



Report to: Council

Date Report Authored: June 10, 2014

SUBJECT: Metrolinx Digital Sign Program
PREPARED BY: Kimberly Kitteringham, Ext. 4729
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RECOMMENDATION:

- 1) That the report entitled “Metrolinx Digital Sign Program” dated June 10, 2014 be received; and,
- 2) That Staff be directed to amend By-law 2002-94 to permit two digital billboards along the Highway 407 corridor in the City of Markham; and,
- 3) That Staff be authorized to enter into a Memorandum of Agreement with All Vision in a form satisfactory to the Chief Administrative Officer and City Solicitor; and,
- 4) That All Vision pay an annual sign administration payment of \$25,000 per sign structure, 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 revenues generated from the Metrolinx Digital Sign Program in Markham be deposited into 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 report back on the merits of the proposed Metrolinx Digital Sign Program.

BACKGROUND:

Metrolinx was established in 2006 under the Metrolinx Act to improve coordination and integration of transportation in the Greater Toronto and Hamilton Areas. Metrolinx is currently overseeing a multi-billion dollar transit expansion. In an effort to promote and subsidize the cost of these projects, Metrolinx has partnered with All Vision Canada to assess its rail assets (including third party billboard advertising) in order to: 1) pursue the highest and best use of its rail corridor; and 2) produce non-tax revenue.

On April 28, 2014, All Vision presented a preliminary proposal to General Committee for the installation of two digital billboards (14 x 48 ft) in Markham (see **Attachment “A”**). The proposed signs are to be erected along the Metrolinx rail corridor, adjacent to Highway 407, at the following locations (see **Attachment “B”**):

1. Hwy. 407 – 1.25 km east of Warden Avenue (north side)
2. Hwy. 407 – 500 m east of Yonge Street (south side)

Both of the proposed signs will be powered by Bullfrog Power (a company that specializes in renewable energy).

The City has subsequently received the “Metrolinx Digital Sign Program” proposal included as **Attachment “C”**.

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, 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 Should Council approve the Metrolinx Digital Sign Program proposal, staff will bring back the necessary amendments to By-law 2002-94 at the June 24, 2014 Council meeting.

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”.

OPTIONS/ DISCUSSION:

At the April 28, 2014, General Committee meeting, 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 requested further details on the community messaging and revenue benefits to the City (in terms of advertising revenue, etc.). Staff has attempted to address 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 signs in Markham will display static copy advertisements/messages only (no video or animation). Each advertisement will be displayed for ten continuous seconds and the transition between advertisements will be less than one second. This is consistent with the digital sign requirements found in the City of Toronto and elsewhere. Given that the proposed signs are to be located along the Highway 407 corridor, sign placement will ultimately also require Ministry of Transportation approval.³

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. All Vision has indicated that they undertook a three year monitoring program in British Columbia as part of an Environmental Assessment which found no bird deaths associated with the digital signs studied. All Vision is prepared to conduct a similar form of monitoring relative to the two proposed Markham signs (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

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.”*

³ Under the Public Transportation and Highway Improvement Act (the “PTHIA”) the Province has “jurisdiction and control” over its property (Section 2), and controls all roadside activities (Section 34), including signs, within 400 metres of the highway limit. The Ministry of Transportation is an approval authority under the PTHIA.

limit sky glow. Staff are proposing illumination restrictions similar to those in the City of Toronto (see **Attachment “D”**) relative to the two proposed signs in Markham.

4. **Nature of Advertising**

Metrolinx 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;
- 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;
- 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.

Metrolinx also has its own internal brand policy standards for advertising which will not allow certain advertising such as advertisements related to the sex trade.

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.⁴

Independent of a City-wide policy, staff believes there are significant community benefits associated with the Metrolinx Digital Sign Program, as outlined below:

1. **Free Community Messaging**

The City would be provided 5% of daily total advertising time on each digital screen for non-commercial community messaging at no cost. All Vision has indicated that the total

⁴ Development Services Committee meeting on May 20, 2014.

value of this free advertising is approximately \$25,000 per sign. This would 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 messages related to major corporate events, news, activities and programs and for community alerts and community emergency notices.

In addition to the 5% of free community messaging for the City, All Vision will also provide free space to community and not-for-profit groups that approach them directly as space permits.

2. Emergency Management Messaging

The City would be provided access to messaging during natural disasters and states of emergencies for up to two hours per sign, per day during the emergency. As the recent ice storm 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 Markham residents. Both signs 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 significant power outages.

3. Pan Am Games

All Vision is offering Pan Am exclusive advertising access and branding on the two proposed digital billboards for the 2015 Pan Am Games. A rendering of the potential type of Pan Am branding on the digital signs is included in **Attachment "E"**. In order to prepare for the Games, All Vision requires sufficient lead time to produce and construct the signs. They are requesting the City approve the proposal no later than June, 2014.

4. Sign Esthetics

All Vision has indicated that the proposed digital signs will include architectural and aesthetic features that will set them apart from traditional billboards. 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 Highway 407), staff do not believe the quality of Markham's public realm will be diminished.

5. Support for Public Transit

The revenue generated by the Metrolinx Digital Sign Program in Ontario will be used to promote and subsidize the cost of Metrolinx's transit expansion and bridge improvement programs.

6. Revenue Generation

All Vision has agreed to pay the City an annual sign administration payment of \$25,000 per sign structure, subject to an annual increase based on the greater of 2% or CPI (Toronto All Items September to September) effective January 1st every year.

CONCLUSION:

The location for the proposed Metrolinx signs is along the Highway 407 corridor, adjacent to commercial/industrial areas. As such, staff are recommending that the Metrolinx Digital Sign Program be considered in advance of the City-wide policy review recently requested by the Development Services Committee. Should Council wish to proceed, staff will prepare and execute a Memorandum of Agreement with All Vision Canada (in a form satisfactory to the Chief Administrative Officer and City Solicitor). The Memorandum of Agreement will include terms and conditions that provide a remedy for the City to terminate the agreement and revoke the by-law provision for the digital sign in the event that the terms of the agreement are breached. Further, it is suggested that staff report back to Council within one year of the Metrolinx Digital Sign Program implementation to provide an update.

FINANCIAL CONSIDERATIONS:

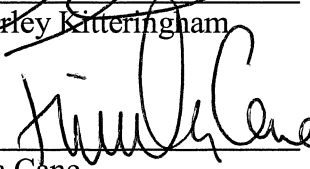
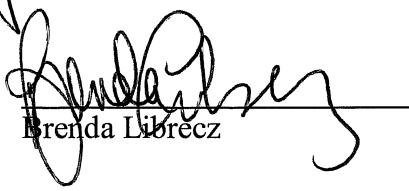
There is no cost to the City for the installation of the two digital billboards by Metrolinx. All Vision has confirmed that the in-kind value of the free advertising provided to the City is approximately \$50,000 for the two signs. In addition, All Vision will make an annual payment of \$25,000 per sign structure, 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:**
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ATTACHMENTS:

Attachment "A" – April 28, 2014 Presentation to General Committee by All Vision

Attachment "B" – Map of Proposed Digital Sign Locations

Attachment "C" – Revised Metrolinx Digital Sign Program Proposal

Attachment "D" – Proposed Digital Sign Regulations for Markham

Attachment "E" – Draft Pan Am Games Sign Rendering