



Report to: Council

Meeting Date: June 15, 2015

SUBJECT: RCC Media Digital Sign Pilot Program

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RECOMMENDATION:

- 1) That the report entitled "RCC Media Digital Sign Pilot Program" dated June 15, 2015 be received; and,
- 2) That Staff be directed to amend By-law 2002-94 to permit one digital billboard at Woodbine Avenue and John Street; and,
- 3) That Staff be authorized to enter into a Memorandum of Agreement with RCC Media in a form satisfactory to the Chief Administrative Officer and City Solicitor; and,
- 4) That RCC Media pay an annual sign administration payment of \$18.60 per square foot, subject to an annual increase based on the greater of 2% or the Consumer Price Index (CPI) (Toronto All Items September – September) effective January 1st every year; and,
- 5) That revenue in the amount of \$7,440 from the RCC Media Digital Sign Pilot Program in Markham be deposited to Account 890-890-9399 "Other Corporate Revenues"; and,
- 6) That Staff report back within one year of program implementation with a status report; and further,
- 7) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to advise Council of a proposal received by the City from RCC Media for a Digital Sign Pilot Program involving the conversion of one of RCC Media's six static billboards currently on the Canadian National Railway corridor in Markham, to a digital format.

BACKGROUND:

RCC Media is a Markham advertising firm that specializes in out-of-home messaging by selling advertising space to local and regional third party advertising. Part of their advertising includes the exclusive rights to static billboards adjacent to CN bridges across the City of Markham.

RCC Media has approached the City with a proposal for a one year pilot program whereby they would convert one of their existing six static billboards in Markham into a digital sign (see **Attachment “A”**). The sign identified for conversion is located along Woodbine Ave, on the CNN overpass near John St. on the west side. The sign will be powered by Bullfrog Power (a company that specializes in renewable energy).

Digital technology is not new but it is changing the way information is being delivered to the public. On billboards, digital technology produces static images which are changed via computer (usually every 6-10 seconds). Digital billboards do not typically scroll, slash or feature movie clips. Print and broadcast news media use digital billboards to deliver headlines, weather updates, and programming information. Police and other public safety officials use digital billboards to reach mass audiences quickly (i.e. Amber Alerts).

The Municipal Act provides Ontario municipalities with the jurisdiction to regulate signs. A number of Canadian municipalities currently permit digital billboards, including: Vancouver, Calgary, Edmonton, Newmarket, Vaughan, Ottawa, Regina, Saskatoon, Toronto, Windsor and Winnipeg. Although the specific regulations vary, all generally:

- Restrict message duration, or “dwell” time, and transition times
- Impose restrictions on sign illumination levels
- Limit electronic billboard locations to commercial and industrial areas
- Require a separation distance between:
 - Electronic signs and sensitive use areas (residential, parks etc.);
 - Roads, traffic signals and/or intersections; and
 - Separation distance between individual electronic signs.

There are currently 10 traditional lighted billboards in Markham. Digital billboards are considered “Animated Signs” under Markham’s Sign By-law 2002-94 and are currently prohibited.¹ Notwithstanding this prohibition, Markham City Council approved the installation of two digital billboards along the 407 corridor, owned by Metrolinx and operated by AllVision, on June 24, 2014.

Should Council approve the RCC Media Digital Sign Pilot Program, staff will bring back the necessary amendments to By-law 2002-94 at the June 23, 2015 Council meeting.

OPTIONS/ DISCUSSION:

At previous General Committee meetings where digital signage was discussed, concerns regarding driver distraction, bird risk, sky glow, the nature of advertising messages and the future policy implications for the City were raised. General Committee members also

¹ “Animated Sign” is defined in Markham’s Sign By-law as “a video screen or any kinetic or illusionary motion of all or any part of a sign and includes the rotation of a sign but does not include an electronic message board”.

requested further details on the community messaging and revenue benefits to the City (in terms of advertising revenue, etc.). Staff has addressed each of these concerns below.

1. Driver Distraction

There have been a number of studies conducted across North America regarding static digital signs and driver safety.² These studies have concluded that static digital signs are “safety neutral”. Further, there does not appear to be a difference in driver distraction levels between “regular” billboards and “static digital” signs.

The proposed digital sign in Markham will replace the existing two-sided electrified billboard sign, and will be the same size as the current sign. The sign pedestal will not be changed as part of the pilot. The sign will display static copy advertisements/messages only (no video or animation). Each advertisement will be displayed for 10 continuous seconds and the transition between advertisements will be less than 1 second. This is consistent with the digital sign requirements found in the City of Toronto and elsewhere.

2. Bird Risk

Staff is unaware of any research/studies that have concluded that digital signage results in any greater bird risk than traditional lighted billboards. RCC Media has indicated that they will monitor bird strikes relative to the proposed Markham sign (the results of which will be reported to the City).

3. Sky Glow

Unlike traditional back-lit or up-lit billboards, the proposed digital signs are equipped with light sensors that adjust brightness levels according to ambient light. In the bright sun, the sign is at its brightest in order to provide the necessary contrast to let the sign be legible. At night, the sign is much dimmer to adjust to surrounding light conditions. The signs use the minimum amount of light necessary to provide legible copy. This helps limit sky glow. RCC Media will be subject to the Digital Signs Regulations adopted by Markham Council on June 24, 2014 as part of the AllVision project (which are similar to those adopted by the City of Toronto) (see **Attachment “B”**).

4. Nature of Advertising

RCC Media will adhere to the Canadian Code of Advertising and implicit with this is adherence to the Broadcast Code for Advertising to Children. The Canadian Code of Advertising prohibits the following:

- any form of personal discrimination, including that based upon race, national origin, religion, sex or age;

² One of the most notable studies was commissioned and published in 2009 by the National Cooperative Highway Research Program based out of Washington, DC. Entitled: “Safety Impacts and Regulation of Electronic Static Roadside Advertising Signs”, the Study concluded that: “*The results show that there was a 4% decrease in the number of collisions after installing electronic static roadside advertising signs and that the reduction is statistically insignificant at the 95% confidence level. In other words, there is not enough evidence to suggest that these signs have any impact on safety.*”

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- depictions that exploit, condone or incite violence; or depictions that appear to condone or encourage, bullying;
 - depictions that encourage or exhibit obvious indifference to, unlawful behaviour;
 - anything that demeans, denigrates or disparages one or more identifiable persons, group of persons, firms, organizations, industrial or commercial activities, professions, entities, products or services, or attempts to bring it or them into public contempt or ridicule; and,
 - anything that undermines human dignity; or displays obvious indifference to, or encourages (gratuitously and without merit) conduct or attitudes that offend the standards of public decency prevailing among a significant segment of the population.

The Canadian Code of Advertising also provides a formal complaint and review process that is open for public complaints through the Advertising Standards Council.

5. Future Policy Implications

The arrival of digital signs in Canadian cities has initiated significant discussion about their suitability for different areas of a community. The potential impact of digital signs has also been part of these discussions as residents and policy makers assess the impact they have on the look, character and quality of the community and the public realm. In Markham, City staff has recently been asked to develop a City-wide policy for electronic signs.³ The electronic sign policy will be developed as part of the Sign bylaw review which was approved as part of the 2015 capital budget. The review is expected to begin by Fall 2015.

In advance of the outcome of the review, Staff are recommending that the RCC Media Digital Sign Pilot be approved for a period of 12 months, in an effort to provide a limited test of digital signage, based on strict criteria, on the existing CN railway line at Woodbine Avenue. The future of the electronic sign after the pilot period will be determined based on the results of the sign bylaw review. Staff will evaluate the impact of the one year pilot project and use the information to assist with the sign by-law review.

Independent of a City-wide policy, staff believes there is merit in gaining some experience with the replacement of one existing billboard with an electronic billboard, in a controlled environment, under strict conditions. There are community benefits associated with the RCC Media Digital Sign Pilot Program – these are outlined below:

A. Free Community Messaging

The City will be provided 5% of daily total advertising time on each digital screen for non-commercial community messaging at no cost. This will provide Markham with significant opportunity to reach our residents, as messages can be changed quickly, multiple times per day. Markham's advertising opportunities will be focused on

³ On May 20, 2014, Markham's Development Services Committee meeting passed a resolution requesting staff develop a City-wide policy for electronic signs.

messages related to major corporate events, news, activities and programs and for community alerts and community emergency notices.

B. Emergency Management Messaging

The City will be provided access to messaging for natural disasters and state of emergency scenarios. As the ice storm in Markham has proven, the ability for the City to place emergency-related messaging on the proposed digital billboards during a power outage, etc., would be of great benefit to residents. The sign will be outfitted with a power outlet located at the base of the sign to permit a generator to be plugged in during a power outage event. The City would be expected to provide the generators for this purpose and will have full access to the signs during such emergency events.

C. Pan Am Games

RCC Media is offering Markham fifty percent of the advertising access on the proposed digital billboard during the 2015 Pan Am/Parapan Am Games (July 6 – August 15, 2015).

D. Sign Esthetics

RCC Media has indicated that the proposed digital sign will include architectural and aesthetic features that will set it apart from traditional billboards. RCC Media will also consult with the City regarding sign display options and the design can be customized based on Markham's preference. Having said this, there may be some residents that believe digital signage detracts from the public realm. Given the location of the proposed signs (along Woodbine Ave in a primarily commercial area), staff do not believe the quality of Markham's public realm will be diminished during the pilot test.

E. Revenue Generation

RCC Media has agreed to pay the City an annual sign administration payment of \$18.60 per square foot, subject to an annual increase based on the greater of 2% or CPI (Toronto All Items September to September) effective January 1st every year. The current sign is 200 square feet on each side which would result in an annual payment of \$7,440.00 (\$18.60/sq. ft. x 200 sq. ft. x2) to the City.

CONCLUSION:

The location for the proposed RCC Media sign is along Woodbine Ave, adjacent to commercial/industrial areas. As such, staff are recommending that the RCC Media Digital Sign Pilot Program be considered in advance of the City-wide policy review requested by the Development Services Committee. Should Council wish to proceed, staff will prepare and execute a Memorandum of Agreement with RCC Media (in a form satisfactory to the Chief Administrative Officer and City Solicitor). Further, it is suggested that staff report back to Council within one year of the RCC Media Digital Sign Pilot Program implementation to provide an update.

FINANCIAL CONSIDERATIONS:

There is no cost to the City for the conversion of one digital billboard by RCC Media. In addition, RCC Media will make an annual payment of \$7,440 for the pilot project, subject to an annual increase as outlined above. Revenues from this initiative will be deposited to Account 890-890-9399 "Other Corporate Revenues".

ALIGNMENT WITH STRATEGIC PRIORITIES:

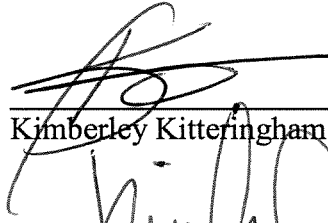
Community Engagement

BUSINESS UNITS CONSULTED AND AFFECTED:

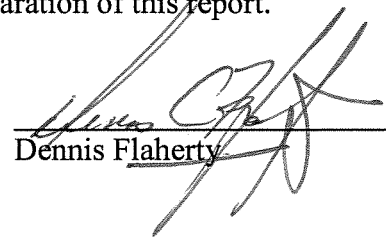
Corporate Communications and Community Relations; Legal Services; Community Services; and Building Services were consulted in the preparation of this report.

RECOMMENDED

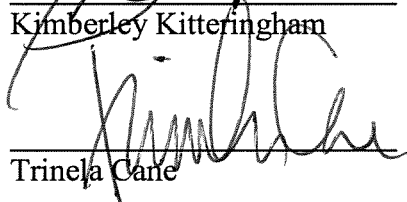
BY:



Kimberley Kitteringham



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ATTACHMENTS:

Attachment "A" – Electronic Messaging Proposal – Pilot Project – RCC Media

Attachment "B" – Markham Digital Sign Regulations