

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MAY 23, 2018

Item 7, Report No. 5, of the Finance, Administration and Audit Committee, which was adopted, as amended, by the Council of the City of Vaughan on May 23, 2018, as follows:

By approving that consideration of the site locations listed on attachment 1 be deferred pending public consultation;

By approving that staff take the necessary action to initiate the procurement process;

By approving that the funds generated from this initiative be allocated to City beautification and winter maintenance and staff provide a report with respect to the allocation and distribution ratio; and

By receiving the following communications:

- C2 Mr. Tony Romanelli, RCC Media, Steeles Avenue West, Toronto, dated May 16, 2018;***
- C13 Ms. Pina Sacco, Village of Woodbridge Ratepayers Association, dated May 22, 2018; and***
- C14 Chief, Corporate Initiatives and Intergovernmental Relations, dated May 22, 2018.***

7 BILLBOARD REVENUE POTENTIAL

The Finance, Administration and Audit Committee recommends:

- 1) That the recommendation contained in the following report of the Chief Corporate Initiatives and Intergovernmental Relations, dated May 7, 2018, be approved, with the locations listed in Attachment 1 being as follows:**

Site 1 - 2800 Rutherford Road (west of Melville Avenue);

Site 2 - 5020 Hwy 7 at Islington Avenue;

Site 3 - Bathurst Street & Queen Filomena Avenue;

Site 4 - Bathurst Street and New Westminster Avenue;

Site 5 - Hwy 7 between Martin Grove Road and Kipling Avenue;

Site 6 - Jane Street and Springside Road;

Site 7 - Keele Street and Teston Road; and

Site 8 - Weston Road and Retrest Boulevard.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MAY 23, 2018

Item 7, FAA Report No. 5 – Page 2

Recommendations

The Chief Corporate Initiatives and Intergovernmental Relations recommends:

1. THAT Council approve the site locations in Attachment 1 to be leased to a third party out-of-home advertising company for the purposes of erecting and managing advertising signs; and
2. THAT Staff be directed to take the necessary action to initiate the procurement process pursuant to this report, and subsequent contractual agreement.

(A copy of the attachments referred to in the following report have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

Item:



Finance, Administration and Audit Committee Report

DATE: Monday, May 07, 2018

WARD(S): ALL

TITLE: Billboard Revenue Potential

FROM:

Tim Simmonds, Chief Corporate Initiatives and Intergovernmental Relations

ACTION: DECISION

Purpose

In an effort to bring forward opportunities to generate non-taxation revenue for the City, consideration has been given to lease small parcels of City land to a third party for the purposes of erecting advertising signs.

Recommendations

The Chief Corporate Initiatives and Intergovernmental Relations recommends:

1. THAT Council approve the site locations in Attachment 1 to be leased to a third party out-of-home advertising company for the purposes of erecting and managing advertising signs; and
2. THAT Staff be directed to take the necessary action to initiate the procurement process pursuant to this report, and subsequent contractual agreement.

Report Highlights

- Digital advertising model used in many municipalities like Ottawa, Toronto, Pickering and in York Region on TRCA land
- Revenue potential of \$7.5M across the 15-year term, with third-party responsible for all costs
- New revenue source can support city services, programs, and infrastructure to keep quality of life high in Vaughan
- City can request use of third party advertising signs to expand city messaging to new areas and use system in the case of emergency ie. Amber Alerts

Background

As identified in the approved Marketing Partnership Strategy and Implementation Plan, new revenue generation efforts related to advertising, as well as corporate partnerships, were to be pursued by the Municipal Partnerships Office. These efforts are to support programs, services and infrastructure across the city to keep the tax rate low, and the quality of life high for all residents.

Using parcels of City land for the purpose of advertising was a specific component of the Marketing Partnership Strategy

Consultations with multiple departments and external stakeholders was necessary to accurately illustrate this opportunity for consideration. This initiative is not associated with the City's digital sign network, as this focuses on third party advertising versus exclusive city content. If approved, to source the most appropriate out-of-home advertising company to implement this plan and erect and manage advertising signs, Staff would follow the appropriate procurement process.

Although there are eight sites for consideration in this report, there is potential to expand this initiative to include additional locations pending Council approval. Staff suggest a maximum of twelve locations for this purpose to ensure the signs are not intrusive on the City's landscape. If warranted, a report with additional locations would be brought back to Council for consideration following the initial deployment of the locations in this report.

Many municipalities and organizations using similar advertising model including Ottawa, Toronto, Welland, Peterborough, Pickering and the TRCA

With the growth of our city comes an opportunity to use high-traffic areas to generate revenue through advertising methods. Digital advertising has become a way of life, and a popular means to communicate information. Many municipalities and organizations are venturing into the business of using their spaces for digital advertising as a way to reduce operational costs. These include the City of Ottawa, Toronto, Welland, Peterborough, Pickering, and the TRCA to name a few. With digital advertising signs

currently in place in Vaughan but on property not owned by the city, the public are already exposed to this popular form of advertising, but the City is not reaping the full benefits of these signs. By using successful advertising models as a guide, the City of Vaughan can use small parcels of land to secure guaranteed annual revenue.

City can mandate technology that automatically controls illumination and reduces brightness relative to surroundings

To minimize concerns about illumination impacting residents in their homes, the City will mandate in the RFP that digital signs installed have the technology to control the illumination and dim relative to its surroundings, therefore reducing to a minimum amount of brightness – these can be at as little as 2% brightness in the evening. Staff will also request that bidders illustrate additional ways they can use safe and innovative technology and practices to ensure smooth implementation and management of the signs. The City would also mandate that signs are shut off between 11pm and 7am, with the flexibility of restricting further based on resident feedback. All digital signs would allow for third-party advertising based on the [Canadian Code of Advertising Standards](#).

City will request free advertising time on signs to expand city messaging in Vaughan to better communicate with residents

Staff would also request advertising time on the signs at no cost to the City. This will help city messaging get expanded to areas that do not receive regular city information via our current digital sign network. This will also help minimize use of mobile signs for city event and service promotion. The City will also request access to all signs for a prolonged period of time in the event of emergency to deploy important information like Amber Alerts, to increase safety and awareness for all citizens and better serve our community.

Previous Reports/Authority

This is being considered based on direction from the Council approved [Marketing Partnership Strategy & Implementation Plan](#).

Analysis and Options

The Municipal Partnerships Office identified possible sites for this purpose with assistance from the Real Estate department. The sites being considered were identified due to the following criteria:

1. The City owns the land
2. These sites do not face residential homes
3. These are high-traffic areas where revenue potential would be highest (based on demand from third-party advertising companies)

A total of sixteen sites were initially considered based on the above criteria, with seven discounted for a variety of reasons; one due to a triparty agreement in place for the land, three that were on land shared with fire stations which were deemed as not ideal

from an operations perspective, and another three sites as they were adjacent to a 400 series highway, which is under the jurisdiction of the MTO who will not permit third party advertising that is within 400 metres of class 1a highways. Attachment 1 outlines the eight site locations being considered. An additional site at Islington Avenue south of Woodbridge Avenue currently has third party advertising on the land and will be added to the group of sites in attachment 1 to maximize revenue potential for the City, as it is currently not receiving market value. This site and site 5 in Attachment 1 is under a management agreement with the TRCA, however approval has been given from the TRCA to the City of Vaughan to pursue these sites for advertising purposes.

Staff consulted on best areas within sites to not interfere with current and future operations; departments included Parks Development, Development Engineering, Transportation Services, Parks & Forestry Operations, Environmental Services, Facility Maintenance Services, Infrastructure Planning, and Development Planning, and By-Law and Compliance, Licensing and Permitting Services

All comments were logistical in nature, and will provide the framework for the RFP created to ensure bidders are aware of special considerations for each site, and the necessity to work with city staff for the planning and implementation stages.

Although the City is exempt from following our Sign By-Law, the current development stage of the new Sign By-Law indicates alignment with this initiative

In light of the Sign By-Law being updated in the near future, the By-Law and Compliance, Licensing and Permitting Services department has been consulted on this initiative to help build the framework for the digital advertising section of the new by-law. This was done to ensure we work to align our efforts with the city-wide stance on these types of signs including requirements related to size, dimming levels, and other elements.

Anticipated size of display panels are no greater than 10ft x 35ft

Based on other municipalities and the current landscape of out-of-home advertising, we anticipate the size of the display panels of the signs at all sites to be no greater than 10ft x 35ft, which is a standard size within the industry, and a size that will align with the new sign by-law. For comparative purposes, an [existing digital sign](#) at Rutherford Road east of Melville Avenue is 9ft x 31ft. A minimal parcel of land is required to support these signs as most are erected with a single pole support system.

Financial Impact

Revenue potential of \$7.5M across the 15-year term, with third-party responsible for all costs

All costs and work associated with locates, permits, erecting the billboards, maintaining them, and the sales and management of the ads are the responsibility of the selected out-of-home advertising company. Based on industry standards, with the large investment required by the third party, the length of the lease of these parcels of lands

would be anticipated at 15 years to justify the investment in the infrastructure by the successful RFP bidder.

External consultation with out-of-home advertising companies who specialize in this work suggest that high-traffic areas that allow for a double sided digital advertising sign could earn the City up to \$50,000-\$60,000 per year per location. This amount aligns with similar lease deals held by the TRCA in York Region and other municipalities. Given the consideration for the eight sites in Attachment 1 and the existing site at Islington Avenue south of Woodbridge Avenue, the revenue potential is estimated at approximately \$500,000 per year, pending any site limitations and revenue-sharing for the two sites under a management agreement with the TRCA. Over the term of the agreement, this could generate \$7.5 million dollars in non-taxation revenue for the City, to support the term of council priority to meet tax rate targets of no greater than 3%.

Broader Regional Impacts/Considerations

Although York Region has jurisdiction on region roads, it respects local municipal decisions to place advertising signs on their own property, and only requires that signs placed on City lands respect a 1 metre setback from the road, which will be outlined in the RFP.

Conclusion

Digital advertising signs already exist in Vaughan, but are located on land not owned by the City, and thus the City is not taking advantage of the revenue potential associated with leasing land parcels for this purpose. Building another non-taxation revenue source will help the City plan for the future and be in a better position to deal with the many challenges confronting the municipal sector. Availability and quality of municipal services and programs, the environment, infrastructure, and community safety are matters that will need to be addressed as the City grows. Meeting public needs and expectations will require the optimizing of potential revenue sources. In addition to generating revenue, getting access to these signs to expand City messaging to new areas of the city, including in emergency situations, will better serve our citizens.

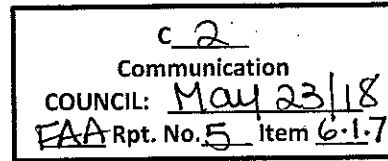
For more information, please contact: Katie Maginn, Manager Municipal Partnerships, katie.maginn@vaughan.ca, x8841.

Attachments

1. Billboard Revenue Potential – Site Locations, Corporate Initiatives & Intergovernmental Relations, Mar 1, 2018

Prepared by

Katie Maginn
Manager, Municipal Partnerships
x8841



Date: Wednesday, May 16, 2018

CITY OF VAUGHAN

2141 Major Mackenzie Dr.
Vaughan, ON
L6A 1T1

ATTN: City Council and Staff - To whom it may concern

RE: RCC Media Existing Dynamic Digital Sign Network Agreement
Digital Billboards on City Owned Properties - Procurement Proposal
New Sign By-Law Updates - Proposed

As per past and future planned council meetings along with staff recommendations as it relates to digital signage opportunities in the City of Vaughan and by-law amendments and alterations, RCC Media would like provide this letter for review and consideration.

As per RCC Media's existing Dynamic Digital Sign Network Agreement with the city, RCC Media has already completed 13 of 30 allowable digital faces - referred to as "Road Signs". Remaining 17 digital faces to be completed over the next 18 months. RCC Media purposely implemented this form of scheduled release of these billboards as a soft introduction in to the Vaughan marketplace. We understand that the city has brought forth a revenue generating procurement opportunity allowing digital billboard signs on city owned property. RCC Media is in full support of this opportunity. With that being said, RCC Media would like to provide commentary that we feel is important for the city to understand and consider.

1. Size of signs - our existing agreement allows for signage up to 10'H x 35'W - RCC initially installed that size unit and quickly realized that it was far to big for the market, and have subsequently only installed much smaller units to date.

2. Amount of Digital Billboard Signs in the city - as per our existing agreement, we have yet to complete our list of allowable signs therefore we feel council and constituents have not realized the full impact from a quantity of signs perspective. RCC is in favour of digital signs on city property, but along with our completed sites and approved list still to be completed - the city is now reviewing for approval an additional 16 digital faces (large format in nature). A total of up to 46 digital faces - which still does not include the impact of allowing digital in to the new sign by-law. Not even the City of Toronto has this much digital inventory. City of Toronto is now implementing ways of reducing its billboard inventory.



3. Updates to Sign By-Law to include digital billboards: we understand that city staff will be presenting to council a new sign by-law allowing digital billboard advertising units. We would hope that the city would proceed with caution as this would only increase the numbers stated above. As part of the Toronto CMA (lucrative to advertisers), Vaughan will be an area that will get explored by all out-of-home advertising suppliers.

It is RCC Media's recommendation that the proposed procurement program along with sign by-law amendments and updates are carefully reviewed in full as it relates to advertising billboard signage.

If you have any questions or concerns, feel free to reach me direct any time. We look forward to our continued relationship for years to come.

Regards,

A handwritten signature in black ink, appearing to read "JR" or "JR2", written in a stylized, cursive script.

Tony Romanelli - PRESIDENT
P. 416-650-6000 Ext. 222
M. 416-606-2084
E. tromanelli@rccmedia.com

Subject:
Attachments:

FW: Digital Billboards Proposal
Digital Billboards.docx; ATT00001.htm

c 13
Communication
COUNCIL: May 23/18
FAA Rpt. No. 5 Item 6.17

From: Pina Sacco [REDACTED]

Date: May 22, 2018 at 10:06:24 PM EDT

To: Todd.coles@vaughan.ca

Cc: tony.carella@vaughan.ca, "Cardile, Lucy" <Lucy.Cardile@vaughan.ca>, Maria Verna [REDACTED]

Subject: Digital Billboards Proposal

Good evening Mr. Coles,

Please find attached a letter from the Village of Woodbridge Ratepayers Association in regards to the proposal for the leasing of City lands to a third party for the purposes of erecting advertising billboards.

Our association is requesting that a decision regarding this proposal be deferred until public consultation has been held. In the attached letter we outline the reasons why we believe that the proposed billboard locations in our area are unacceptable and merit public input.

We trust that you will share our concerns with Council.

Respectfully,
Pina Sacco

Tuesday May 22, 2018

Todd Coles
City Clerk
Vaughan City Hall, Level 100
2141 Major Mackenzie Dr.
Vaughan, ON L6A 1T1

Dear Mr. Coles,

RE: Deferral on Decision re Digital Billboards

It has come to our attention that the Chief Corporate Initiative and Intergovernmental Relations recommends that council approve the lease of City lands to a third party for the purpose of erecting advertising signs.

As the president of the Village of Woodbridge Ratepayers Association I would like to state on behalf of the residents that they are vehemently opposed to the City leasing the proposed lands at Hwy #7 between Martin Grove Rd. and Kipling Ave as well as 5020 Hwy #7 at Islington for the reasons below:

1. these are high traffic areas where accidents occur frequently, including pedestrian mishaps, and additional diversions and distractions will only increase these mishaps;
2. While the City owns the lands the signs will block or interfere with existing historical and natural sites (ie Woodbridge Memorial Area) further devaluing the community feel of the Village of Woodbridge;
3. The City already has an electronic board at the Woodbridge Memorial site which displays pertinent City-related information;
4. City sponsored digital boards should be used to communicate to the residents pertinent information related to Vaughan events, news, etc., not to promote private interests and consumerism;
5. No clear indication is given as to what type of advertising will be displayed on the boards (which goods and services), if these advertisements are meant to promote local, provincial national, international private interests, and how City will decide what type of goods, services are to be advertised;
6. The proposal states that the City land is to be leased across a 15 years period and we find that this is an excessive period of time, as the City and its residents will have lost control over this parcel of lands for an unreasonably long period of time

7. No public consultation occurred in the discussion of the proposed sites or the lease of City lands, the residents already feel neglected and uninformed of decisions that affect them directly. The community expects open and public discussions regarding decisions that

As a representative of the community, I am requesting that a decision be deferred until there is open and public discussion about the above proposal so that City Council can hear the concerns of the residents. City Councillors need to consult with their residents to determine whether approving these advertising billboards and their locations are viable, and is what the community wants.

Respectfully,

Maria Verna,
Village of Woodbridge Homeowners Association
President

DATE: May 22, 2018

TO: Hon. Mayor Bevilacqua, Members of Council

FROM: Tim Simmonds, Chief, Corporate Initiatives and Intergovernmental Relations

CC: Corporate Management Team
Gus Michaels, Director, By-Law and Compliance, Licensing and Permit Services
Dennis Cutajar, Director, Economic and Cultural Development
Katie Maginn, Manager, Municipal Partnerships and Sponsorship

RE: **RCC Letter Referencing Digital Billboards**

The purpose of this memo is to provide further information on the billboard revenue potential initiative and digital signs in Vaughan in relation to the points addressed in a letter from RCC Media on May 16, 2018.

CONTEXT

A letter was received on May 16, 2018 in relation to the Billboard Revenue Potential Report coming to the May 23 Council meeting, as well as to digital sign considerations in general. This letter included information related to size considerations for signs, the number of signs in Vaughan, and the sign by-law as it relates to allowing digital signs in upcoming recommendations. There are points of clarification which have been addressed below.

BACKGROUND & ANALYSIS

In the Staff report, [\[link here\]](#) it is recommended that digital billboards would not be larger than 10ft x 35ft, a standard size within the industry. Given the concern for sign size at the Finance Administration and Audit committee meeting on May 7 with several members of the Committee indicating that smaller sizes would be a better fit for Vaughan, **Staff would suggest reducing the maximum sized sign to another popular industry size - 10ft x 20ft for the billboard revenue generation initiative.** This aligns with the current sign by-law. If requirements for a larger sized billboard was received, the request would go through the sign variance committee process.

The agreement with RCC Media stipulates that RCC has two categories of digital road signs – Bridge Banners and Stand-Alone Structures.

1. **“Bridge Banners”:** These signs are currently manufactured from vinyl and affixed directly to the CN bridge structure, these locations remain the same but are approved to be replaced with digital. The digital board will remain affixed to the CN Bridge Structure.

2. **“Stand-Alone Structures”**: The agreement with RCC Media has a total of seven (7) stand-alone digital billboard structures. This category is parallel to the Billboard Revenue Partnership Report which seeks to add eight (8) stand-alone structures at various locations on City property, and one (1) static stand-alone structure to be replaced with digital.

Therefore, the City (including the RCC locations) would have a total of 16 stand-alone digital billboard structures. The letter received from RCC seemed to indicate that the City would now have 46 unique locations.

RCC’s points about the City of Toronto

The City of Toronto Sign By-Law department has confirmed that they are not implementing a program to reduce billboard inventory, making this claim unfounded. They have also confirmed that they have 55 digital signs currently in the marketplace, with the possibility for more as their sign by-law allows. Many of these existing signs are double-sided in nature, estimating more than 80 digital faces; a number far greater than the 46 digital faces referenced in the letter. Claiming that Vaughan will have more digital signs than the City of Toronto with the billboard generation initiative moving forward is simply inaccurate.

Item:



Finance, Administration and Audit Committee Report

DATE: Monday, May 07, 2018

WARD(S): ALL

TITLE: Billboard Revenue Potential

FROM:

Tim Simmonds, Chief Corporate Initiatives and Intergovernmental Relations

ACTION: DECISION

Purpose

In an effort to bring forward opportunities to generate non-taxation revenue for the City, consideration has been given to lease small parcels of City land to a third party for the purposes of erecting advertising signs.

Recommendations

The Chief Corporate Initiatives and Intergovernmental Relations recommends:

1. THAT Council approve the site locations in Attachment 1 to be leased to a third party out-of-home advertising company for the purposes of erecting and managing advertising signs; and
2. THAT Staff be directed to take the necessary action to initiate the procurement process pursuant to this report, and subsequent contractual agreement.

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As identified in the approved Marketing Partnership Strategy and Implementation Plan, new revenue generation efforts related to advertising, as well as corporate partnerships, were to be pursued by the Municipal Partnerships Office. These efforts are to support programs, services and infrastructure across the city to keep the tax rate low, and the quality of life high for all residents.

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Consultations with multiple departments and external stakeholders was necessary to accurately illustrate this opportunity for consideration. This initiative is not associated with the City's digital sign network, as this focuses on third party advertising versus exclusive city content. If approved, to source the most appropriate out-of-home advertising company to implement this plan and erect and manage advertising signs, Staff would follow the appropriate procurement process.

Although there are eight sites for consideration in this report, there is potential to expand this initiative to include additional locations pending Council approval. Staff suggest a maximum of twelve locations for this purpose to ensure the signs are not intrusive on the City's landscape. If warranted, a report with additional locations would be brought back to Council for consideration following the initial deployment of the locations in this report.

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Anticipated size of display panels are no greater than 10ft x 35ft

Based on other municipalities and the current landscape of out-of-home advertising, we anticipate the size of the display panels of the signs at all sites to be no greater than 10ft x 35ft, which is a standard size within the industry, and a size that will align with the new sign by-law. For comparative purposes, an [existing digital sign](#) at Rutherford Road east of Melville Avenue is 9ft x 31ft. A minimal parcel of land is required to support these signs as most are erected with a single pole support system.

Financial Impact

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would be anticipated at 15 years to justify the investment in the infrastructure by the successful RFP bidder.

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Conclusion

Digital advertising signs already exist in Vaughan, but are located on land not owned by the City, and thus the City is not taking advantage of the revenue potential associated with leasing land parcels for this purpose. Building another non-taxation revenue source will help the City plan for the future and be in a better position to deal with the many challenges confronting the municipal sector. Availability and quality of municipal services and programs, the environment, infrastructure, and community safety are matters that will need to be addressed as the City grows. Meeting public needs and expectations will require the optimizing of potential revenue sources. In addition to generating revenue, getting access to these signs to expand City messaging to new areas of the city, including in emergency situations, will better serve our citizens.

For more information, please contact: Katie Maginn, Manager Municipal Partnerships, katie.maginn@vaughan.ca, x8841.

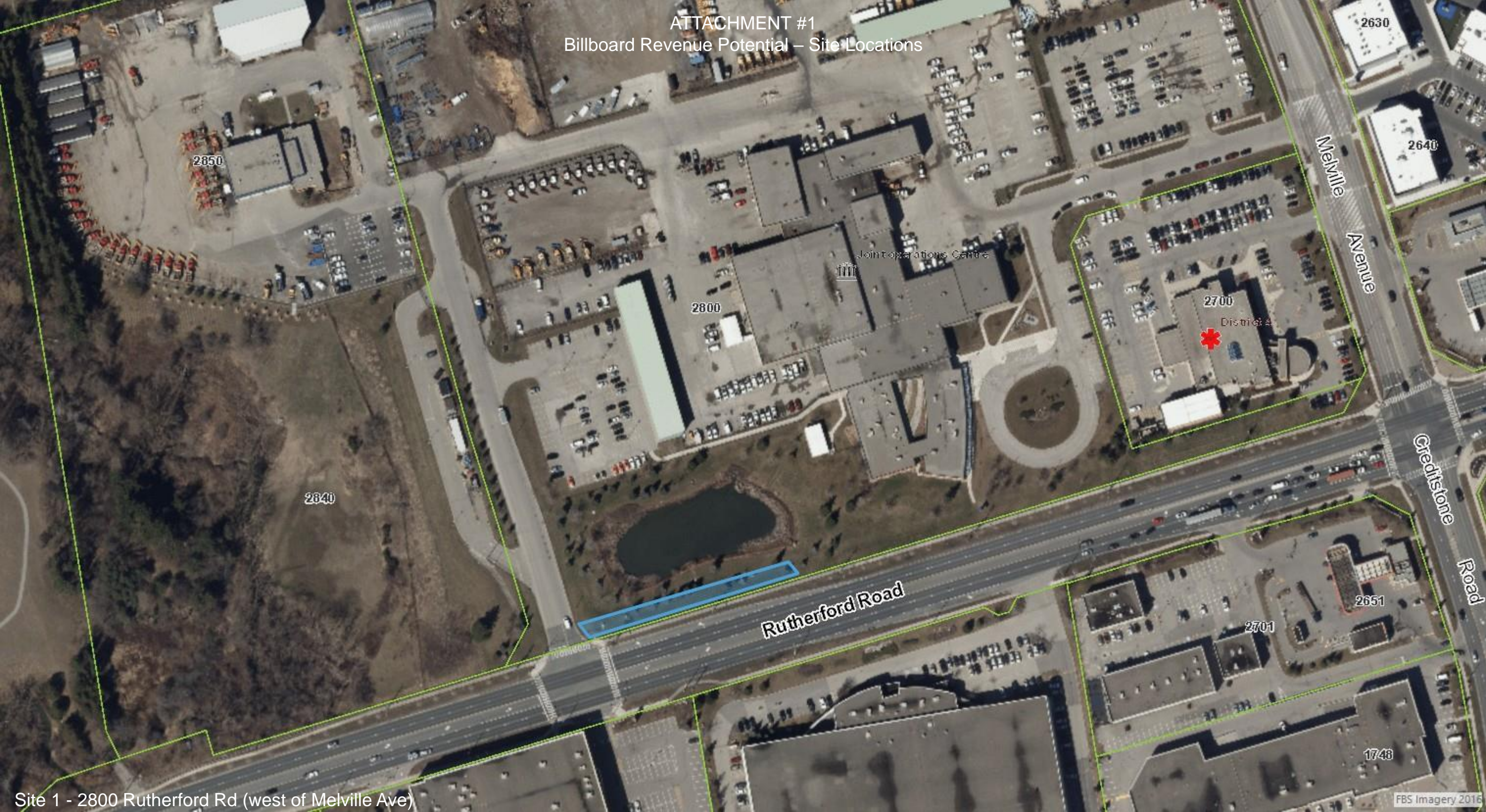
Attachments

1. Billboard Revenue Potential – Site Locations, Corporate Initiatives & Intergovernmental Relations, Mar 1, 2018

Prepared by

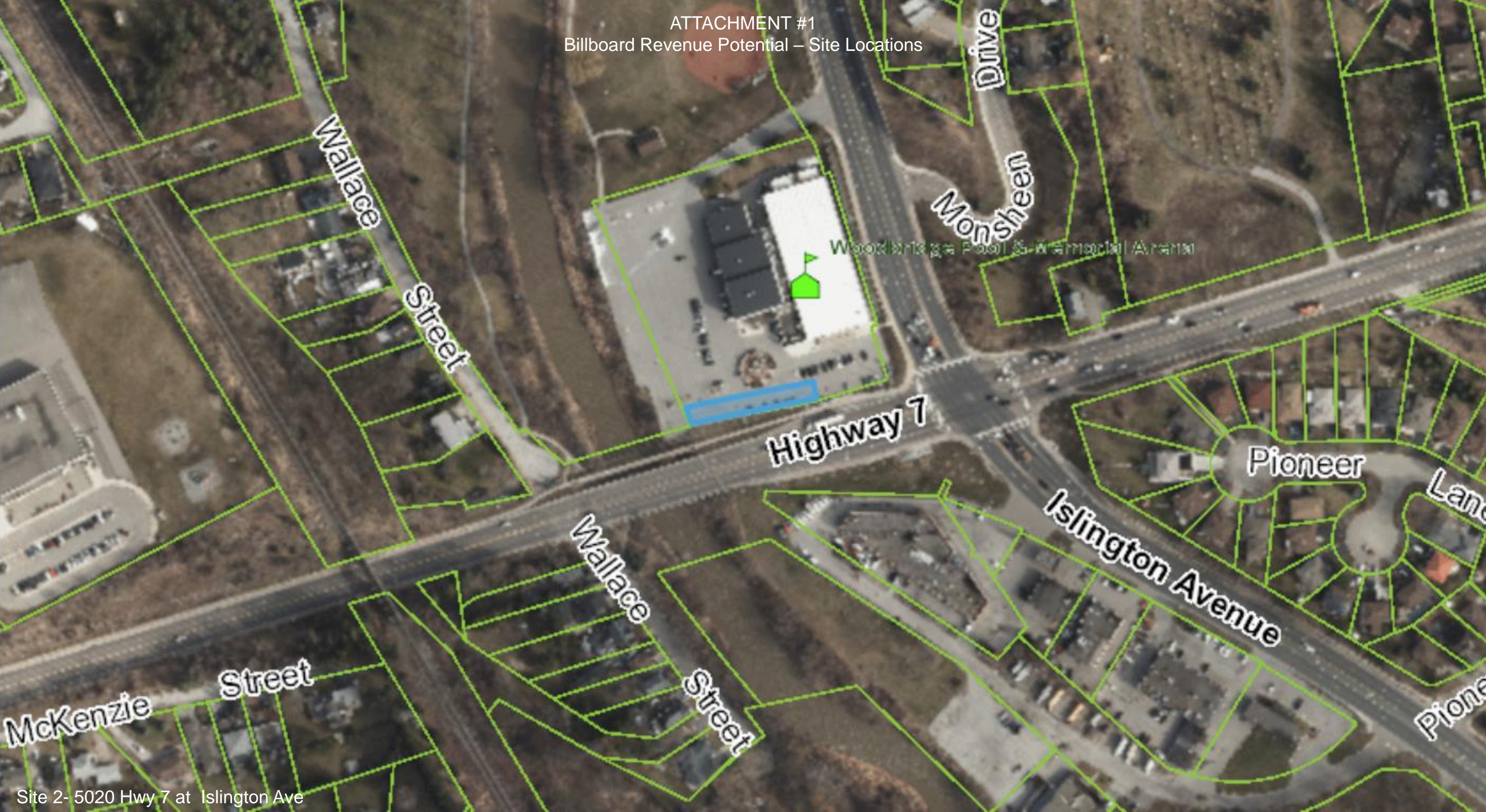
Katie Maginn
Manager, Municipal Partnerships
x8841

ATTACHMENT #1
Billboard Revenue Potential – Site Locations



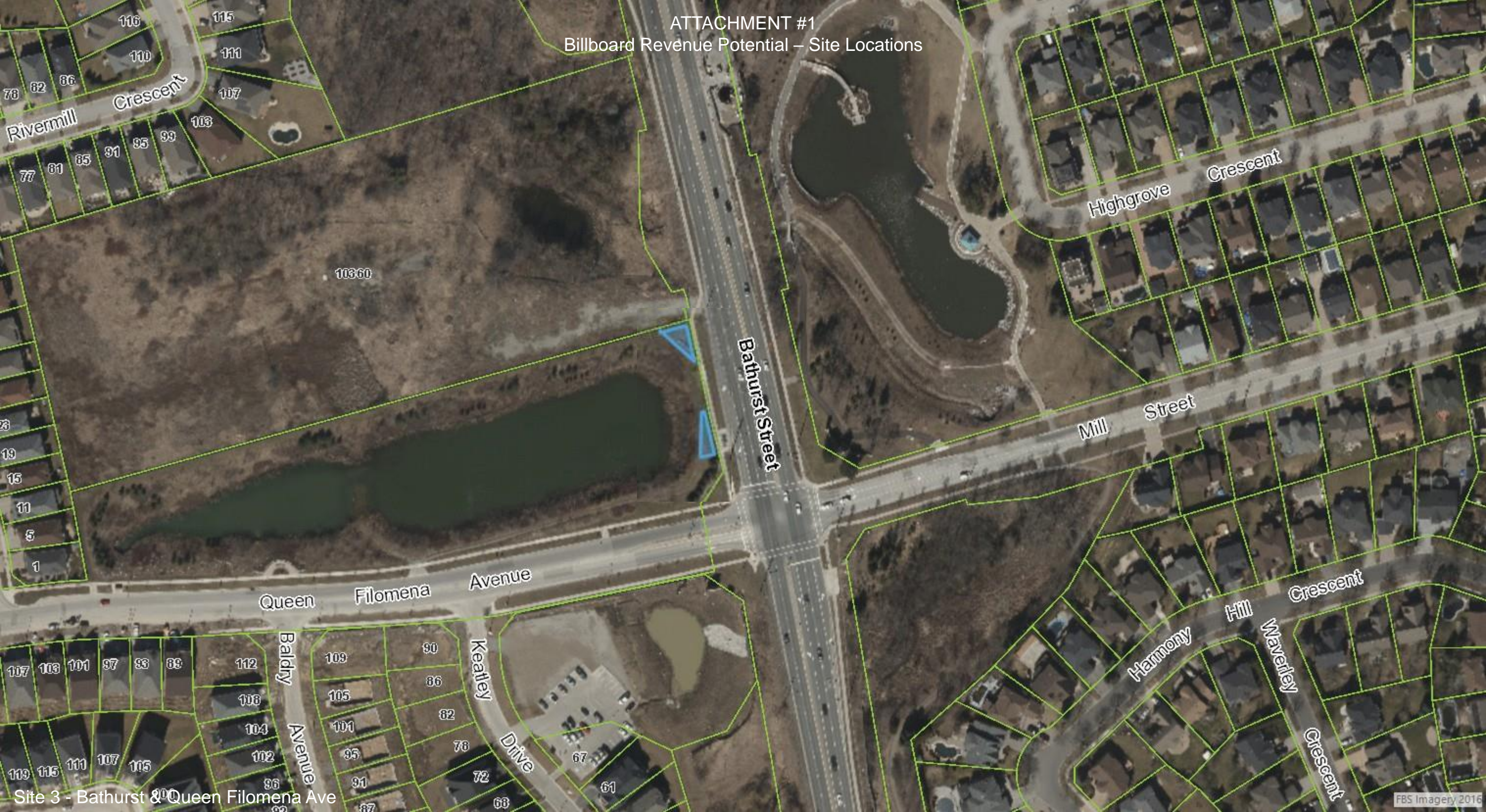
Site 1 - 2800 Rutherford Rd (west of Melville Ave)

ATTACHMENT #1
Billboard Revenue Potential – Site Locations



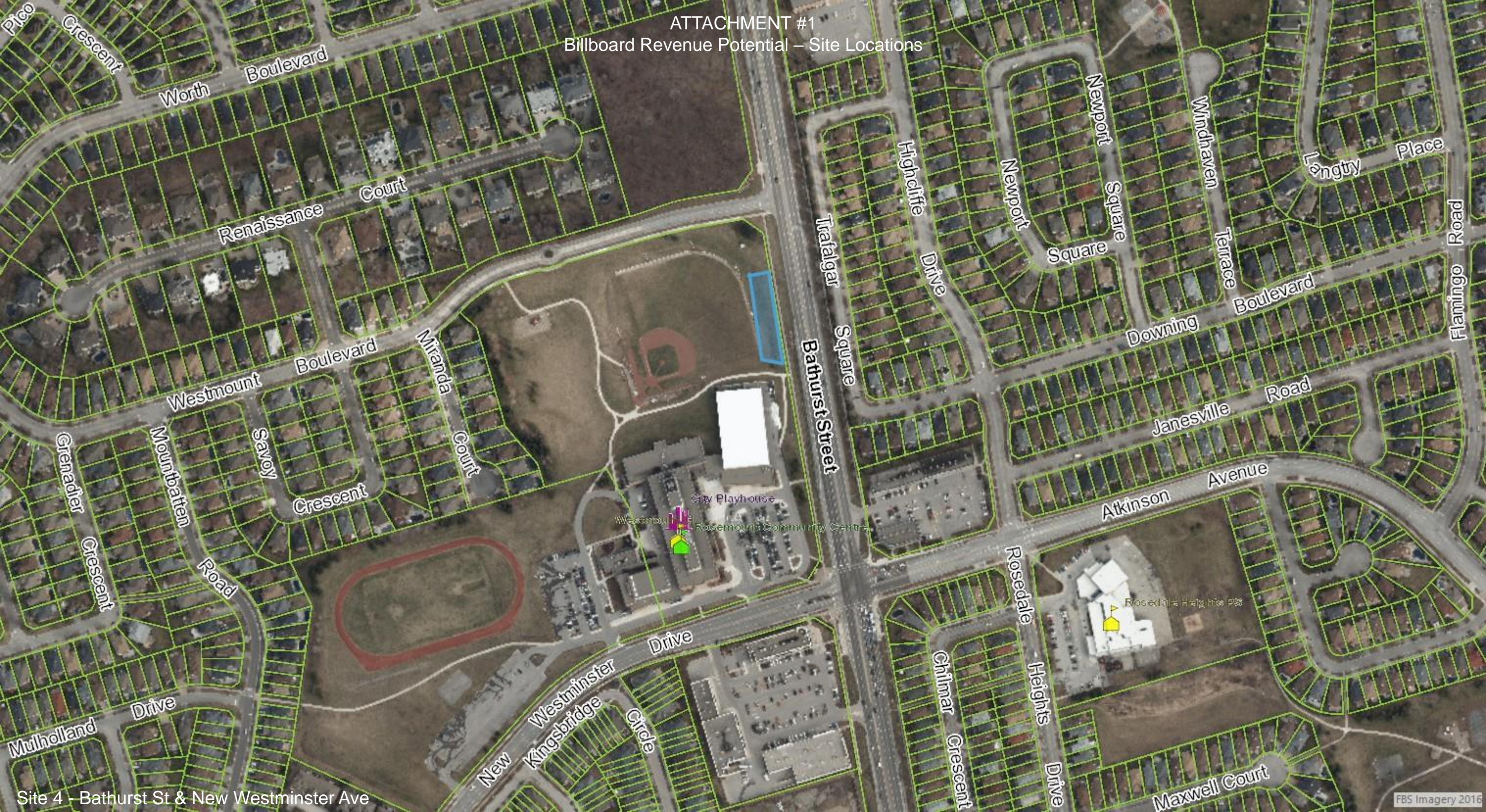
Site 2- 5020 Hwy 7 at Islington Ave

ATTACHMENT #1
Billboard Revenue Potential – Site Locations



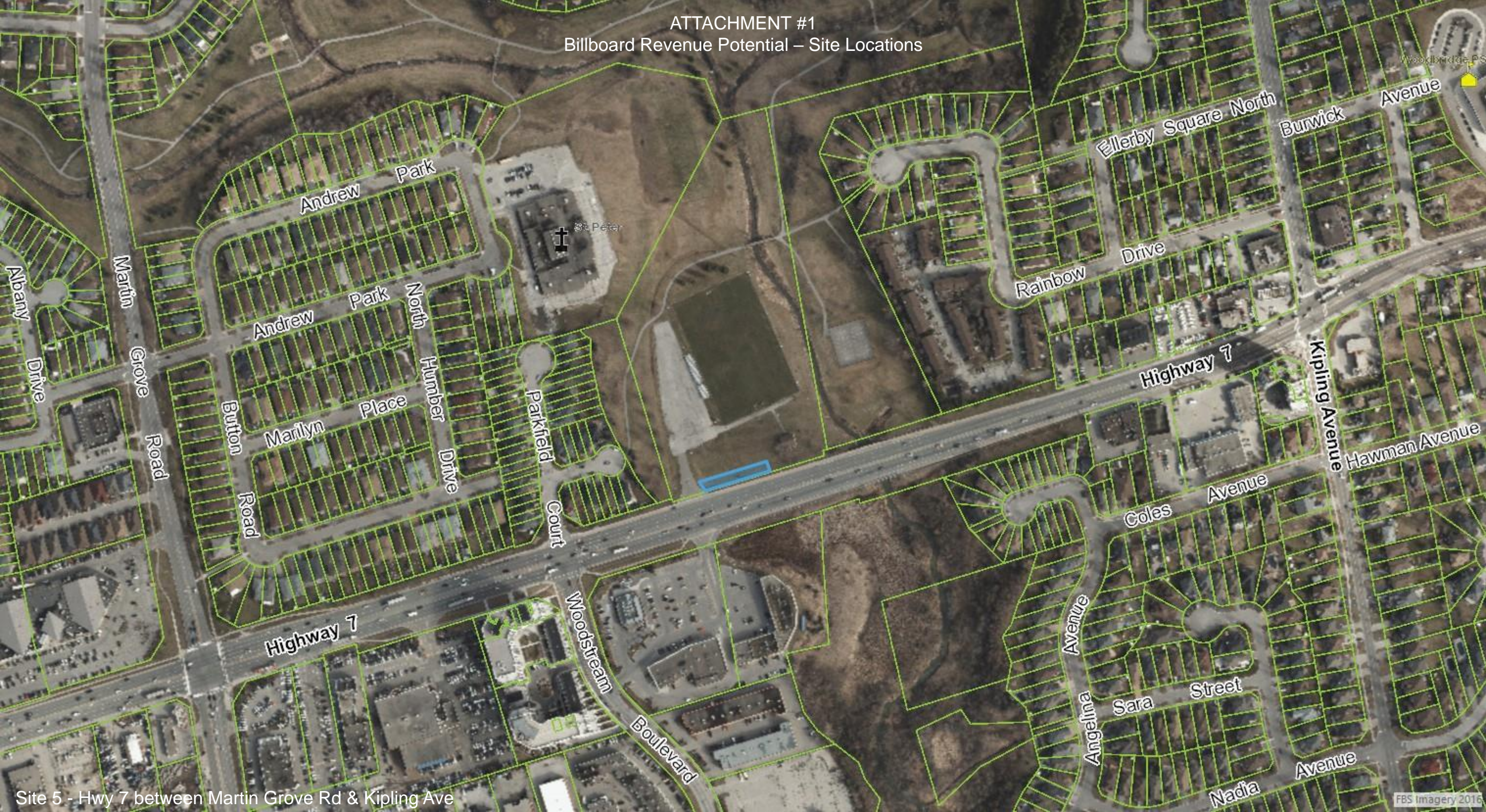
Site 3 - Bathurst & Queen Filomena Ave

ATTACHMENT #1
Billboard Revenue Potential – Site Locations



Site 4 - Bathurst St & New Westminster Ave

ATTACHMENT #1
Billboard Revenue Potential – Site Locations



Site 5 - Hwy 7 between Martin Grove Rd & Kipling Ave

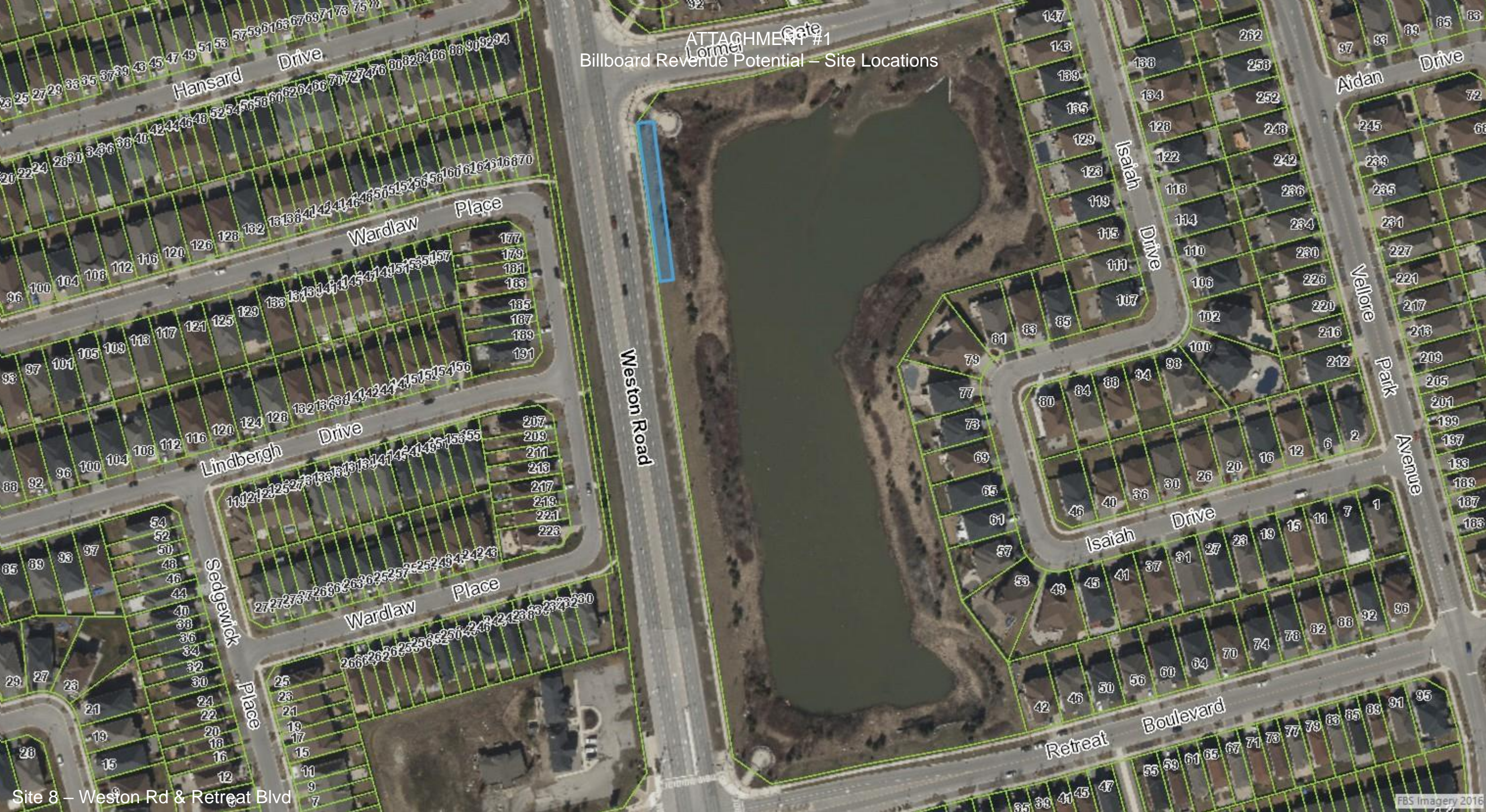


Jane Street

Parktree



Site 7 - Keele St & Teston Rd



ATTACHMENT #1
Billboard Revenue Potential - Site Locations

Weston Road

Site 8 - Weston Rd & Retreat Blvd