as circumstances change. For example, a shelter that is initially installed with a static ad box can be swapped out for a digital ad kiosk. Furthermore, our strategy separates city / community / transit messaging entirely from the digital screen format. This actually results in greater equity, as we can assure that all shelters offer many of the same resources that users need:

- a. **ePaper City-Transit screens** providing real-time departure info, real-time delays or announcements, scheduled and ad-hoc city messaging, etc.
- b. **Curb app** provides the same features as above, plus customized and personal information such as daily surveys, city resources, digital ID / digital wallet, etc.
- c. **Smart city features** such as connected lights, sensors, etc.

Re: Interactive, Interactive touchscreens inherently have a conflict of interest with displaying ads, and the content displayed is limiting due to the non-private nature. Furthermore, the results of deployed interactive touchscreens (with LinkNYC and Ike Smart City, for example) show very poor results in actual interaction. We enhance and broaden the possibilities of interactive with the Curb app (supplemented with free WiFi in locations with grid power access), City-Transit screens (which can provide personalized and language-specific information based on sensor readings), and Smart city lighting (to make the entire shelter into an interactive infrastructure node).

8. HOW WILL THE CITY BE ABLE TO DISPLAY DIGITAL PSAS AND COMMUNITY INFORMATION IN THE LESS AFFLUENT COMMUNITIES THAT NEED THEM MOST (IN MULTIPLE LANGUAGES) WITHOUT THE ADDED EXPENSE OF PRINT MEDIA?

100% of all shelters will be equipped with the following:

- a. **ePaper City-Transit screens** providing real-time departure info, real-time delays or announcements, scheduled and ad-hoc city messaging, etc.
- b. **Curb app** provides the same features as above, plus customized and personal information such as daily surveys, city resources, digital ID / digital wallet, etc.
- c. **Smart city features** such as connected lights, sensors, etc.

When taken holistically, our strategy actually results in greater equity and greater customization of messaging. For example, in locations with hard-wired connections smart city sensors can identify phone settings to determine primary language spoken, and display messaging appropriately. Curb app can also be customized to display in multiple languages.

9. WITHOUT DIGITAL MEDIA PANELS IN THOSE LESS AFFLUENT/DISADVANTAGED COMMUNITIES, HOW WILL THE COMPANY(IES) PLAN TO PURSUE ADVERTISING SALES FROM LOCAL BUSINESSES AND OFFER UP LOCAL BUSINESS ADVERTISING OPPORTUNITIES AT AFFORDABLE RATES WITHOUT THE ADDED COSTS OF PRINTED MEDIA?

Much of the advertising in such disadvantaged communities is long-term in nature and less campaign based. As a result the print costs get amortized over the life of the campaign and tend to make up a very small percentage of the program that is by no means prohibitive. Vector Media extensive experience working with local advertisers in all types of communities across the country and we have never found the print costs associated with static shelter advertising to be a limiting factor. In fact, this medium is generally viewed as a high-value, low CPM way to reach these communities.

Furthermore, we envision shelters with digital screens to be located in high-traffic areas throughout the city. While a large swath of disadvantaged communities may not be feasible to install digital (at least immediately, given the 5-year life of digital screens and declining cost nature of digital screens, a switch from static ad boxes to digital screens at a later time should be considered), busy corridors with heavy vehicular traffic will be ideal locations for digital screens.

10. WHERE AND HOW DO THE COMPANIES PLAN TO INSTALL INTERACTIVE DIGITAL MEDIA PANELS OFFERED UP IN THEIR PROPOSALS AND AGAIN ADDRESS THE EQUITY QUESTION, ESPECIALLY IF SUCH INTERACTIVE PANELS ARE ONLY BEING OFFERED IN VERY LIMITED QUANTITIES? (SAYING THAT THEY WILL RELY UPON THE CITY AND/OR COORDINATE THE IMPLEMENTATION WITH THE CITY IS NOT AN ACCEPTABLE ANSWER.) WE WANT TO KNOW WHAT/HOW THEY PROPOSE TO ADDRESS SUCH EQUITY CHALLENGES AND/OR MANAGE THE PUBLIC'S PERCEPTION OF EQUITY IN THE DISTRIBUTION OF PROGRAM SERVICES.

WHERE: Shelters and other street furniture equipped with digital ad panels are planned for sites where three conditions exist:

- Existing and/or nearby grid power to minimize trenching costs.
- Local community / neighborhood support for digital format.
- Advertising viability where digital advertising revenues minus the cost to install and maintain exceeds static advertising revenues minus its costs.

It is important to note that many low-income neighborhoods will still have viable locations where digital screens make sense, such as high-traffic streets and high-passenger bus stops. With the advent of targeted marketing strategies, even low-income neighborhoods may be very appealing to advertisers. Our team at Vector Media has extensive experience working with culturally and ethnically specific advertising clients

HOW: Our team will pay for and coordinate infrastructure and trenching costs in locations where the three conditions are met. Additionally,

we will work with third-party partners such as Vertical Bridge to supplement one-time costs while providing recurring revenues where applicable.

EQUITY: See our response to questions 7 and 8; our strategy actually provides greater equity than relying on interactive digital screens.

11. CAN YOU EXPLAIN YOUR UNDERSTANDING OF SITE REHABILITATION COSTS INCLUDED OR NOT INCLUDED IN YOUR PROPOSAL? WILL THIS INCLUDE RECONSTRUCTION OF SIDEWALK NEEDED TO ACCOMMODATE ACCESSIBLE PATH FROM WALKWAY TO TRANSIT SHELTERS AND BOARDING AREA?

Our team is very experienced with installing shelters along the sidewalk, specifically with site rehabilitation in the Los Angeles area. AP Construction has installed hundreds of bus shelters throughout the County for LA Metro and others, and understands the specific needs of this process, including:

- Site prep work: Includes management of traffic control and devices, delineating of construction area, paint marking of any areas to be modified, demoed and or removed
- Excavation and trenching: Includes sawcutting, breaking and digging where required
- Rehabilitation work: Includes concrete work to restore the sidewalk and landing within the footprint of the shelter location when demo of existing sidewalk and landing is required for installation of new shelter and amenities

We will utilize surface mounted techniques with imbeds to comply with city engineering and permit requirements to help minimize concrete and trench work. We also recommend working alongside related City projects, such as Complete Streets, to coordinate sitework improvements in tandem to maximize STAP infrastructure at little to no additional cost for all projects.