

Section III – Items for the Information of the Board

TO: Chair and Members of the Board of Directors
Meeting #6/20, Friday, September 25, 2020

FROM: Michael Tolensky, Chief Financial and Operating Officer

RE: **BILLBOARD ADVERTISING LAND-USE**
The construction and utilization of Toronto and Region Conservation Authority lands for billboard use

KEY ISSUE

To provide background information for the Board of Directors information for the utilization of Toronto and Region Conservation Authority's (TRCA) property for advertising purposes.

RECOMMENDATION

WHEREAS on June 26, 2020 the Board of Directors requested that staff provide a report as to the history of the advertising lease locations, a market survey of municipal actions, and revenues related to municipally owned billboards, and information regarding light pollution and ecological impact;

IT IS RECOMMENDED THAT the information regarding the use of Toronto and Region Conservation Authority's property for advertising purposes be received.

BACKGROUND

General regulatory background

TRCA has six participating member municipalities (City of Toronto, Regional Municipality of Durham, Regional Municipality of Peel, Regional Municipality of York, Township of Adjala-Tosorontio, Town of Mono) representing the interests of 12 local municipalities (Ajax, Pickering, Uxbridge, Brampton, Mississauga, Caledon, Aurora, King, Markham, Richmond Hill, Vaughan, Whitchurch-Stouffville).

The regulation of signage along highways is complex and interjurisdictional in nature. The Ministry of Transportation of Ontario regulates signage within 400 metres of any King's highway pursuant to the *Public Transportation and Highway Improvement Act*, RSO 1990, c P.50. Upper-tier municipalities may regulate signage within 400 metres of any upper-tier highway, and upper and lower-tier municipalities may regulate signage pursuant to sections 11 & 59 of the *Municipal Act, 2001*, SO 2001, c 25. Therefore, there are potentially 19 regulatory bodies within the TRCA jurisdiction, each with their own regulatory compliance requirements.

In general, each regulatory body has their own regulatory requirements prior to the issuance of permits. These may include the production of studies (traffic, environmental, etc.), restrictions of sign locations (near intersections, at-grade crossings, encroachments, etc.), restrictions of illumination (interference with traffic, other buildings, or residential/commercial zones), restrictions of content (confusing with other official signs), restrictions on site (removal of foliage, shadow effects, interference with commercial views, airport height zoning restrictions, etc.), and many others (for instance MTO prohibits billboards within their controlled area adjacent to Class 1 & 2 highways, such as the 400 series highways, pursuant to 5.7.2 & 5.7.3 of [Highway Corridor Management Manual Provincial](#)). The applicable restrictions are investigated and addressed

Item 9.10

on a case-by-case basis.

Economic Development Potential

The price for each billboard stand varies significantly depending on but not limited to factors like the location of the billboard, its size, the duration of the campaign, time of the year and current market conditions. Market pricing for billboard advertising ranges from \$700/mth for medium static displays (23ft x 11ft) to \$8,000/mth for digital displays. The general advertising market in the GTA is dominated by four large companies (web mapping locations):

- Pattison Outdoor Advertising (<http://maps.pattisonoutdoor.com/>),
- Outfront Media (CBS Outdoor) (<https://www.outfrontmedia.ca/resources/media-finder>),
- Lamar Advertising (<http://www.lamar.com/InventoryBrowser>), and
- Astral (Bell Media) (<https://map.astraloutofhome.com/default.aspx?culture=en-ca>).

The market potential per site is largely based on the advertising potential (viewership) of a particular site. This approach can be categorized utilizing Annual Average Daily Traffic (AADT) volume for particular roads.

Staff reached out to 14 other conservation authorities to collect information on their use of lands for advertisement. Three conservation authorities replied with only North Bay-Mattawa Conservation Authority supporting 5 static billboards with revenue of approximately \$15.6k per annum.

A survey of the recent municipal minutes and agendas regarding lease/ public private partnership (PPP) opportunities for billboard revenue to municipalities is shown in the table below:

Toronto	<p>Exhibition Place ("EX") Signage - 2000 - Construction of three signs - \$50,402 rent +15% in years 11-15 + capital contributions (link)</p> <p>EX Signage – 2001 – Increase term to 15 year total – increase to minimum rent in years 11-15 to an average of \$84,004.40 (link)</p> <p>EX Signage – 2005 – Reduction to two signs – minimum rent in years 11-15 reduced to \$56,000</p> <p>Ex Signage - 2020 – conversion of LED (deferred) – confidential minimum rent + 12.5% in-kind advertising (link) – deferred to Sept 18th for further information (link)</p> <p>Ex Signage – 2010 - Strachan Billboard – confidential minimum rent - 10% in-kind advertising (link)</p>
Durham	None
Peel	None
York	None
Town of Mono	None
Township of Adjala-Tosorontio	None
Ajax	None
Pickering	CN overpass billboard agreement for in-kind advertisement (link)
Uxbridge	None

Item 9.10

Brampton	Delegation received from RCC Media (link)
Mississauga	CN overpass billboard for in-kind capital improvement (link)
Caledon	None
Aurora	None
King	None
Markham	Two LED billboards along Metrolinx/407 corridor, \$25,000 +5% advert time (link) One LED conversion along Woodbine Ave, \$7,440 (link)
Richmond Hill	None
Vaughan	8 sites recommended in May 23, 2018 report – none authorized to date (link)
Whitchurch-Stouffville	None

Previous Contract - Outfront Media Canada L.P

On October 28, 2016 the TRCA Board of Directors adopted the Executive Committee's resolution to lease 14 locations on TRCA property to Outfront Media Canada L.P ("Outfront Media") for the purposes of installing digital and non-digital billboards on a 20 year lease (5years +three 5year renewal options).

Location #	Legal Description	Revenue	Contributory Advertisement	Type of Billboard	Daily Traffic Count
(1)	Part of Lot 5, Concession 9, Northern Division, Toronto Gore, City of Brampton, Regional Municipality of Peel	greater of 35% of gross sales or \$60,000 annually;	+5% advert time	10'x35' LED	AADT 16,616
(2)	Part of Lot 5, Concession 8, Northern Division, Toronto Gore, City of Brampton, Regional Municipality of Peel	\$10,000 annually;	+5% advert time	10'x20' P/P	AADT 16,616
(3)	Part of Lot 6, Concession 8, Northern Division, Toronto Gore, City of Brampton, Regional Municipality of Peel	\$10,000 annually;	+5% advert time	10'x20' P/P	AADT 16,616
(4)	Part of Lot 5, Concession 9, Northern Division, Toronto Gore, City of Brampton, Regional Municipality of Peel	\$10,000 annually;	+5% advert time	10'x20' P/P	AADT 16,616
(5)	Part of Lot 6, Concession 8, Northern Division,	\$10,000 annually;	+5% advert time	10'x20' P/P	AADT 16,616

Item 9.10

	Toronto Gore, City of Brampton, Regional Municipality of Peel				
(6)	Part of Lot 17, Concession 2, East of Centre Road, Chinguacousy, City of Brampton, Regional Municipality of Peel	greater of 35% of gross sales or \$35,000 annually;	+5% advert time	10'x20' LED	AADT 11,610
(7)	Part of Lot 17, Concession 1, East of Centre Road, Chinguacousy, City of Brampton, Regional Municipality of Peel	\$10,000 annually;	+5% advert time	10'x20' P/P	AADT 11,092
(8)	Part of Lot 9, Concession 7, City of Markham, Regional Municipality of York	\$10,000 annually;	+5% advert time	10'x20' P/P	AADT 50,469
(9)	Part of Lot 12, Concession 7, City of Vaughan, Regional Municipality of York	\$10,000 annually;	+5% advert time	10'x20' P/P	AADT 28,386
(10)	Part of Lot 21, Concession 8, City of Vaughan, Regional Municipality of York	greater of 35% of gross sales or \$35,000 annually;	+5% advert time	10'x20' LED	AADT 20,868
(11)	Part of Lot 21, Concession 8, City of Vaughan, Regional Municipality of York	\$10,000 annually;	+5% advert time	10'x20' P/P	AADT 20,868
(12)	Part of Lot 20, Concession 7, City of Vaughan, Regional Municipality of York	\$10,000 annually;	+5% advert time	10'x20' P/P	AADT 20,868
(13)	Part of Lot 16, Concession 7, City of Vaughan, Regional Municipality of York	\$10,000 annually;	+5% advert time	10'x20' P/P	AADT 50,469
(14)	Part of Lot 15, Concession 7, City of Vaughan, Regional Municipality of York	\$10,000 annually;	+5% advert time	10'x20' P/P	AADT 50,469

Item 9.10

Of these 14 sites, Outfront Media entered into seven leases as of August 30, 2017. Outfront Media decided that it was no longer financially viable to construct the signs and gave written notice to terminate the leases on July 6, 2018, for which a settlement was reached in 2019.

New Expression of Interest - Pattison

On October 8, 2019, TRCA issued an expression of interest ("EOI") to determine what the market response would be for locations (1)-(6). The successful applicant was Pattison Outdoor Advertising LP which only submitted proposals for three of the six sites (5 years + three 5-year renewal options). This proposal was brought to the Executive Committee on June 12, 2020. The proposal is broken down as follows:

Location #	Legal Description	Revenue	Contributory Advertisement	Type of Billboard	Daily Traffic Count
(1)	Part of Lot 5, Concession 9, Northern Division, Toronto Gore, City of Brampton, Regional Municipality of Peel	No bidders			
(2)	Part of Lot 5, Concession 8, Northern Division, Toronto Gore, City of Brampton, Regional Municipality of Peel	No bidders			
(3)	Part of Lot 6, Concession 8, Northern Division, Toronto Gore, City of Brampton, Regional Municipality of Peel	No bidders			
(4)	Part of Lot 5, Concession 9, Northern Division, Toronto Gore, City of Brampton, Regional Municipality of Peel	greater of 35% (40% subsequent terms) of gross sales or \$5,750 annually	+12.5% advert time	LED	AADT 16,616
(5)	Part of Lot 6, Concession 8, Northern Division, Toronto Gore, City of Brampton, Regional Municipality of Peel	greater of 35% (40% subsequent terms) of gross sales or \$5,750 annually	+12.5% advert time	LED	AADT 16,616
(6)	Part of Lot 17, Concession 2, East of Centre Road,	greater of 35% (40% subsequent	+12.5% advert time	LED	AADT 11,610

Item 9.10

	Chinguacousy, City of Brampton, Regional Municipality of Peel	terms) of gross sales or \$5,750 annually			
--	---	--	--	--	--

Light Pollution Impacts

TRCA, through its permitting process, attempts to minimize the ecological effects of light pollution when proponents seek to install billboards in the regulated areas. Light pollution impacts are also regulated through the municipal permitting (site plan) process. These may restrict levels of light based on atmospheric and environmental conditions and are typically site specific. TRCA is a leader in ecosystem, climate science, and application, therefore staff endeavors to minimize any ecological impact from billboard advertising. Fortunately, the typical location for billboard advertising is adjacent to highway systems that already emit sound and light pollution. Nevertheless, staff's perspective is to minimize ecological impacts to the greatest extent possible.

RATIONALE

Relationship to Building the Living City, the TRCA 2013-2022 Strategic Plan

This report supports the following strategies set forth in the TRCA 2013-2022 Strategic Plan:

Strategy 3 – Rethink greenspace to maximize its value

Strategy 7 – Build partnerships and new business models

DETAILS OF WORK TO BE DONE

Future Utilization of Lands

Staff intend to maximize the monetization of TRCA lands through advertising contracts. This will entail going to market for the remainder of the existing locations (7-14). Staff have identified 14 other potential sites, which are subject to the MTO 400m prohibition, 2 potential sites along the Gardiner Expressway and 2 potential locations on medium density highways. These sites are being refined to inform future requests for proposal processes. Staff will be minimizing ecological impacts from light pollution by examining the context of proposed locations and by conducting research on best practices and working with potential proponents to build these into contract documents or permitting processes.

Report prepared by: Daniel Byskal, extension 6452

Emails: daniel.byskal@trca.ca

For Information contact: Daniel Byskal, extension 6452

Emails: daniel.byskal@trca.ca

Date: September 3, 2020