



CITY OF HAMILTON
FINANCE AND CORPORATE SERVICES DEPARTMENT
Finance Administration and Revenue Generation Division

and

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Parking and By-Law Services Division

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	October 18, 2016
SUBJECT/REPORT NO:	Digital Signage Budget Enhancement Opportunity (FCS16082 / PED16196) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Brian MacDonald (905) 546-2424 Ext. 3048 Ken Leendertse (905) 546-2424 Ext. 3059
SUBMITTED BY:	Mike Zegarac General Manager Finance and Corporate Services Department Jason Thorne General Manager Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That the amending By-law, attached as Appendix "A" to Report FCS16082 / PED16196, which amends the Sign By-law No. 10-197, attached as Appendix "B" to Report FCS16082 / PED16196, with respect to digital billboards and is in a form satisfactory to the City Solicitor, be approved;
- (b) That a new annual permit fee per sign of \$2,000 for digital billboards be approved and added to the User Fees and Charges By-law;

SUBJECT: Digital Signage Budget Enhancement Opportunity (FCS16082 / PED16196) (City Wide) - Page 2 of 15

- (c) That City staff be authorized to negotiate terms and conditions with Outfront Media, for the display of digital billboards and advertising thereon at the 12 signs on municipal properties listed and attached as Appendix “C” to Report FCS16082 / PED16196;
- (d) That the General Manager of Finance and Corporate Services, or approved delegate, be authorized to execute an agreement and all necessary documentation to implement Recommendation (c) of Report FCS16082 / PED16196, all with content acceptable to the General Manager of Finance and Corporate Services, and in a form satisfactory to the City Solicitor;
- (e) That the Sign Variance application, pertaining to the size of one specific sign, attached as Appendix “D” to Report FCS16082 / PED16196, for a Digital Billboard at 1000 Limeridge Road East, be approved upon payment of the Sign Variance application fee;
- (f) That the Sign Variance application pertaining to the size of one sign supplied by Outfront Media (formerly CBS Outdoor) on private property located at Dundurn Street and Main Street, attached as Appendix “E” to Report FCS16082 / PED16196, be approved upon payment of the Sign Variance application fee;
- (g) That the Sign Variance application pertaining to the location of one sign supplied by Outfront Media (formerly CBS Outdoor) on private property located at King Street and Dundurn Street, attached as Appendix “F” to Report FCS16082 / PED16196, be approved upon payment of the Sign Variance application fee;
- (h) That the item respecting direction for Staff to investigate modifications to the Sign By-law with intent of permitting light emitting diodes (LED) signs, respecting Digital Signage Budget Enhancement Opportunity, be identified as complete and be removed from the Planning Committee Outstanding Business List.

EXECUTIVE SUMMARY

On May 27, 2015, Council approved Item 12 of General Issues Committee, May 20, 2015, Report 15-011 directing Staff to investigate the feasibility of Digital / light emitting diodes (LED) based signage within the municipality on City of Hamilton owned lands, and report the findings back to the General Issues Committee. Over the past 16 months, Staff performed extensive due diligence and research into the viability and financial implications of introducing digital signage into the Hamilton market. As this report also incorporates the findings from Staff directed research, in accordance with Item (f)(i) of Planning Committee Report 16-008, approved by Council on May 11, 2016, Staff is bringing this report initially before the Planning Committee.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

The research was largely focused on addressing the key issues of safety, residential impacts, new technologies, and financial benefits, with a goal of creating the highest standard in Canada for the City of Hamilton to incorporate into an amended By-law. The new standard will help to control any proliferation of digital signage in the community.

To date, the City of Hamilton has not introduced digital signs on city-owned properties due to regulations in By-law No. 10-197 that prohibits electronic and moving images on signs. Despite these restrictions, a number of digital signs have appeared throughout the City either in violation of the By-law, or through the issuance of a Sign Variance.

Current research clearly shows that the deployment of digital signs versus the traditional static billboard models is a growing trend in the signage industry driven primarily by the adoption of new electronic display technologies and products that meet environmental and safety standards, and when deployed properly offer a more aesthetically acceptable alternative. Digital signs also offer the vendors greater advertising revenue opportunities that support the substantial capital investment.

Following a comprehensive environmental scan of the sector in Canada and the U.S., and after reviewing proposals from various vendors within the industry, City Staff built out a rational approach to amend the current City of Hamilton Sign By-Law, attached to this Report as Appendix "A", to include the integration of digital signs.

The due diligence process included hiring an external planning consultant, Fothergill Planning & Development Inc., to ensure balanced municipal objectives would be met. The detailed examination and findings of this consultant is attached to this Report as Appendix "G". This process also involved extensive consultation with top officials within the field of digital signs, the study of peer reviewed literature, and reviewing the implementation of digital signs in other municipalities.

In addition, all sites were visited multiple times to have in-person and geographic concerns assessed and evaluated. In cases of Sign Variance requirements, Ward Councillors were also included in these visits.

This Report considers the impact on public safety, environment and planning and proposes a series of restrictions based on industry best practices. Collectively, the proposed limitations and safety measures ensure the most stringent restrictions on digital signage among comparable Canadian municipalities (a sample including: Toronto, Ottawa, Winnipeg, Regina, Saskatoon, Edmonton, and Calgary). These limitations include, but are not limited to, restrictions on screen brightness, hours of operation, transition times and the prohibition of transitional effects and moving images.

Licensing Staff held public consultations on Thursday, May 26 and Wednesday, June 1, 2016, with the BIA's, Business Associations, Neighbourhood Associations, the signage

industry and the Chamber of Commerce and other stakeholders as part of the By-law review. It should be noted that all participants were in support of the adoption of the new technology and the approach the City is taking to integrate this technology.

The successful proponent's (Outfront Media, formerly CBS Outdoor) proposal, outlined within and attached to this Report as Appendix "H", best aligns with municipal objectives and strikes a balance between the social and economic principles that are upheld within the municipality. Included in the Outfront Media proposal is 5% of free digital advertising time on all digital billboards included under the agreement. This ad time will be used to promote City programs, events and display real-time public announcements providing the City the opportunity to expand broadcast emergency service messaging, such as Amber Alerts.

This 15 year agreement for the 12 incremental signs on municipal property locations, listed in Appendix "C" attached to this Report, will provide the City with a minimum of \$419,302 in annual rental revenue; and a 378% increase over current annual billboard sign rental revenues. The total 15 year net new revenues from this opportunity would equal \$6,749,528 (see Table 1 of this Report).

Outfront Media has committed to covering all capital and operating costs required to construct, install and operate the billboards over the life of the agreement.

Outfront Media has committed to paying the City the first year's financial commitment of \$400,500 up front and, if an agreement is executed within the 2016 calendar year, they have agreed to pay an additional \$100 K for a 2017 total of \$500,500.

Three of the Outfront Media digital billboards contained in the proposal do not meet a requirement outlined in the Sign By-law amendment, attached to this Report as Appendix "A", and are outlined below:

1. As per Recommendation (e) of Report FCS16082, and attached as Appendix "D" to this Report, is a Sign Variance to allow for one larger digital sign located at 1000 Limeridge Road East which is considered a unique location that requires a larger sign face with no adverse planning, residential or safety impacts;
2. As per Recommendation (f) of Report FCS16082 and attached to this Report as Appendix "E", is a Sign Variance to allow for one larger digital sign on private property at the corner of Dundurn Street and Main Street;
3. As per Recommendation (g) of Report FCS16082 and attached to this Report as Appendix "F", is a Sign Variance application to allow for the location of the existing sign at King Street and Dundurn Street to remain at its current location which is within 30 m of an intersection. It should also be noted that this location currently contains two signs; upon acceptance of this recommendation, one of

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

SUBJECT: Digital Signage Budget Enhancement Opportunity (FCS16082 / PED16196) (City Wide) - Page 5 of 15

these signs will be permanently removed and only one digital sign will exist in this location.

As highlighted above in Recommendation (b) of Report FCS160812, a new annual permit fee of \$2,000 per sign is recommended and would support the recovery of all associated costs to the City for the inspection and enforcement of digital signage within the City's boundaries. The current fee per sign for static signage is \$718.

Alternatives for Consideration – See Page 13

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The City will earn net new revenues of \$6,289,528 over the 15 year term of the agreement, as follows:

Table 1

Year	Signing Bonus	Rental Fee	Permit Fee	Total
1	\$ 100,000.00	\$ 400,500.00	\$ 24,000.00	\$ 524,500.00
2		\$ 400,500.00	\$ 24,000.00	\$ 424,500.00
3		\$ 400,500.00	\$ 24,000.00	\$ 424,500.00
4		\$ 400,500.00	\$ 24,000.00	\$ 424,500.00
5		\$ 400,500.00	\$ 24,000.00	\$ 424,500.00
6		\$ 423,500.00	\$ 24,000.00	\$ 447,500.00
7		\$ 423,500.00	\$ 24,000.00	\$ 447,500.00
8		\$ 423,500.00	\$ 24,000.00	\$ 447,500.00
9		\$ 423,500.00	\$ 24,000.00	\$ 447,500.00
10		\$ 423,500.00	\$ 24,000.00	\$ 447,500.00
11		\$ 433,905.50	\$ 24,000.00	\$ 457,905.50
12		\$ 433,905.50	\$ 24,000.00	\$ 457,905.50
13		\$ 433,905.50	\$ 24,000.00	\$ 457,905.50
14		\$ 433,905.50	\$ 24,000.00	\$ 457,905.50
15		\$ 433,905.50	\$ 24,000.00	\$ 457,905.50
15 Year Total		\$ 6,289,527.50	\$ 360,000.00	\$ 6,749,527.50

This agreement, as summarized in Table 1 above, represents a 378% increase in the City's annual advertising billboards rental revenue when compared to the \$73,158 earned in 2016 under an existing agreement for static signage with Pattison Outdoor Advertising.

Included in the Outfront Media proposal is 5% of free digital advertising time on all digital billboards included under the agreement. This ad time will be used to promote

City programs, events and display real-time public announcements providing the City the opportunity to expand broadcast emergency service messaging, such as Amber Alerts. This free digital advertising time has an estimated annual market value of \$75 K (\$1,125 M over the term of the agreement).

The existing billboard sign permit fee is \$718 per sign face, as set out in By-law 15-058. The new digital billboard permit fee must also account for the additional staff time required to investigate, evaluate, enforce, and monitor digital billboards. Therefore, the new digital billboard permit fee is proposed to be set at \$2,000 per sign face. This rate would result in an additional \$360 K over the life of the contract.

With the \$6,289,528 in net rental revenue, the permit fee cost recovery of \$360 K and the \$1,125,000 of free advertising time over the life of the agreement are considered, the net value of the proposed 15 year agreement grows to \$7,874,528.

Outfront Media has committed to covering all capital and operating costs required to construct, install and operate the billboards over the life of the agreement.

Staffing: There are no requirements for additional staff; however, there may be minor implications on staff time due to the inspections required for each digital sign.

Legal: The City will negotiate and enter into a binding contract with Outfront Media outlining the terms and conditions of the rental agreement.

HISTORICAL BACKGROUND

On August 9, 2006, Council enacted Sign By-law No.06-243, which came into force and effect on February 1, 2007. On April 17, 2007, the Economic Development and Planning Committee discussed enforcement of the Sign By-law as it relates to posterage and further directed Staff:

- “(a) to bring back a comprehensive report on the timing and implementation, both interim and long-term, of the Sign By-law, including, but not limited to, the placement of posters, the use of hydro poles, the placement and costs of poster kiosks, and best practices from other communities;
- (b) to review a potential amendment to the by-law as part of the overall planned By-law review, to address exemptions from the by-law for humanitarian reasons, when an issue is endorsed by Hamilton Police Services; and,
- (c) to research and report back on a new “yellow alert” program, which would inform the public of missing persons and other humanitarian issues, and would be a partnership between the City of Hamilton (City), Hamilton Police Services and the local business community.”

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

Staff provided status reports in 2008 through Reports PED05172(d) and PED05172(e), and Council extended the June 2008 deadline to allow for stakeholder consultation and the conclusion of a pending Court application on the Sign By-law.

On August 31, 2009, the Planning and Economic Development Department submitted report PED05172(f) fulfilling the 2006 directive to report back with comprehensive recommendations on the overall effectiveness of the new Sign By-law, as well as the April 17, 2007 directives related to posterage.

On February 16, 2010, the Planning and Economic Development Committee approved Report PED05172(g) seeking a number of amendments to Sign By-law No. 06-243.

On August 9, 2010, the Planning and Economic Development Committee approved Report PED05172(h) which repealed and replaced Sign By-law No. 06-243 with Sign By-law No. 10-197, attached to this Report as Appendix "B", which is the current By-law.

Sign By-law No. 10-197, attached to this Report as Appendix "B", currently prohibits digital billboards under the following provision:

"Any flashing or Animated Sign, with the exception of an Electronic Message Display as permitted under this By-law."

On May 27, 2015, Council approved Item 12 of General Issues Committee, May 20, 2015, Report 15-011 directing Staff to investigate the feasibility of Digital / LED based signage within the municipality on City of Hamilton owned lands and report the findings back to the General Issues Committee. Over the past 16 months, Staff has performed extensive due diligence and research into the viability and financial implications of introducing digital signage into the Hamilton market.

The research was largely focused on addressing the key issues of safety, residential impacts, new technologies, and financial benefits, with a goal of creating the highest standard in Canada for the City of Hamilton to incorporate into an amended By-law. The new standard will help to control any proliferation of digital signage in the community.

In accordance with Item (f)(i) of Planning Committee Report 16-008, approved by Council on May 11, 2016, Licensing Staff held public consultations with the BIA's, Business Associations, Neighbourhood Associations, the signage industry and the Chamber of Commerce and other stakeholders as part of the by-law review.

The public consultations were held on Thursday, May 26 and Wednesday, June 1, 2016, and an opportunity was presented for representatives of these organizations to provide input and voice their concerns on the proposed changes to the City's Licensing

By-law and Sign By-law. There was full support for the proposed amendments to the Sign By-law.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

Planning and Economic Development Department – Corporate Services Staff consulted with Real Estate Section, Economic Development Division, Planning Division, Building Division and Licensing Staff to review the updating of the current Sign By-Law to include digital signage.

Public Works Department – Corporate Services Staff consulted with the Engineering Division with regards to encroachments and structural limitations at the recommended sign locations. Staff also consulted Corporate Assets and Strategic Planning Division with regards to Police data pertaining to collision data and traffic flow.

Legal Services Division, City Manager's Office - Corporate Services Department staff consulted with Legal Services staff who prepared the Amending By-law, attached to this Report as Appendix "A", and will continue to advise on the agreement with Outfront Media, as necessary.

Third Party Consultant – A core component of this process also included the hiring of an unbiased external planning consultant, Fothergill Planning & Development Inc., to ensure balanced municipal objectives would be met. The detailed examination and findings of this consultation can be found in Appendix "G" of this Report.

Public Consultation – In accordance with Item (f)(i) of Planning Committee Report 16-008, approved by Council on May 11, 2016, Licensing Staff held public consultations with the Business Improvement Areas (BIAs), Business Associations, Neighbourhood Associations, the signage industry and the Chamber of Commerce and other stakeholders as part of the By-law review. The public consultations were held on Thursday, May 26 and Wednesday, June 1, 2016, and presented an opportunity for representatives of these organizations to provide input and voice their concerns on the proposed changes to the City's Licensing By-law and Sign By-law. There was full support for the proposed amendments to the Sign By-law.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Digital Sign Technology

Digital sign technology uses electronic screens with light emitting diodes (LED), similar to flat-panel televisions, in order to display computer-programmed content, also called sign copy. The sign copy can be programmed to change at different intervals, and the screen brightness is adjustable according to time of day or night, or ambient light conditions.

Billboard Regulations in Other Municipalities

The technological evolution to digital signage is taking place in cities throughout the world. Many municipalities have already evaluated digital signs and revised or created new By-laws to regulate their use. Since the City is comparatively late to consider digital signs, this provided the opportunity to conduct an inter-jurisdictional scan, or survey of other municipalities, in order to learn from their experiences and approaches used to regulate digital signs. Information was collected from 21 municipalities with digital billboard regulations across North America, including 12 Canadian cities. The following were the general findings:

- Digital billboards are typically limited to certain parts of the city, such as commercial zones, industrial areas, or entertainment districts, while they are prohibited from other areas, such as residential zones or heritage districts;
- Municipalities commonly use setbacks to buffer digital billboards from sensitive land uses, such as residential areas or schools, complicated traffic areas such as intersections and highway ramps, and from other signs or billboards to separate them to reduce sign clutter; Sign brightness thresholds are typically measured in luminance (i.e. nits or candela per square metre), with widely varying limitations – but most commonly addressing night-time brightness;
- All municipalities regulate the minimum dwell time of digital images on digital billboards, which is the minimum duration of a static digital image, and it falls within a range of 5 to 10 seconds, with 6 seconds being most common;
- A maximum transition time between images is often specified, and usually limited to a maximum of 1 second, with many municipalities also prohibiting attention-grabbing effects between images, such as flashing or fading;
- The maximum height and size of signs vary widely by municipality and even location within a municipality, but tend to be smaller in Canadian cities compared to U.S. cities;

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

- A few municipalities require digital signs to be shut off late at night (e.g. 12:00 a.m. to 6:00 a.m.);
- In order to minimize digital sign proliferation, some American cities only allow new digital billboards, or the conversion of conventional billboards to digital billboards, where existing conventional billboards can be removed and replaced with a smaller number of digital billboards;
- Some jurisdictions prohibit digital billboards altogether for aesthetic reasons, which is discussed in greater detail in the Impact on Public Realm section of the Literature Review, below.

Please refer to the consultant report, attached to Report FCS16082 as Appendix “G”, for more detailed analysis and information on the relevant findings with regard to these topics of discussion.

Literature Review

A literature review was undertaken to better understand the latest research on digital signage. Academic peer-reviewed journals were relied upon as much as possible, particularly for studies on traffic engineering and human factors engineering, which is a field that combines human kinetics, design, and systems engineering. When academic articles were not available, studies commissioned by government agencies were considered to be more reliable than articles commissioned by the signage industry or lobby groups. Although the literature review examined the broader spectrum of digital signs, most of the information was specific to digital billboards.

Traffic safety is the most common concern around digital signage and makes up the largest body of literature related to digital signs, and particularly digital billboards. Much of the literature on traffic safety attempts to evaluate the potential safety risks posed by driver distraction as a result of digital billboards. Conclusions vary considerably, but generally show that any safety risks can be mitigated by location and operational restrictions.

The literature review also covers screen brightness and timing of image changes, which is a common concern that relates back to the issue of driver distraction and traffic safety, but also has implications on nearby sensitive land uses and the quality of the public realm. The studies deemed most reputable by Staff, recommend a maximum night-time brightness of 300 cd / m², and a timing of image changes such that no passing driver will see more than one image change. Impacts on the public realm were also examined, such as concerns around sign proliferation and the aesthetic implications of digital signage.

Options to mitigate these impacts are discussed, including strategies utilized by other municipalities, including a variety of location and operational restrictions, replacement

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

ratios that permit digital billboards on the condition of removing conventional billboards, mandatory late-night screen shut-off times, and even the complete prohibition of billboards in some cities and states for scenic and aesthetic reasons.

Support for Businesses and Economic Development

As the costs of digital sign technology continue to decrease, businesses and institutions are increasingly looking to digital signs to serve their various advertising needs. There are clear business advantages to digital signs:

- Efficiency gains through the programming of multiple changing advertisements increases the number of advertisements that can be displayed in a given time period, which increases revenues for sign and property owners and enhances exposure for businesses that use this technology;
- Reduced maintenance costs for sign companies and decreased paper, ink, toner, and glue waste, and less vehicular emissions because signs are remotely programmed and do not require printing of paper or vinyl sign copy and associated labour, vehicles and equipment to manually change and dispose of the advertisements;
- Flexibility advantages by targeting a given audience at a specific time of day (e.g. coffee advertisements in the morning, restaurant advertisements in the evening);
- Just in time information – ability to display up to the minute information, such as available inventory, prices, or special events.

This ability to offer more targeted advertisements is not only favourable to businesses, but also to consumers in general, who stand to benefit from reduced redundancy in advertising and having access to more relevant information. For example, a commuter driving home from work has little use for information about a breakfast special at a restaurant, but may benefit from learning about a grocery special or new movie release. Since digital signs offer these advantages to both businesses and consumers, they have the support of many business groups. Please refer to the consultant report, attached to this report as Appendix “G”, for more detailed analysis and information on the relevant findings with regards to this topic of discussion.

Public Information

The ability to quickly and easily change the sign copy, or sign messaging, on digital signs offers the opportunity for municipalities to use a portion of the screen time to deliver public information. Digital billboards also can be used to display emergency messages, such as amber alerts or evacuations. Two notable examples of such an

arrangement between a municipality and a third party advertiser were the City of Ottawa and the City of Minneapolis.

Screen Brightness

The brightness of the digital billboard screens was a central part of the technical review. Brightness of digital screens is typically measured in luminance, which refers to the intensity of light that is emitted from a particular area, and is measured in candela per square metre (cd / m²). Please refer to the consultant report, attached to this Report as Appendix “G”, for more information and relevant findings with regard to this topic of discussion.

Timing of Image Changes

Another important part of the technical review was the establishment of appropriate timing of image changes because it is closely linked to traffic safety and general acceptability of digital billboards. Timing of images is generally considered as two separate issues: the minimum dwell time (MDT), which is the minimum length of time an image or message remains static on a digital sign, and the maximum transition time (MTT), or length of time it takes to change from one image to the next. The purpose of these thresholds is to prohibit rapid changing of images or special effects between images in order to limit driver distraction. Please refer to the consultant report, attached to this Report as Appendix “G”, for more detailed analysis and information on the relevant findings with regard to this topic of discussion.

Public Safety

Staff undertook an extensive technical review, drawing on a number of comprehensive studies. Detailed local collision data was also obtained to compare the number of collisions in the vicinity of existing digital billboards, before and after they were installed. The historical data considered collisions at and around the locations of existing digital billboards. All data originated from Police Services collision reports and was collected by City Staff. After reviewing the available Police Services collision data in areas containing noncompliant digital signs, Staff found no statistically significant increase in the number or severity of traffic accidents.

These findings were in-line with a similar exercise conducted by the City of Ottawa, and the peer reviewed literature that was studied during the due diligence process. Please refer to the consultant report, attached to this Report as Appendix “G”, for more detailed analysis and information on the relevant findings with regard to this topic of discussion.

Despite the lack of conclusive evidence that suggests digital signage poses an inherent safety risk when reasonable “best practices” are adopted, Outfront Media has agreed to the following safety precautions to best ensure the safety of the public:

- (a) That any digital billboards erected would display only static digital images (no animations, video or movement) operating at a minimum dwell time of six seconds (dwell time is the time which an image remains fixed);
- (b) That any digital billboards erected would have a maximum transition time of 1 second between static digital ads, with no transitional visual effects;
- (c) That any digital billboards erected would operate at a maximum of 6,000 cd / m² Daytime and 300 cd / m² night-time (candela per square metre); and,
- (d) That the City would be granted the option to direct Outfront Media to turn off any of the digital billboards between the hours of 12:00 am – 6:00 am.

When taken collectively, these safety measures would be the most stringent restrictions on digital signage among comparable Canadian municipalities (a sample including Toronto, Ottawa, Winnipeg, Regina, Saskatoon, Edmonton, and Calgary).

Please refer to Appendix “H” for further detail surrounding the components mentioned above and for detailed information on each site specific to this Report.

ALTERNATIVES FOR CONSIDERATION

As mentioned earlier in this Report an extensive environmental scan of the sector was undertaken to determine interest and viability of potential proponents to engage in a digital program. It became clear the sector contains only a handful of reputable large capital enterprises. While investigating the feasibility of Digital / LED based signage within the municipality on City of Hamilton owned lands, Staff received two proposals. The first proposal was from Outfront Media, attached to this Report as Appendix “H”, and is described in detail in the preceding sections of this Report.

The second proposal was from Pattison Signs and can be summarized as follows:

Site Locations:

- Lincoln M. Alexander Pkwy at Mohawk Rd. (Facing Eastbound traffic);
- Lincoln M. Alexander Pkwy at Mohawk Rd. (Facing Westbound traffic);
- Lincoln M. Alexander Pkwy at Wentworth St. (Facing Eastbound traffic);

- Lincoln M. Alexander Pkwy at Wentworth St. (Facing Westbound traffic);
- Lincoln M. Alexander Pkwy at Mud St. (Facing Eastbound traffic); and,
- Lincoln M. Alexander Pkwy at Dartnall Rd. (Facing Westbound traffic).

Signage Specifications:

- 6- single sided, high resolution, digital displays;
- Auto brightness to correct to ambient lighting;
- Static image transitions no animation;
- Custom designed support structures; and,
- The City of Hamilton would have a time allotment on each screen to promote City initiatives.

Financial Summary:

- The greater of \$90,000 a year or 25% of annual net sales;
- A lease term of 20 years; and,
- Guaranteed rental payments to the City of \$1,800,000 over the 20 year term.

Staff recommended the Outfront Media proposal instead of the Pattison Signs proposal for the following reasons:

- The Outfront Media proposal would provide far more guaranteed rental revenue to the City (\$400,500) in an average additional guaranteed revenue per year in years one through five, and this amount would increase thereafter;
- The sites outlined in the Outfront Media proposal are less concentrated on the Lincoln Alexander Parkway (the Outfront Media proposal suggests sites in eight different Wards with only two sites along the Lincoln Alexander Parkway); and,
- Outfront Media provided greater clarity around the measures they would take to ensure public safety.

In addition to the Outfront Media and Pattison Proposals, Council could decide to forego these budget enhancement opportunities and the associated revenues outlined within.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

Strategic Objective

- 1.1 Continue to grow the non-residential tax base;
- 1.2 Continue to prioritize capital infrastructure projects to support managed growth and optimize community benefit;
- 1.3 Promote economic opportunities with a focus on Hamilton's downtown core, all downtown areas and waterfronts;
- 1.5 Support the development and implementation of neighbourhood and City wide strategies that will improve the health and well-being of residents;
- 1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" – To Amend By-law No. 10-197, a By-law respecting Signs

Appendix "B" – City of Hamilton By-law No. 10-197

Appendix "C" – City of Hamilton Proposed Locations for Digital Signs - 2016

Appendix "D" – Application for Sign Variance - Limeridge Road Location

Appendix "E" – Application for Sign Variance - Dundurn and Main Location

Appendix "F" – Application for Sign Variance - King and Dundurn Location

Appendix "G" – Fothergill Planning & Development Inc. Planning Report

Appendix "H" – Outfront Media Proposal

BM/SB:dkm