Appendix B: Background Report

1. Background

Through a motion July 6, 2011, the Standing Policy Committee on Property and Development requested the Planning, Property and Development Department to report back within 180 days on:

1. How other North American cities regulate and generate revenue from EMCs and Advertising Signs;
2. How these signs are regulated by the City of Winnipeg;
3. Trends in Winnipeg regarding EMCs; and
4. Possible changes to how the City of Winnipeg regulates EMCs and Advertising Signs.

In the summer of 2011, a ground truthing exercise for existing billboards (including photos) was conducted and the information was entered into GIS.

Discussion took place with the Cities of Edmonton, Calgary and Toronto on their processes for consultation in their recent sign by-law reviews.

A cross-departmental Sign Policy Group was set up to review research completed, discuss the current experience in Winnipeg (issues, public concerns, industry concerns), and to explore potential policy directions.

Four interdepartmental Technical Advisory Teams were set up to explore specific policy topics including 1) impacts and separation, 2) aesthetics and character, 3) operation of streets, and 4) taxation and fees. The findings have been incorporated into the Digital Sign and Billboard Regulatory Options and Fees (Appendix “A”).

Meetings were held with the Winnipeg Chamber of Commerce, representatives of the outdoor sign industry, Business Improvement Zones and CentreVenture between December 2011 and March 2012.

2. Cross jurisdictional research

a. Land Use Regulations - Billboards

The following are some key findings regarding land use regulations for billboards in other cities (Vancouver, Edmonton, Calgary, Toronto, Ottawa, Halifax, Moncton).

<u>Sign Districts</u>
While all cities studied deal with billboards through zoning by-laws or sign by-laws, several cities also include sign districts, in which regulations are either more permissive or more restrictive than in other areas of the city. Edmonton has 5 such districts; Calgary 47; Toronto 15; Ottawa 7.

<u>Separation Distances</u>
Many jurisdictions also prescribe minimum separation distances between billboards and residential properties:

- Vancouver: 197 ft. (60m)
- Edmonton: Distance varies by sign schedule
- Toronto: 100ft. (30m)
- Ottawa: 985 ft. (300m)

- Halifax: 250 ft. (76m)
- Calgary: 165 ft. (50m)

Many cities also prescribe separation distances between billboards; and separation distances between billboards and other land uses. These have been established for both aesthetic reasons and to limit driver distraction.

The following separation distances between billboards were found:

- Vancouver: 164 ft. (50m) from another billboard, 50 ft. (15m) from a bus shelter advertising sign.
- Edmonton: 328 ft. (100m) from another billboard when the proposed sign is smaller than 215 sq. ft. (20 sq. m.); 656 ft. (200m) when the proposed sign is between 215 and 430 sq. ft. (20 – 40 sq. m.); and 984 ft. (300m) when the proposed sign is larger than 430 sq. ft.
- Calgary: 246 ft. (75m) from another billboard.
- Toronto: 328 ft. (100m) from another billboard.
- Ottawa: 492 ft. (150m) from another billboard (up to 8,202 ft. [2,500m] in certain districts).
- Moncton: 98 ft. (30m) from another billboard.
- Halifax: 1,000 ft. (305m) from another billboard on the same street.

The following separation distances between billboards and other land uses were found:

- Vancouver: 196 ft. (60m) from a rapid transit line.
- Calgary: 1,476 ft. (450m) from major parks, escarpments and pathways, riverbanks, and natural areas, and 98 ft. (30m) from another free-standing identification sign facing the same direction.
- Toronto: 98 ft. (30m) from the intersection of a major street with any other street; and 400m from other defined areas.
- Ottawa: 1,640 ft. (500m) from a “village” as designated in the Official Plan, 100 ft. (30m) from a heritage building, and 100 ft. (30m) from an institutional use.
- Halifax: 250 ft. (76m) from a lot zoned or used for a park, institutional, open space, or residential use.

Expiry Dates

Edmonton, Calgary, Toronto and Ottawa include mandatory five year expiry dates on all billboard permits. Signs can be renewed at the end of the expiry period.

Dimensional Standards

In commercial districts, Toronto provides the following size and height regulations for billboards: maximum height of 50ft, wall signs only (no roof or free standing signs), maximum wall coverage, and no signs facing streets. In employment districts, Toronto requires ground signs only (no roof or wall signs), maximum height of 33ft, and not located within required yard setbacks. In utility (industrial) Districts, Toronto requires a maximum sign face area of 215sq. ft; and ground or wall signs only (no free standing signs).

In Edmonton, all signs are reviewed by the Development Officer to ensure compatibility of scale and architectural character between the sign and the building, land, and surrounding development. The Development Officer is required to refuse any sign application that may adversely impact the amenities or character of the zone. The Development Officer also has discretion on the maximum size and appearance.

In cases where a new building is proposed or being redeveloped in a designated area, Calgary seeks a Comprehensive Sign Program for Pedestrian Corridors, to ensure signage is appropriately scaled for pedestrians.

b. Land Use Regulations – Digital Signs

All cities studied have experienced a surge in digital sign permit applications in recent years, mainly due to increased affordability of the technology. Cities are just beginning to adjust policies and by-laws to reflect the increasing prevalence of digital signs. Toronto and Edmonton are the only cities of those studied to have adopted sign by-laws within the past 18 months (Toronto's Sign By-Law 196-2010 and Edmonton's 15892). The City of Calgary is in the midst of reviewing and updating its sign regulations, including digital signs, and is seeking to align many of them with those recently adopted in Toronto. All references to Calgary's regulations made in this report should be read with an acknowledgement that they will soon change.

Definitions

Toronto and Edmonton have adopted specific digital sign definitions. Toronto's Sign By-Law identifies "Electronic moving copy", "Electronic static copy", "Interactive copy", "Mechanical copy", and electronic "Readograph copy". Edmonton defines four types of digital signs: Major Digital Signs, Minor Digital On-premises Signs, Minor Digital Off-premises Signs, and Minor Digital On-premises Off-premises Signs. Calgary's Land Use Bylaw (1P2007) currently identifies "Electronic message sign" (static), a "Flashing or animated sign", and a "Digital third party advertising sign".

Sign Districts

Sign While Edmonton allows digital signs in limited commercial and industrial districts, Toronto prohibits them anywhere in the city outside two designated Special Sign Districts (Dundas Square and Gardiner Gateway); and allows electronic moving copy (video) only on drive-thru menu boards and fuel pumps. In Calgary, digital signs are currently discretionary (conditional) uses and digital third party signs are prohibited in Regional Centres and image routes and discretionary in some industrial and commercial-highway type zoning districts.

Separation Distances

Toronto's sign by-law does not provide separation distances for digital signs; likely because they are only allowed within the two Special Sign Districts in which a concentration of signage is being encouraged. Calgary provides the following spacing requirements for digital signs (static):

- 984 ft. (300m) from any digital sign facing the same direction.
- 492 ft. (150m) from any digital third party sign facing the same direction.

Calgary requires separation distances between third party digital signs and other land uses:

- 1,476 ft. (450m) from major parks, escarpments and pathways, riverbanks, and natural areas.
- 990 ft. (300m) from a dwelling unit; removed upon approval of a development permit for residential use within 990 ft (300 m)
- 46 ft. (14m) from a road with speed limit of 80km/h+; 33 ft. (10m) from a road with speed limit of 61-79 km/h; 20 ft. (6m) from road with speed limit of <60 km/h.
- 98 ft. (30m) from street intersections or railway crossings.

Edmonton's separation distances between Major Digital Signs and Digital Signs greater than 85 sq. ft or other Off-premises Signs are:

- 85 sq. ft – 215 sq. ft: 330 ft
- 215 sq. ft - 430 sq. ft: 650 ft
- Greater than 430 sq. ft: 985 ft

Edmonton also has separation distances for its Minor Signs. Light from digital signs can not project onto surrounding residential premises, and the Development Officer must refuse any sign application that may adversely impact amenities of the area.

Expiry Dates
Calgary includes mandatory five year expiry dates on all types of digital sign permits. Toronto and Ottawa do not include these; these cities do not allow digital signs in most cases.

Dimensional Standards
Toronto and Edmonton also provide size regulations specific to the type of digital sign. Toronto permits readograph copy signs up to 54 sq. ft.; while digital static copy signs are limited to 7 sq. ft. Dimensional standards are permissive within Special Sign Districts. In Edmonton, the Development Officer has discretion to provide maximum size limits to digital signs based on context, safety and area character. In Calgary, digital signs, which must be static, have a maximum surface area of 54 sq. ft. Digital third party signs have a maximum surface area of 270 sq. ft.

Toronto prohibits Digital Billboards except in employment lands where the maximum height is 33ft; Edmonton prohibits signs more than 12 inches above rooflines; Calgary, Toronto and Ottawa all prohibit signs above rooflines; Calgary provides a maximum height of 7ft for street level signs; Ottawa allows Digital Accessory Signs as high as 1st or 2nd storey only.

3. Fees and revenues

Permit Fees
All cities studied have a permitting system for advertising signs and in some cases for digital signs. All cities collect sign permit fees to cover related administrative costs. In Vancouver, Edmonton and Calgary, Structural Sign Fees range from $81.00 - $174.20; and Conditional Use Sign Fees (Edmonton and Calgary) range from $386.00 - $695.00.

Taxation
Winnipeg and Toronto are currently the only two Canadian cities that have the legal basis to apply tax to third party billboards and digital billboards. Calgary is attempting to impose such a tax but in December 2011 found that in the absence of a Charter, they may not legally be entitled to do so. Ottawa, Saskatoon and Edmonton do not currently tax billboards, while Regina collects indirectly through property taxes on land leased to billboard companies.

Toronto's recently adopted sign taxation by-law (City of Toronto By-Law No. 197-2010) includes robust taxation based on sign "class". Sign taxes range from $1,150 (Class 1) to $24,000 (Class V) per year, plus annual inflation adjustments. To determine these new taxation rates in the absence of industry-provided data, Toronto developed a deemed equivalent taken from publicly posted advertising rates and a series of refinements based on assumptions. The City of Toronto was taken to court by sign industry representatives and has won the right to tax using the formula but is awaiting a decision as to whether the tax can be applied to legal non-conforming signs, which account for about 99% of Toronto's signs.

Revenue Sharing and Sponsorship
Toronto recently negotiated a revenue sharing program with an advertising company. The Montreal-based company is contracted to solely design, install and maintain all new street furniture in the city, including transit shelters, garbage bins and pay toilets. In exchange, the company has exclusive advertising rights on the furniture. The company keeps the majority of revenue it earns from renting the ad spaces (mostly on transit shelters and information pillars), and pays the remainder (32% in 2012) to the City of Toronto. This deal is expected to bring in $10-40 million per year to the City of Toronto over the next 20 years.

Ottawa is in the midst of developing a corporate sponsorship and advertising program to pursue additional sources of revenue from city assets and facilities. This includes advertising from billboards

on City owned properties (mostly commercial and industrial areas). The first phase of the billboard program, approved by Ottawa City Council in 2006, is generating about $226,000 annually ($1.1 million over five years) for 19 sites. The second phase of the program, approved by Ottawa City Council in July, 2010, will generate an average of $115,000 annually ($577,000) over five years for seven locations. This program deals with Poster Billboards only but revenues are projected to increase if the City of Ottawa allows conversion to Digital through a pilot program currently being considered.

Vancouver allows only two digital video screens in its downtown and includes a contractual agreement whereby the sign company provides the City of Vancouver with free advertising space for non-profit community organizations (10% of ad time) as well as $135,000 per year to help cover production costs for community ads.

4. Land Use Regulations in Winnipeg

a. Winnipeg Zoning By-Law

Poster or Digital Billboards (Advertising Signs) are not a permitted use in any zoning district in the city. They are allowed as a Conditional Use in the “C2” Commercial Community, “C3” Commercial Corridor, “M1” Manufacturing Light, “M2” Manufacturing General, and “M3” Manufacturing Heavy districts. Currently, the Zoning By-Law does not prescribe any dimensional standards or separation distances for Billboards.

Digital Accessory Signs (Electronic Message Centres) are addressed under Section 182(2) - Regulations for Flashing, Animated, Scintillating, Rotating, and Electronic Message Board Signs. Digital Accessory Signs:

- Are not permitted in any zoning district except the C2, C3, C4, CMU, MMU, M1, M2, and M3 zoning districts.
- Require a Conditional Use order if they have a copy height of more than 9 inches, or have a rotating sign or beacon.
- Are not permitted on mobile signs.
- Are not to be located within 100 ft of a pedestrian crosswalk/corridor, or an intersection with traffic signals.

The Zoning By-Law does not distinguish between types of Digital Accessory Signs. Static message boards and full motion video screens are treated the same. There are also no dimensional standards unique to Digital Accessory Signs.

b. Downtown Winnipeg Zoning By-Law

Poster or Digital Billboards (Advertising Signs) are not permitted in any downtown district; however this regulation is sometimes varied. Section 220 of the Downtown Zoning By-Law prescribes General Provisions of the By-Law relating to signs; and Parts 3 through 6 identify the permitted uses in each zoning district.

Digital Accessory Signs (Electronic Message Centres) are not defined in Section 220 of the Downtown Zoning By-Law, or included in Section 700(4) outlining sign definitions, or mentioned under sign regulations in any district. This means that they are currently permitted (although approval is subject to urban design review) as long as they do not contain third party advertising. A limited number of Event Digital Signs (with limited third party advertising) have been approved mainly in the Multiple-Use sector. The urban design review process doesn’t currently support Digital Accessory

Signs in the Character, Downtown Living and Riverbank sectors, on listed heritage buildings, or where they are adjacent to residential uses.

c. Image Routes Enhancement Strategy

In1991, Council adopted the Image Route Enhancement Strategy with the aim of improving the visual appearance of the six of the city's primary thoroughfares. Policy 5E-02 of the City's previous development plan, Plan Winnipeg 2020, provided support for this Strategy.

The goal of the Image Routes Strategy is to provide guidance for streetscaping initiatives along the corridors. Signage is not the primary concern of the document; however, Section 3.2.1 does note that sign regulations should be altered along Image Routes to "realize the full potential of the proposed improvements". Recommendations include:

- The establishment of a 10 foot front Special Yard that would restrict signage.
- A prohibition on flashing, animated, and/or rotating projecting signs.
- A prohibition on billboards within "Entrance Corridors" as designated in the document.
- A prohibition on mobile signs.

The Urban Planning Division has recommended rejection of most Billboards and Digital Sign applications along Image Routes to align with this Strategy; however, given the somewhat ambiguous language in the document regarding signage, this position was difficult to defend and recommendations were not always implemented.

d. Draft Advertising Sign Guidelines

In the late 1990s, the City of Winnipeg developed guidelines for Digital Signs and Billboards. The Guidelines were not adopted by Council. The Guidelines grouped commercial streets in Winnipeg into four sign districts, with specific sign regulations corresponding for each district. There were also more specific sign definitions.

While the Urban Planning Division referred to these guidelines in its recommendations during much of the last decade, the lack of Council endorsement made recommendations difficult to defend.

e. Neighbourhood Plans and PDOs

A number of Secondary Plans and Planned Development Overlays (PDOs) in the Winnipeg Zoning By-Law address Digital Signs and Billboards. They are:

- Neighbourhood Main Streets PDO: Billboards are not permitted.
- Downtown Transcona PDO: Digital Signs and Billboards are not permitted.
- St. Norbert PDO: Billboards are not permitted.
- Provencher Boulevard PDO: Signs must not negatively impact personal safety or motor vehicle safety located and anchored safely and out of the way of pedestrians, they must not obscure or mimic traffic signals/signs, they should be lit by external sources, and must be attached to a building.
- Osborne Village Neighbourhood Plan: Policy 3.1.1.D states that, "Signage will be primarily oriented towards the pedestrian".

5. Trends in Winnipeg – Digital Signs

Winnipeg current sign statistics at-a-glance:
Poster Billboards:
Approx. 330 in total, approx. 4 new installations per year
Digital Billboards:
Approx. 10 in total, approx. 3 new installations per year
Digital Accessory Signs:
Approx. 43 new installations per year

As digital technology has improved, Digital Signs have become increasingly affordable and more prevalent. An analysis was done of Variance and Conditional Use applications for all types of Digital Signs received by the Urban Planning Division, as well as permits received by the Zoning and Permits Branch, since the adoption of the Winnipeg Zoning By-Law. Highlights include:

- Increased numbers of Digital Sign Variance or Conditional Use applications in Urban Planning Branch (2008: 11; 2009: 15; 2010: 27; 2011: 10 [to August])
- Increased numbers of Digital Sign permit applications in Zoning and Permits Branch (2007: 31; 2008: 53; 2009: 30; 2010: 60; 2011: 36 [to August])
- In 2010, 55% of all Digital Sign applications were permitted as-of-right without requiring a Variance or Conditional Use.

Digital Signs are also getting larger. Before 2010, almost all Digital Signs were smaller than 100 sq. ft. In 2010 and 2011, several were larger than 200 sq. ft; and some were larger than 600 sq. ft. See Figure 1. Of those over 200 sq. ft:

- 8 out of 10 were approved by the Board of Adjustment, another was approved at Appeals Committee, and one was rejected.
- 9 out of 10 were permitted to display third party advertising.

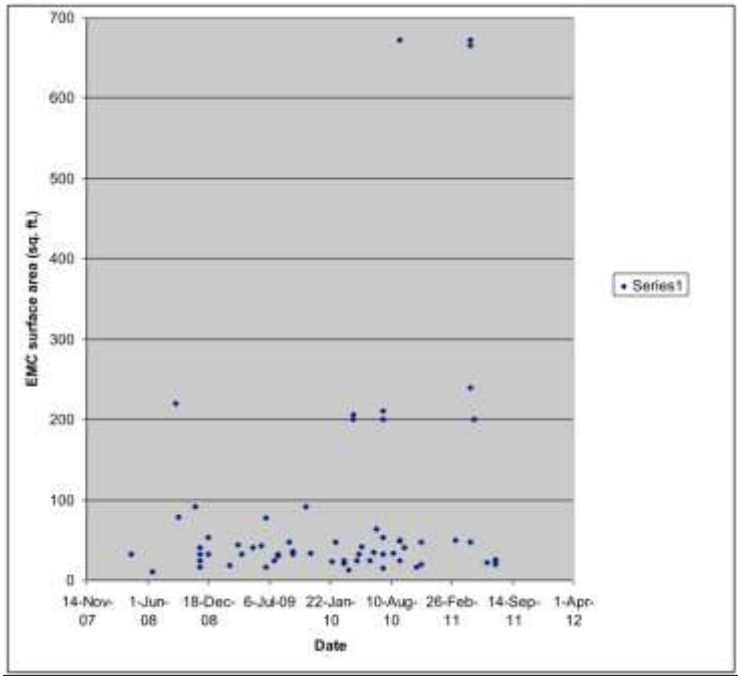


Figure 1: Digital Sign surface area by date.

With the exception of those adjacent to a signalized intersection, the Urban Planning Division most often recommends approval of small Digital Signs and Digital Reader Boards, which are often used by schools, community centres, or churches, and usually contain static images or monochromatic text.

6. General Recommendations for Change

Alignment to Complete Communities

The *Complete Communities Direction Strategy* should provide guidance for new Digital Sign and Billboard regulations. The vast majority of the city's Digital Signs and Billboards are situated along corridors (Regional, Community, and Neighbourhood Mixed Use Corridors) or in Employment Lands.

Centres and Corridors are identified in Complete Communities as strategic opportunities for residential intensification. They are intended to evolve into vibrant, pedestrian-friendly destinations for Winnipeggers to live, work, and play. If the City is depending upon Centres and Corridors to accommodate a significant portion of the 180,000 new residents Winnipeg is expected to welcome between now and 2030, the City should ensure that new signage regulations support these goals. Recent community opposition to proposed Digital Billboards at 712 Portage (672 sq. ft.) and 980 Portage (200 sq. ft.) illustrate concerns residents have about the impacts these signs can have on adjacent residences. The latter application received over 120 letters of opposition.

Special Sign Districts

Several other cities include sign districts to promote or limit signage in certain areas. This could be an opportunity to explore in Winnipeg depending on the level of complexity involved. One example could be the downtown SHED district, in which signage could be employed strategically to support the character of that area. This would align with Complete Communities, which promotes the identification and enhancement of downtown's "unique districts, destinations, and clusters".

New Definitions

Refining definitions is the first step toward more effective regulation. The option of using sign "classes" that incorporate a sign's type, size and copy, can help provide more specific enforcement and can form the basis for more relevant taxes and fees.

Dimensional Standards and Separation Distances

Separation distances between signs and other land uses such as residential, parks, and historic areas, views and landmarks, etc. should be developed. Separation distances from intersections could be reviewed to ensure current regulations provide for safety, especially as Digital Signs become more prevalent. Separation distances between signs should also be developed to address aesthetics and context. Dimensional standards (size, height, etc.) should also be developed.

Sign Fees and Revenue Options

There are three revenue options for the City of Winnipeg: 1) license in lieu of business tax, 2) contractual agreements and 3) service related fees. Under the City of Winnipeg Charter, the license in lieu of business tax is the only main tool the City can use to increase general revenues; while contractual agreements are another tool that can be explored. Fees from permits can only be used to cover the costs of administering and enforcing permits.

License in lieu of business tax

Under the City of Winnipeg Charter, the City can collect taxes for signs and has been doing so for a number of years, using a license in lieu of business tax. The rate is $1.50/ sq. ft – an amount found to be low compared to Toronto, which is the only other Canadian city that collects tax from third party advertising signs:

Third Party Advertising Sign Taxation – Canadian Cities	
Winnipeg	**Toronto**
$1.50/sq foot	Class I Sign: **$1,150.00/yr**
(average $300/yr)	Class II Sign: **$2,850.00/yr**
	Class III Sign: **$4,950.00/yr**
	Class IV Sign: **$11,000.00/yr**
	Class IV Sign: **$24,000.00/yr**
	(plus annual increase)

Table 1: Third Party Advertising Sign Taxation in Canadian cities.

In 2010, Winnipeg's permit revenues from Third Party Advertising Signs totaled $205,000. The City could consider an increase to the license in lieu of business tax, and could apply this license based on the sign's "class", to provide a more specific basis for taxation.

Revenue Sharing and Sponsorship
Another option that could be explored further is revenue sharing with sign companies – where a private company provides signage and/or other amenities and shares related advertising revenues. Similar arrangements have already been employed in Winnipeg (bus shelters); a deal involving street furniture has recently been signed in Toronto; and other revenue sharing deals are being piloted in Vancouver and Ottawa. See Section 3 above for more information.

Service Related Fees
To provide fees for the administration and enforcement of sign regulations, the City of Winnipeg could 1) increase permit fees, and 2) license signs and charging licensing fees.

- **Permit Fees:** Under the City of Winnipeg Charter, permit fees can be used to cover relevant administrative services. If the City of Winnipeg wishes to enforce the new regulations (a recommended key aspect to ensure compliance), permit fees could be increased to finance some of the additional cost. If the City of Winnipeg adopts new sign "classes" or categories, permit fees can be adjusted to align with those, if it's demonstrable that different classes of signs require different degrees of administration.

  Under the current City of Winnipeg and Charges Schedule, sign companies pay $524 per Conditional Use. Mandatory expiry dates (the industry standard is five years) on third party Digital Sign and Billboard permits could generate additional fees in the form of Conditional Use permit renewal fees (once a Conditional Use permit expires, the applicant needs to apply for a new one). Another benefit of imposing mandatory expiry dates is that it allows the City to reassess the Conditional Use permit from a land use perspective from time to time (see Mandatory Expiry Dates - below).

- Licensing Fees (Doing Business in Winnipeg By-Law)
  Licensing Billboards and/or Digital Signs as businesses was explored with Community Services. As with increases to Permit and Conditional Use fees, license fee revenue would have to be dedicated solely to cover related administration of licensing (City of Winnipeg Charter). The Public Service

does not recommend licensing under this by-law, and instead recommends addressing this issue through the existing Fee Schedule because:

- Increasing Permit and Conditional Use fees would also provide the City with some revenue to support enforcement while consolidating all administration and fees in one department (PPD). This maintains the 'single window' that is currently enjoyed by the sign industry;
- Licensing these signs does not appear to align with the intent of the Doing Business in Winnipeg By-Law, because no City services are provided to the business owner (the sign company) as part of the license.

Mandatory Expiry Dates

Imposing mandatory expiry dates for third party Digital Signs and Billboards is one tool to allow the City of Winnipeg to respond to land use changes. For example, segments of Pembina Highway may currently be appropriate for some types or sizes of Advertising Signs or Digital Signs; but over the coming years as the corridor intensifies, becomes more pedestrian-oriented, and sees new residential development, this could change. Expiry dates do not guarantee that the City can relocate or eliminate a given sign, but it provides an opportunity to explore options with sign industry professionals should this be a priority.

The Sign Policy Group also considered the options of a sign exchange program and "sunset clauses".

- Sign exchange (offering a new site for the sign in exchange for removing an existing sign) has been tried in the past with little success because of disagreement on new sign locations; however it is possible for PPD to explore options such as this when Conditional Use permits expire.
- Sunset clauses mean that signs which don't conform to new regulations lose their non-conforming rights after a certain number of years, and may be ordered removed. This is not recommended because it does not provide industry with options for business continuation.