



Report to: General Committee

Meeting Date: June 20, 2022

SUBJECT: Implementation of Digital Bridge Overpass Banner Signs in Markham

PREPARED BY: Kimberley Kitteringham, City Clerk
Maxine Roy, Acting Senior Manager, Corporate Communications and Community Engagement

RECOMMENDATION:

1. That the Report entitled “Implementation of Digital Bridge Overpass Banner Signs in Markham” be received; and,
2. That Staff be authorized to complete negotiations and finalize a Digital Sign Agreement with RCC Media Inc. for the installation and maintenance of Digital Overpass Banner Signs on CN railway bridges in Markham, to the satisfaction of the Commissioner of Corporate Services and the City Solicitor; and,
3. That the Mayor and City Clerk be authorized to sign the agreement with RCC Media Inc., and any amendment thereto approved by the Commissioner of Corporate Services and the City Solicitor; and,
4. That Staff report back within 3 years of the signing of the agreement with RCC Media Inc. with a status report; and further,
5. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

As part of the 2022 budget process, Staff presented a proposal from RCC Media Inc. (RCC Media) to convert their current railway banners on the CN rail corridor to digital bridge overpass banner signs, and to expand the digital banners to additional railway bridges for commercial and City advertising / messaging purposes - with an annual revenue stream for the City. The proposal was reviewed by the Budget Committee and approved by Council in December, 2021, for implementation in 2022. The purpose of this report is to seek approval to enter into a Digital Sign agreement with RCC Media for implementation of the digital bridge overpass banner signs in Markham.

BACKGROUND:

RCC Media is an advertising company with exclusive advertising rights granted by CN to the CN Rail bridge overpasses in Markham. Over the past decade, RCC has approached City Staff and Council with a proposal to install digital railway banners on the CN railway bridges in Markham. The banners would display commercial advertising and City messaging, and would generate an annual revenue stream for the City. In 2014, Staff brought forward a report recommending the installation of digital banners – this was not endorsed by Council (**see Appendix “A”**). Council did, however, approve two digital billboards based on a request from Metrolinx on Highway 407. One has been installed at Langstaff and the second is still pending near the Unionville Go Station.

As part of the 2022 budget process, Staff were asked to identify potential ways to modernize services, enhance efficiencies, and to generate new revenue to reduce the

property tax rate increase. At the request of Staff, RCC Media agreed to resubmit its previous proposal to convert current railway banners on the CN rail corridor to a digital format and to expand the digital banners to additional railway bridges for commercial and City advertising / messaging purposes - with an annual revenue stream for the City. Additional benefits to the City include: enhanced efficiency and modernization for City communications, real time messaging, emergency alerts; flexibility for community messaging, and increased number of digital messaging locations.

RCC Media currently has vinyl banners at the following locations:

- Kennedy Road, south of Highway 407 (Ward 8)
- Markham Road, south of 14th Avenue (Ward 7)
- 14th Avenue, west of Markham Road (Ward 7)

A picture of the three vinyl banners is included as **Appendix “B”**. As part of this proposal, RCC will replace the existing vinyl banners with digital bridge overpass banner signs. New digital signs will also be installed at the following locations:

- Bayview Avenue, south of John Street (Ward 1)
- Highway 404, north of Steeles Avenue (Wards 1 & 8)
- McCowan Road, north of 14th Avenue (Wards 7 & 8)
- Ninth Line, north of Steeles Avenue (Ward 7)

Pictures of the four new locations are included as **Appendix “C”**. Also included as **Appendix “D”** is a map depicting all 7 digital sign locations.

RCC Media has installed digital signs on the CN Rail bridge overpasses in Brampton, London, Pickering and Vaughan (see Letters of Reference included as **Appendix “E”**). Markham City Staff have been in contact with staff in these municipalities to discuss their experience with RCC Media as it relates to digital signs, and the feedback provided by their existing clients has been overwhelmingly positive.

OPTIONS/ DISCUSSION:

The digital bridge overpass banner signs are comprised of a digital display incorporated into a perforated, slotted metal sheet covering the bridge. A picture of the overall bridge design (day and night views) is included as **Appendix “F”**. Prior to installation, RCC Media must submit to the City construction drawings approved by a duly qualified professional Engineer. Once installed, each digital sign must be inspected (by a professional Engineer) to confirm it has been installed in accordance with the submitted construction drawings and good engineering practices.

The proposed agreement with RCC Media includes the following provisions:

- Illumination Restrictions – RCC Media will comply with specific illumination restrictions. If there are complaints from the public or if the City has any concerns

regarding illumination levels, RCC Media will adjust the sign lumen levels to the satisfaction of the City.

- Driver Distraction – RCC Media will comply with any Ministry of Transportation (MTO) requirements and, at minimum, ensure that:
 - the signs do not display live motion video, animation or flashing images;
 - each advertisement/messages will be displayed for at least 6-10 continuous seconds;
 - the transition between advertisements will be less than 1 second. This is consistent with the digital sign requirements found in other Ontario municipalities.
- Renewable Energy – RCC Media will endeavor to ensure the signs are powered by a company specializing in renewable energy.
- Advertising Content – RCC Media will ensure that all content displayed will adhere to the Canadian Code of Advertising Standards and the Broadcast Code for Advertising to Children.
- City Messaging – RCC Media will provide the City with 5.0% of daily messaging time on each sign (both screens) for City messaging at no cost to the City.
- Emergency Messaging – in the event of an emergency (as determined by the City), the City will be permitted messaging on each sign (both screens) from the commencement of the emergency and for a reasonable period of time thereafter. In the event of a mass power outage, the City will have 24 hour access to any operational signs for community messaging for the duration of the mass power outage.
- Operation of Signs – RCC Media will at all times comply with all relevant federal, provincial and municipal statutes, regulations, bylaws, etc.

In accordance with the agreement, RCC Media will provide the City with the following:

- A per sign (and per screen) Annual Sign Administration Payment.
- 72 minutes per sign screen per day – to be available on each screen for City messaging. Unused advertising spaces may also be available for use by the City.
- Emergency messaging – unlimited override on all digital screens for emergency and Amber Alerts, extreme weather, public health information.
- Maintenance and lifecycle replacement of the digital signs at no cost to the City.
- Quarterly performance reports on City messaging, emergency messaging, including available screen time and customer complaints. The City may also request reporting on the advertising time provided by RCC Media to community and not-for-profit groups in Markham.

The RCC Media proposal was adopted by Council in 2022 and is supported by Staff. The digital signs will generate additional revenue for the City, increase City branding, versatility and flexibility when communicating with residents, guests and visitors. RCC Media has advised that the digital signs should be installed by the end of 2022.

The City's agreement with RCC Media, will be in effect for 20 years and will contain exit clauses for non-performance or convenience.

FINANCIAL CONSIDERATIONS

There is no cost to the City associated with the RCC Media proposal. RCC Media will pay the City an Annual Sign Administration Payment of \$15,000 guaranteed payment per year per screen for 6 sign locations (\$15,000 x 12 screens) for a total of \$180,000 (\$30,000 annual payment per sign).

For the Highway 404/Steeles Avenue location, RCC Media will pay the City an Annual Sign Administration Payment of \$25,000 per year per screen (\$25,000 x 2 screens) for a total of \$50,000 (\$50,000 annual payment per sign).

RCC Media will pay to the City a combined Annual Sign Administrative Payment of \$230,000. The revenues from this initiative will be deposited into account 890-890-9399 "Other Corporate Revenues".

Upon referral by the City to RCC Media of any customer for sign advertising which results in an advertising contact between such customer and RCC Media, the City will receive a referral fee equal to 2.5% of the revenue general under that advertising contract. Referral fees, if any, will be paid on January 1st, April 1st, July 1st, and October 1st, annually.

HUMAN RESOURCES CONSIDERATIONS

N/A

ALIGNMENT WITH STRATEGIC PRIORITIES:

The City strives to make decisions and take actions that ensure a healthy environment, vibrant communities and economic vitality for current and future generations. Finding and/or improving the City's opportunities to communicate with our residents about programs, services and issues allows them to be better informed and more engaged in the community which results in greater understanding, collaboration and action.

BUSINESS UNITS CONSULTED AND AFFECTED:

Building and Legal Services Staff have been consulted in the preparation of this report.

RECOMMENDED BY:

Andy Taylor
Chief Administrative Officer

Trinela Cane
Commissioner, Corporate Services

Arvin Prasad
Commissioner, Development Services

Claudia Storto
City Solicitor and
Director of Human Resources

ATTACHMENTS:

Appendix “A” – 2014 Staff Report on the RCC Media Inc. Proposal

Appendix “B” – Picture of Existing Three Vinyl Signs

Appendix “C” – Pictures of Four New Signs

Appendix “D” - Map of 7 Sign Locations

Appendix “E” – Letters of Reference

Appendix “F” – Diagram of Overall Bridge Design