



**STAFF REPORT
ACTION REQUIRED**

New Sign Regulation and Revenue Strategy for the City of Toronto

Date:	October 20, 2009
To:	Planning and Growth Management Committee
From:	Deputy City Manager, Cluster B Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	p:2009/Cluster B\BLD\CBOHO\pg09006

SUMMARY

This report recommends that Council approve a new strategy to regulate signage in the City. The strategy is comprised of a new Sign By-law to replace the current by-laws in effect across the City, a tax on third party signs, as well as a number of administrative changes to improve the City’s capacity to effectively regulate signage, including enforcement of regulations, in Toronto. These tools have been designed to reflect the City’s goals and objectives for the public realm, outlined in the Official Plan, and other key policies of the City including the Climate Change Plan and the Agenda for Prosperity.

This strategy will establish up-to-date and consistent regulations for newly erected signage throughout the City.

This report also describes and recommends the implementation of a third party sign tax, under the authority of Section 267 of the *City of Toronto Act, 2006* to support the administration and enforcement of the new Sign by-law, as well as city beautification and ongoing investment in arts and culture in response to council’s direction of October 2007.

Improvements to the administration of sign regulation in the City are recommended, including: the creation of a dedicated sign unit to consolidate the responsibility for sign regulation across the City; and, changes to the delegation of responsibility for decisions on sign variance applications and Sign By-law amendments.

Overall, these decisions will:

- update and improve the regulation of signage;
- enable the City to more effectively enforce the Sign By-law through the creation of a dedicated sign unit that would assume all responsibility for sign regulation in the City;
- provide capacity to track all third party sign installations through the maintenance of an inventory of third party signs to assist in proactive enforcement; as well as,
- provide a source of revenue for City priorities by the collection of the proposed tax on third party advertising installations.

RECOMMENDATIONS

The Deputy City Manager, Cluster B, and the Deputy City Manager and Chief Financial Officer recommend that:

1. Council amend the City of Toronto Municipal Code substantially in accordance with the draft by-law attached as Appendix A to this report, to add the proposed Chapter 694, Signs, General, to the City of Toronto Municipal Code regulating the installation of signs on buildings and property, such amendment to come into effect on April 6, 2010.
2. Council direct that Schedule 'A' - Sign Districts, of the proposed Chapter 694, be forwarded directly to City Council by the Chief Building Official and Executive Director Toronto Building, in a form which is substantially consistent with Appendix B to this report.
3. Council amend Municipal Code Chapter 27, Council Procedures, by repealing 27-152 B. (8) (a) to remove from Community Councils the delegated power regarding sign by-law amendments and minor variances, leaving within the jurisdiction of the Community Councils appeals of refusals of applications for temporary sign permits under 693-17B(5) and (6) and appeals of revocations of temporary sign permits under 693-17C(2) of Chapter 693, Signs.
4. Council establish a City board named the Sign Variance Committee, as described in Appendix H to this report, to make final decisions on first-party sign variance application appeals and on third party sign variance applications as set out in Recommendation 7.
5. Council amend the Public Appointments Policy by incorporating Appendix H to this report as Appendix E.8 to the Policy and authorize the City Clerk to begin the advertised recruitment process to select the first members of the Sign Variance Committee using the qualifications and process described in the Public Appointments Policy, as so amended.

6. Council delegate to the Chief Building Official the legislative authority, which is deemed to be minor in nature, to grant variances to the provisions of the City of Toronto Municipal Code, dealing with first party signs in accordance with the criteria for evaluating applications for variances set out in Appendix A, subject to a provision for the Ward Councillor(s), the applicant, or any party who received notice in accordance with the provisions in the Sign By-law, to appeal the decision of the Chief Building Official to the Sign Variance Committee, such delegation to come into effect on April 6, 2010.
7. Council delegate to the Sign Variance Committee the authority to make final decisions on the hearing of appeals of the Chief Building Official's decisions on first party sign variance applications and to make decisions on third party sign variance applications in accordance with the criteria for evaluating applications for variances set out in Appendix A, such delegation to come into effect on April 6, 2010.
8. Council repeal Subsection 1 (f) (i) of the Schedule "B" to By-law No. 22980 of the former City of Scarborough; Subsections 297-12N and 297-13 of Chapter 297, Signs, of the Municipal Code of the former City of Toronto, as amended; Sections 835.5.2.42.1, (Sign Review Committee- defined), 835.5.8 (Application for minor variance), and 835.5.9 (Application – minor variance – review) of Chapter 835, Sign, of the Municipal Code of the former City of York, as amended; and, Subsections 215-8B,C and 215-31 of Chapter 215, Signs, of the Municipal Code of the former City of Etobicoke, as amended, such repeal to take effect on April 6, 2010.
9. Council adopt an annual Third Party Sign Tax (the "TPST"), payable by all Third Party Sign Owners on each Third Party Sign owned by them, to be effective July 1st, 2010 at the rates and in accordance with the administrative design features set out in Appendix E to this report.
10. Council amend Municipal Code Chapter 27, Council Procedures, by adding 27-126 C. (2)(d) to delegate the hearing of any TPST appeals to the Government Management Committee and designate the Government Management Committee as the City's appeal and dispute resolution body under the TPST by-law.
11. Council adopt the fees as set out in Appendix F to this report, and authorize Chapter 363, Building Construction and Demolition, and Chapter 441, Fees and Charges of the Municipal Code to be amended to include such fees.
12. Council authorize the inclusion within the Toronto Building 2010 interim operating budget of an amount of \$205,000 to fund the start-up of the dedicated Sign Unit until April 30th, 2010 and forward the full budget for the dedicated Sign Unit, outlined in this report to be funded from the TPST, to the 2010 Operating Budget process for consideration.

13. Council allocate \$1,004,400 in 2010 and \$1,158,100 in 2011 from the revenues of the TPST to the dedicated Sign Unit in Toronto Building to fund the administration and enforcement of the sign by-law and the administration and collection of the TPST.
14. Council authorize an increase in the 2009 Toronto Building Base Budget of \$470,600 to secure the space and equipment for the dedicated Sign Unit required to support the administration of the unit, and that such amount be withdrawn from the Public Realm Reserve Fund as a one-time draw, and to be repaid from the revenues of the TPST.
15. Council allocate \$1, 413,600 from the revenues of the TPST towards repayment of the Public Realm Reserve Fund for the cost to secure space and equipment and program development costs and refer the remainder of the net revenues to the 2010 budget cycle to offset funding for City beautification and arts and culture initiatives.
16. If Council does not adopt Recommendation 9 and the TPST it recommends, the Chief Financial Officer and the Chief Building Official and Executive Director, Toronto Building, be directed to consider and report back to Executive Committee no later than April 2010, with recommendations to adopt an annual fee on all Third Party Sign Owners for the purpose of recovering the costs of the administration and enforcement of the City's sign regulations.
17. The City Solicitor be authorized to prepare the necessary Bills for introduction in Council to implement the above recommendations, subject to such stylistic and technical changes to the draft bills as may be required.

Implementation Points

New Sign By-law

The new Toronto Sign By-law is a single City-wide Sign By-law developed to regulate permanent signs in the City. To ensure the effective implementation of the by-law a number of administrative changes are recommended, including:

- A proposed dedicated sign unit within Toronto Building to administer and enforce the new Sign By-law and the TPST as recommended in this report such unit to start up in January 2010, subject to approval of start-up costs in the 2009 Toronto Building budget and initial staffing approved in the interim 2010 Toronto Building budget.
- Proposed changes to the sign variance process, including criteria for evaluation, a public notification mechanism, an appeal mechanism and changes to the delegation of decision-making powers for sign variance applications as recommended in this report.

It is proposed that the new Sign By-law come into force, effective April 6, 2010.

This is intended to provide time to prepare for the implementation of the new sign regulations and TPST, including:

- Verification of the City's inventory of all third party signs in the City and assess each sign's legality;
- Receiving the inventories of existing third party signs from third party sign operators to assist in the administration of the proposed TPST and further to reconcile these inventories against the third party sign inventory created during the preparation of the by-law;
- Preparing for changes to establish a dedicated sign unit within Toronto Building upon approval of the 2010 interim and full budget;
- Implementing administrative changes including new application requirements, delegation powers and technological changes to manage the inventory of existing third party signs and a business management system to keep track of current sign locations;
- Establishing the Sign Variance Committee; and
- Communicating by-law and administrative changes.

Third Party Sign Tax (TPST)

The *City of Toronto Act, 2006* (COTA) authorizes the imposition of a tax by by-law. Any new by-law under COTA's Part X taxation provisions is required to contain a description of the subject of the tax, the applicable rates, and the manner of collection of the tax.

In order to implement the TPST, the Chief Building Official will be required to establish and confirm with each third party sign owner the size of and technology used in all of the third party signs that it owns. As part of the TPST implementation process and to meet ongoing operational requirements, all third party sign owners will be required to submit an inventory of all existing sign installations and all sign installations for which a permit has been obtained, but not yet erected to the Chief Building Official by March 31st 2010, and January 31st of each year thereafter.

FINANCIAL IMPACT

Expenditures

An increase in the 2009 Toronto Building Base Budget of \$470,600 is proposed to secure the space and equipment for the dedicated Sign Unit required to support the administration of the unit funded by a one-time draw from the Public Realm Reserve Fund.

It is recommended that \$1,413,600 from TPST will be allocated in 2010 towards repayment of the Public Realm Reserve Fund advance for Sign By-law development costs and to secure space and equipment.

It is proposed that estimated expenditures of \$1,634,100 in 2010 and \$1,821,905 in 2011, outlined in the table below, be considered as part of the 2010 Operating Budget Process.

- The current Toronto Building base budget of \$584,200 for sign permit review and inspection processes would be maintained and transferred to the Sign Unit in 2010.
- Costs of processing Sign Variance applications to be considered by the Sign Variance Committee will increase by \$58,500 in 2010 with a full year impact of \$79,755 in 2011.
- Administration and enforcement costs of the new Sign By-Law and administration and collection costs of the TPST by the new Sign Unit are estimated at \$991,400 in 2010 and \$1,742,150 in 2011.

Table 1 - Summary of Estimated Expenditures

Description	2009	2010*	2011
One-time cost to secure space and equipment <u>One-time Sign By-law development costs</u>	\$470,600 <u>\$943,000</u>	-	-
Total One-time Sign Bylaw Development Costs	\$1,413,600		
Transfer of existing base budget for applications and variances	-	\$584,200	-
New Sign Variance Committee		\$58,500	\$79,755
New Dedicated Sign Unit costs	-	\$991,400	\$1,742,150
Total Estimated Expenditures	\$1,413,600	\$1,634,100	\$1,821,905

*includes allocation of \$205,000 interim Operating Budget funding for Jan. 1/10 start-up

Revenues

The current Toronto Building base budget revenues for sign applications estimated at \$571,200 in 2010, increased each year in accordance with Chapter 441 of the Municipal Code, would be maintained and transferred to the Sign Unit.

The former City of Scarborough By-law No. 22980 contains a fee that is charged to the owner of each third party sign in the former City of Scarborough to help recover the costs of enforcement. This fee is recommended to be repealed effective April 6, 2010.

A new Third Party Sign Tax would be introduced at five graduated rates based on sign classes described later in this report. The proposed TPST revenue estimates for 2010 and 2011, shown in the table below, are based on an assumption of approximately 2000

lawfully erected third-party sign installations of varying size, type, and display technologies in the City of Toronto, and an effective date of the tax of July 1st, 2010.

It is proposed that the funding for the Sign Unit will come from a combination of Sign Permit and Sign Variance revenues and, from the TPST:

- The current Toronto Building base budget for sign permit review and inspection processes would be maintained and transferred to the Sign Unit, funded through existing application and variance fees of approximately \$571,200 in 2010, increased each year in accordance with Chapter 441 of the Municipal Code.
- Revenue from Sign Variance applications of \$58,500 in 2010 and \$79,755 in 2011 to be collected by Toronto Building and allocated to City Planning, to cover the costs of processing Sign Variance applications to be considered by the Sign Variance Committee.
- It is recommended that \$1,004,400 in 2010 and \$1,158,100 in 2011 be allocated from TPST revenues to the dedicated Sign Unit in Toronto Building to fund the administration and enforcement of the sign by-law and the administration and collection of the TPST.

This report further recommends that Council allocate \$1,413,600 towards repayment of the Public Realm Reserve Fund. It is also recommended in this report that the remainder of the revenues from the TPST be referred to the 2010 budget cycle to offset funding for City beautification and arts and culture initiatives.

If Council does not adopt the TPST as recommended, it may consider the Annual Enforcement Fee Option described at the end of this report to ensure funding for the new Sign Unit.

The full budget for the Sign Unit as described in this report will be forwarded to the 2010 Operating Budget process for consideration.

Table 2 - Summary of Estimated Revenues

Source	2009	2010	2011
Maintain existing application and variance fees*	\$560,000	\$571,200	\$584,052
Increase to sign variance fees*	-	\$58,500	\$79,755
New Third Party Sign Tax**	-	\$5,200,000	\$10,400,000
Total Estimated Revenue	\$560,000	\$5,829,700	\$11,063,807

* to be indexed annually in accordance with Chapter 441 of the Toronto Municipal Code

** to be indexed at a rate equivalent to the previous year's overall property tax increase after the 2010-2011 phase-in

DECISION HISTORY

Harmonization of Sign By-laws

<http://www.toronto.ca/legdocs/2000/agendas/committees/ey/ey000323/it014.pdf>

Development of a City-Wide Sign By-law

<http://www.toronto.ca/legdocs/2001/agendas/committees/plt/plt010911/it005.pdf>

Coordinated Street Furniture Program - Revenues; and Establishment of a New "Public Realm" Reserve Fund (All Wards)

<http://www.toronto.ca/legdocs/mmis/2007/ex/bgrd/backgroundfile-8835.pdf>

Current Status of Harmonized Sign By-law

<http://www.toronto.ca/legdocs/mmis/2007/ex/bgrd/backgroundfile-9032.pdf>

Harmonized Sign By-law Interim Report

(<http://www.toronto.ca/legdocs/mmis/2008/pg/bgrd/backgroundfile-17603.pdf>)

New Sign By-law Second Interim Report

(<http://www.toronto.ca/legdocs/mmis/2009/pg/bgrd/backgroundfile-19916.pdf>)

Update on the Status of a New City-wide Sign By-law

(<http://www.toronto.ca/legdocs/mmis/2009/pg/bgrd/backgroundfile-21576.pdf>)

In considering the 'New Taxation Measures – *City of Toronto Act, 2006*' report in October 2007, City Council directed that "in conjunction with the development of a new City Sign By-law, Deputy City Manager Richard Butts be directed to consider and report back to the Executive Committee on the potential application of a billboard or public signage tax, specifically for the purposes of raising revenue to administer the by-law and raise revenues for City beautification, arts or cultural initiatives."

EX10.1 – New Taxation Measures – City of Toronto Act, 2006

<http://www.toronto.ca/legdocs/mmis/2007/ex/reports/2007-06-25-ex10-cc-dit1.pdf>

TE25.16 - Staff Report - Signage Vision for Downtown Yonge Strip

(<http://www.toronto.ca/legdocs/mmis/2009/te/bgrd/backgroundfile-20298.pdf>)

ISSUE BACKGROUND

New Sign By-law

Over the past several years, a growing public interest in the administration and enforcement of sign regulations in the City has suggested the need for up-to-date and consistent regulations for signage. It has also become clear that the Sign By-laws

governing the seven former municipalities are not consistent with each other nor are they reflective of Toronto's new Official Plan. Furthermore, new sign fabrication methods and new sign technologies have emerged which were not anticipated at the time of the passage of the current Sign By-laws.

Other aspects of the City's by-laws respecting signs have been harmonized in the past such as those related to temporary or non-permanent signs. These include election signs, portable signs, mobile signs, A-frame or sandwich board signs, real estate open house signs and garage sale signs.

The principal goal of the Sign By-law project is to produce a single by-law to regulate permanent signs within the City. To accomplish this task, City Council approved the development and implementation of a harmonized City-wide Sign By-law in late 2007, funded by the Public Realm Reserve Fund.

Responsibility for administering and enforcing the by-laws has for the most part reflected different divisional responsibilities across the City, as a result of decisions made under the pre-amalgamation municipalities. The responsibility for issuing permits and conducting inspections to confirm compliance with the issued permit has consistently been that of the Chief Building Official, as the majority of sign permits also require approval under the Ontario Building Code, a responsibility which cannot be reassigned.

However, since the decision was made to accelerate the preparation of a single Sign By-law, responsibilities have been re-aligned consistently across all districts. Currently, Toronto Building is responsible for issuing permits and manages the sign variance approval process; and, Municipal Licensing and Standards is responsible for enforcement in relation to contraventions of the various Sign By-laws. This report outlines an approach to creating a single sign unit responsible for both regulation and enforcement reporting to Toronto Building, the funding of which will be considered as part of the 2010 budget process.

Third Party Sign Tax

Subject to a list of prohibited taxes, COTA allows Council to levy direct taxes in the City of Toronto, in addition to the traditional property taxation powers of a municipality.

In 2007, Hemson Consulting Ltd. completed a study for the City that identified potential taxes for Council to consider under this new power. Among the options identified and reviewed by the Hemson Report was a tax on outdoor advertising devices.

Through the public consultation process, the eight options for new taxes were discussed with members of the public. Of those who participated in the consultation process, 12% of participants were supportive of the idea of charging outdoor advertising devices. This represented more public support than any of the other tax options considered.

In the Report “New Taxation Measures – *City of Toronto Act, 2006*”, adopted by Council at its meeting of October 22-23, 2007, Council directed that “in conjunction with the development of the new Sign By-law, a tax on third-party signs be considered for the purposes of raising revenue to support administration and enforcement of the by-law; arts and culture initiatives and City beautification”.

Over the past year, a Sign By-law review team in Toronto Building, in consultation with staff in Finance and the advice of a consultant have explored various models for determining, collecting, and enforcing a tax on the activity of operating outdoor third party advertising devices in Toronto.

COMMENTS – NEW SIGN BY-LAW

Mandate

In 2008, a project team reporting to the Chief Building Official and Executive Director, Toronto Building was established. This team was supported by a consultant with expertise in Sign By-law development, as well as a Steering Committee which includes staff from Toronto Building, City Planning, Transportation Services, Municipal Licensing and Standards, Economic Development and Legal Services. The purpose of the Committee was to ensure that the signage interests of various City Divisions and other stakeholders were considered and represented throughout the consultation process and in the recommended by-law.

Approach to Creating a New Sign By-law

Consultation

Throughout the months of August and September 2008, extensive consultation took place with City staff from various divisions as well as elected officials. A list of approximately 30 stakeholders was created to ensure appropriate and in-depth consultation in the by-law analysis and drafting exercise. The list includes numerous associations with an interest in signage, sign industry businesses including the out-of-home advertising industry, members of the public and open-space advocates.

An initial consultation session was held in August 2008 by way of separate meetings with the sign industry and open-space advocates.

The first of two rounds of public consultation sessions was held in September 2008. Meetings were held in each of the four respective districts of the City. Notice of the meetings was advertised in the Toronto Star as well as the local community newspapers on three separate dates. Approximately 100 people were in attendance at this initial round of public meetings.

In addition, elected officials were invited to meet with members of the Sign By-law project in September 2008, and again in December 2008.

Following the September public consultation sessions, a Special Meeting of the Planning and Growth Management Committee was held on December 8, 2008 to present an update of the project as well as the findings of the first round of consultation. Deputations to the Committee were made by the public.

A second consultation with identified stakeholders took place on December 15, 2008 following the Special Meeting of the Planning and Growth Management Committee. The purpose of the meetings was to discuss the issues identified in the report to the Planning and Growth Management Committee including ideas raised at that meeting.

In January 2009, the second round of public consultation sessions was held in a format similar to the earlier September 2008 sessions. These sessions reported on the signage issues and priorities raised to date. Proposals for regulating signs as well as organizational and administrative ideas were presented for comment. These consultation sessions were attended by more than 200 people overall.

On January 19, 2009, representatives from the architectural and design community were invited to a session to comment on approaches to achieving the City's vision for signs in the public realm, including the possibility of creating special sign districts. This group appreciated the potential effect of signage in the public realm and the importance the Sign By-law could play. They also suggested that the City look for approaches to introduce flexibility to incorporate signage in the design concept of different buildings or in larger sign districts similar to the concept of site plan approval or design review panels. They also suggested that the City increase the profile of design related to signage, possibly through sponsoring design competitions or an award program.

A third set of meetings with identified stakeholders was held on March 5, 2009. These meetings presented options and ideas for regulating third party signs in the City. Comments were received and considered in drafting new regulations.

On April 14, 2009, an interim report on the Sign By-law was brought forward to the Planning and Growth Management Committee. The report generally responded to the motions filed by the Committee members. Deputations to the Committee were made by the public and stakeholders.

As directed by the Planning and Growth Management Committee at its meeting on April 14, 2009, a fourth set of meetings with identified stakeholders was held on April 27, 2009. Generally, the meetings reviewed and considered all the submissions made to the project team and draft by-law proposals to date. Comments by the identified stakeholders have been considered in drafting the new Sign By-law.

A final Stakeholder consultation session was held on September 10, 2009. Prior to this meeting, a working draft of the new Sign By-law was circulated to the identified stakeholders. This meeting was an opportunity for the Sign By-law team to hear feedback on the draft by-law and provide any clarifications that may have been required.

Concurrent with the face-to-face opportunities for consultation, the Sign By-law project maintains a website which is updated frequently. It contains the Project Plan, issues, comments, public consultation opportunities and the reporting schedule. The website includes the contact information of the project team and comments, suggestions and feedback are encouraged. To date the list of public participants who have communicated with the project team is over 1,000.

Further details of the consultation process and meetings are available in Appendix G to this report.

Vision

A key objective of the Sign By-law project is to create a single by-law that will complement the City's goals for the public realm and reflect the vision for the City.

To achieve this goal the team adopted the framework of the Official Plan to guide the development of regulations. Permissions for signage have been developed based on the uses and form of development envisioned for different parts of the City.

Signs and the Beautiful City

The Official Plan sets out the future vision for the City of Toronto, grounded in specified principles of city-building, one of which is achieving a City of Beauty. The Official Plan recognizes that the look and quality of streets, public spaces and the development that frame the public realm contribute to the quality and experience of Toronto's streets and spaces. Signs are generally located in and around buildings and streets and frame the public realm. Accordingly, the type, number and quality of signs visible along streets and within the public realm affect the quality of the experience. The fact that signs are designed to be noticed and communicate information ensures that the contribution of signage is a major factor in setting the visual quality and character of the City's streets and places.

The Sign By-law is the primary means available to advance the City's interest in maintaining the quality of the built environment while managing the visual impact of signage on the character and development of the City. The regulations found in the proposed by-law with respect to the type, size, location and other characteristics of signs are intended to manage the impact and contribution of signage to the visual character of the City's public realm appropriate to the goals expressed in the Official Plan.

An Up to Date Performance Based Approach

The by-laws in place across the City are not, in many cases, up to date with respect to new technologies and current approaches of the sign industry. A simple harmonization among the various by-laws in force across the City would not adequately deal with the types of signage and technologies being adopted by the sign industry. New approaches to regulation of these technologies had to be developed. However, wherever possible, a performance based approach has been adopted to reduce the need to amend the by-law in the future as technologies change.

Signs in the Public Right of Way

The new Sign By-law proposes to maintain the current practice of requiring the approval of the General Manager of Transportation Services for the erection of new permanent signs which encroach in the public right of way before a permit is issued for those signs. The new Sign By-law also adds provisions to obtain the approval of the General Manager of Transportation Services where signs may affect traffic safety.

Enforcement

Over the past few years, there has been an increasing level of interest in the enforcement of Sign By-laws currently in place across the City. In response to complaints regarding sign installations in many parts of the City, Toronto Building and Municipal Licensing and Standards have increased enforcement efforts. Many of these actions have not yet reached their final resolution.

The proposed by-law would significantly enhance the City's tools to assist in enforcing its regulations, including:

- removing and temporarily storing signs and sign structures when necessary;
- adding costs of removal and storage to the property tax roll;
- adding lien claims, under the *Repair and Storage Liens Act*, for the costs associated with the removal and storage of signs;
- levying fines for continuing offences; and,
- introducing special fines to reduce or eliminate economic advantage or gain from the contravention of the new Sign By-law.

Maintaining a Third Party Sign Inventory

Early in the Sign By-law project it was apparent that an inventory of all third party signs erected in the City was not only required for the development of the new Sign By-law and TPST but also to establish a baseline for future enforcement efforts.

Toronto Building staff surveyed the location and attributes of each third party sign face in the City. The information that was gathered is presently being recorded, compared and

verified against existing approvals and records. This third party sign inventory will become the basis for initial efforts of the new sign unit, enabling pro-active enforcement when the new by-law is implemented. With a clear base of information for what is in existence at the point of adoption of the new Sign By-law, new approvals and new locations can be monitored more efficiently and effectively.

New Sign Unit

This report recommends the creation of a new sign unit to administer and enforce the provisions of the new Sign By-law. The unit is expected to perform multi-faceted tasks and is proposed to include 19 staff in total, including 6 staff transferred from district locations in Toronto Building, the equivalent of 5 staff in Municipal Licensing and Standards who currently enforce the numerous existing Sign By-laws, 4 new enforcement staff, a Manager, an administrative assistant, and two staff dedicated to the administrative aspects of sign regulation. It is expected staff would be consolidated in a centralized location.

Key functions of the unit will include:

- intake, review, and issuance of Sign Permit applications, and associated Building Permit applications;
- processing, reviewing, and reporting on Sign Variance applications as outlined in this report;
- maintaining a current inventory of third party signs;
- administration, collection and enforcement of the TPST;
- verification of the inventories required to be provided by sign operators; and,
- providing ongoing enforcement to achieve compliance with sign regulations.

A proposed sign unit in a centralized location would provide consistency in the interpretation and application of the new Sign By-law. As well, there is a greater opportunity for consolidated efforts in maintaining the third party sign inventory. It is expected that, through a centralized sign unit, the delivery of service to the public, as it relates to signage, would significantly increase.

The funding for the Sign Unit will come from a combination of Sign Permit and Sign Variance revenues and, from the TPST:

- The sign permit review and inspection processes (currently with Toronto Building) would be funded through fees of approximately \$571,200 in 2010, increased each year in accordance with Chapter 441 of the Municipal Code.
- Revenue from Sign Variance applications is expected to increase by \$58,500 in 2010, to be collected by Toronto Building and allocated to City Planning, to cover the costs of processing Sign Variance applications to be considered by the Sign Variance Committee.

- It is recommended that the unit also be funded annually through an allocation from the TPST of approximately \$1,004,400 in 2010 and \$1,158,100 in 2011.

TPST and Sign Classifications

The potential objectives for the allocation of revenues from the TPST raised during the public consultation process were to provide funding for enhanced enforcement of the Sign By-law and to provide revenue to support City beautification, and arts and culture, initiatives.

There was also an opportunity for the TPST to be used to reinforce the goals and objectives of the new Sign By-law, with rates determined based on the sign types that the new by-law encourages or prohibits, as well as contributing to the overall goal of reducing sign clutter and the environmental impacts of signs.

As part of the development of the TPST and for ease of administration, five sign classes have been developed for applying the tax – these sign classes are detailed in Table 4 of this report. Under the proposed tax structure, each sign class would have a corresponding tax rate assigned to it based on types of signs permitted by the new Sign By-law, as well as their contribution to other city goals and objectives.

Sign Variances and By-law Amendments

During the consultation process the public, the sign industry and Councillors raised issues with the sign variance process. This process allows applicants for Sign Permits to obtain a variance to the Sign By-law where the proposed sign would not comply with the Sign By-law requirements.

Council has the ability to design a scheme for granting variances or amendments to Sign By-laws to reflect its needs. As directed by Planning and Growth Management at its meeting of April 14, 2009, the Sign By-law project team was requested to include alternative models to govern the process of obtaining Sign By-law variances for third party signs.

Table 1 describes possible alternative models for the sign variance process.

Table 3 - Sign Variance Options

Approach	Procedure	Decision-Maker	Further Consideration	Observations
<p>Current Model (all variances applications determined by Community Council or Council)</p>	<ul style="list-style-type: none"> • applicants apply to vary certain regulations of Sign By-law • staff report is prepared by Toronto Building with recommendations and presented to Community Council 	<ul style="list-style-type: none"> • Community Council – all first party and third party signs except for certain signs which remain with Council 	<ul style="list-style-type: none"> • there is no appeal of Community Council's or City Council's decision 	<ul style="list-style-type: none"> • public allowed to participate & comment on application at Community Council
<p>All variance applications determined by New arms-length body – Sign Variance Committee</p>	<ul style="list-style-type: none"> • applicants apply to vary certain regulations of the current Sign By-laws • application referred to an independent body made up of members of the Public appointed by Council [Sign Variance Committee] for decision 	<ul style="list-style-type: none"> • Sign Variance Committee 	<ul style="list-style-type: none"> • there is no appeal of Sign Variance Committee's decision 	<ul style="list-style-type: none"> • independent body making decisions based on clear objectives in Sign By-law • increased opportunity for public participation & comments
<p>(Recommended Proposal)</p> <p>Delegate decision making authority concerning variances relating to first party signs to the Chief Building Official, with right of review of decisions by the Sign Variance Committee</p> <p>and</p> <p>Delegate final decision making authority concerning variances relating to third party signs to the Sign Variance Committee</p>	<ul style="list-style-type: none"> • applicants apply to vary certain regulations of the Sign By-law relating to first party signs • report is prepared by Sign Unit staff • Chief Building Official makes decision concerning variance application <ul style="list-style-type: none"> • applicants apply to vary certain regulations of Sign By-law relating to third party signs • application referred to an independent body made up of members of the Public appointed by Council [Sign Variance Committee] for decision 	<ul style="list-style-type: none"> • Chief Building Official <ul style="list-style-type: none"> • Sign Variance Committee 	<ul style="list-style-type: none"> • appeal of first party sign variance applications to Sign Variance Committee by proponent, Ward Councillor or party entitled to notice of variance under proposed Sign By-law • decision on appeal made Sign Variance Committee <ul style="list-style-type: none"> • decision of Sign Variance Committee is final 	<ul style="list-style-type: none"> • delegation streamlines the first party sign variance process • third party signs have more City-wide implications • Sign Variance Committee reasonable body to review staff decisions • independent body making decisions based on clear objectives in Sign By-law • increased opportunity for public participation & comments

Approach	Procedure	Decision-Maker	Further Consideration	Observations
<p>Delegate decision making authority concerning variances relating to first party signs to the Chief Building Official with right of review of decisions by Community Council</p> <p>and</p> <p>Delegate final decision making authority concerning variances relating to third party signs to Community Council</p>	<ul style="list-style-type: none"> • applicants apply to vary certain regulations of the Sign By-law relating to first party signs • report is prepared by Toronto Building staff • Chief Building Official makes decision concerning variance application 	<ul style="list-style-type: none"> • Chief Building Official 	<ul style="list-style-type: none"> • appeal to Community Council by proponent, Ward Councillor or party entitled to notice of variance under proposed Sign By-law • staff report is prepared by Toronto Building with recommendations and presented to Community Council • decision of Community Council is final 	<ul style="list-style-type: none"> • delegation streamlines the first party sign variance process • third party signs have City-wide implications • Community Council is accountable appellate body for staff decisions • no significant change from current process
	<ul style="list-style-type: none"> • applicants apply to vary certain regulations of the current Sign By-laws relating to third party signs • staff report is prepared by Toronto Building with recommendations and presented to Community Council 	<ul style="list-style-type: none"> • Community Council 	<ul style="list-style-type: none"> • decision of Community Council is final 	
<p>Delegate all decision making to Chief Building Official, with right of review of decisions with right of review of decisions by the Community Council</p>	<ul style="list-style-type: none"> • applicants apply to vary certain regulations of the Sign By-law • report is prepared by Sign Unit staff • Chief Building Official makes decision concerning variance application 	<ul style="list-style-type: none"> • Chief Building Official 	<ul style="list-style-type: none"> • appeal to Community Council by proponent, Ward Councillor or party entitled to notice of variance under proposed Sign By-law • staff report is prepared by Toronto Building with recommendations and presented to Community Council • decision of Community Council is final 	<ul style="list-style-type: none"> • efficiencies gained through delegation to staff • streamlines the variance process • Community Council is accountable appellate body for staff decisions • no significant change from current process

Approach	Procedure	Decision-Maker	Further Consideration	Observations
No Variance process	<ul style="list-style-type: none"> No proposals to vary the new regulations should be permitted. 	<ul style="list-style-type: none"> provisions of the in-force Sign By-law, enacted by Council 	<ul style="list-style-type: none"> no review or appeal body as there is no variance process. Only amendments to the Sign By-law would allow for deviations 	<ul style="list-style-type: none"> applicants deprived of the ability to vary the Sign By-law where hardship may exist

The existing process does not have established criteria with which to review or consider all of the variance applications made to the City. Additionally, some of the Sign By-laws of the former Municipalities contain provisions that reflect pre-amalgamation organizational structures reflecting differing staff responsibilities for variance applications. This report recommends that Chapter 835, Sign, of the Municipal Code of the former City of York, and, Chapter 215, Signs, of the Municipal Code of the former City of Etobicoke be repealed. This report recommends the establishment of a separate Sign Variance Committee; details of the Sign Variance Committee are as follows:

Committee Mandate:

- The Committee will be an arms-length independent body that will hear appeals of staff decisions on variance applications for first party signs and will be the decision maker on variance applications for third party signs;
- Meetings would be generally scheduled every 4 weeks depending on the application volume;
- The Sign Variance Committee will have a term of four years;
- The Committee will conduct itself in accordance with a procedures by-law and is also governed by the Sign By-law;
- Meetings would be held at Toronto City Hall.

Committee Membership:

- The Sign Variance Committee will consist of 5 citizen members;
- Members will be recruited through City-wide media advertising and screened against Council approved qualifications by a City staff team;
 - The Civic Appointments Committee will select a short list of candidates, conduct interviews, and nominates candidates as members and the Chair of the Sign Variance Committee for approval by City Council;
- In addition to any general eligibility requirements, members should collectively bring the following skills and expertise to the committee:
 - demonstrate a strong interest in the complexities and challenges of city building;
 - bring an understanding of the diverse neighbourhoods and communities across the city;
 - have knowledge in one or more areas of: law, planning, architecture, government, economic development, community development, land development, or citizen advocacy, but not act as an agent for parties before the Sign Variance Committee;
 - demonstrate decision-making, communication, and mediation skills to facilitate an open and fair meeting process; and
 - at least 2 members should have adjudication experience and public speaking and organizational skills to be able to chair public hearings and maintain order in conflict situations.

The Sign Variance Committee would be assisted by the support staff currently assigned to assist the Committee of Adjustment.

The new Sign By-law also proposes criteria for assessing sign variance applications. The new criteria provide for a clear rationale when evaluating variances to the provisions of the new Sign By-law.

In order to streamline the variance process, this report also recommends that the Chief Building Official initially consider variance applications for first party signs. The application would be measured against criteria detailed in the new Sign By-law. Should the applicant, Ward Councillor, or anyone who received notice of the variance application under the provisions of the proposed Sign By-law have a concern or disagree with the staff decision on the variance application, the appeal process would allow the Sign Variance Committee to hold a meeting to make the final decision.

With respect to third party signs, this report recommends that the Sign Variance Committee consider variance applications and make final decisions using the clearly detailed criteria of the Sign By-law along with reports from the sign unit staff.

To address the comments of some stakeholders concerning public notification, the proposed Sign By-law contains a notice provision. It is proposed that a notice be posted on the property providing details of the variance application, and that a further notice be sent directly to property owners within:

- 60 metres of the property where the proposed sign is a first party sign and
- 120 metres of the property where the proposed sign is a 3rd party sign.

Refer to Appendix H and Appendix I for further details on the Sign Variance Committee and the proposed Variance Processes.

Applicants seeking permission to erect prohibited signs or introduce design guidelines for signage are seeking to change a fundamental aspect of the Sign By-law and its intent regarding the type of signs permitted in a sign district. For example, as a roof sign in a sign district is prohibited, this type of sign should only be permitted by means of a by-law amendment. Where an applicant wishes to erect a sign that is prohibited or wishes to approve a Signage Master Plan, as detailed in this report, the applicant must apply for an amendment to the Sign By-law.

It is recommended that all applications for Sign By-law amendments are of City wide importance and should be considered by Council, through the Planning and Growth Management Committee. This report recommends the removal of the delegated power currently held by Community Councils to consider and make final decisions with respect to applications for a Sign By-law amendment.

Signage Master Plans

A co-ordinated Signage Master Plan, similar in scope to the Uniformity Plan applied in the former City of Scarborough, is another component of the proposed new Sign By-law

and is a means to allow for creative and flexible expression and sensitive insertion of signage in the public realm. For large-scale multi-occupancy developments where signs are intended to be a key part of the design of the buildings and spaces, Signage Master Plans would be developed as a guiding framework to implement and coordinate appropriate signage as the development proceeds, providing design feasibility, and reducing the need for variances.

It is expected Signage Master Plans could be reviewed and approved in parallel with any related development approvals where applicable. A Signage Master Plan would be adopted by way of a site-specific by-law amendment.

Key Features of the New Sign By-law

Two Permit System

In addition to requiring a permit for signs pursuant to the City's existing Sign By-laws, the vast majority of signs also require Building Permits pursuant to the *Building Code Act, 1992*. When an application is submitted to the City for the erection of a sign, two reviews are conducted by Toronto Building plan examination staff. The first review is carried out to ensure compliance with the provisions of the applicable Sign By-law. The second review is carried out to ensure compliance with the provisions of the Ontario Building Code that relate to signs. The regulations in the Ontario Building Code pertaining to signs deal generally with sign structures, the manner by which a sign is attached to a building, and the way in which a sign affects the building to which it is attached.

It has been the City's practice to issue only one document authorizing the erection of a sign which functions as both the "Sign Permit" pursuant to the applicable Sign By-law and the "Building Permit" pursuant to the *Building Code Act*. A permit is not issued until it has been established that the proposed sign complies with the provisions of the applicable Sign By-law, the Ontario Building Code, and any other applicable law. The issuance of one permit to address two separate approval authorities has led to some confusion in recent years. Applicants may not always be aware that the permit being issued encompasses both aspects and is in effect both a Sign Permit and a Building Permit. Further, there has been confusion with respect to enforcement including which legal tools are available for enforcement, the division of responsibility for enforcement, which tools should prevail and how to effectively enforce given that two separate legal regimes are applicable. Finally, the enabling legislation governing the issuance of Sign Permits and Building Permits is distinct and different with separate regulatory provisions thereby resulting in different legal implications for the permit applicant.

It is therefore being recommended that the practice be changed such that two separate permits will in future be issued; a Sign Permit pursuant to the City's new Sign By-law and a Building Permit pursuant to the *Building Code Act*. Moving to a two permit system

will eliminate all confusion both to the permit applicant and the City and will result in more effective enforcement.

Fees:

To accommodate the issuance of both a Sign Permit and Building Permit, it is recommended that similar administrative fees as listed in Chapter 363 of the Municipal Code in relation to Building Permits be added to Chapter 441 of the Municipal Code to apply to Sign Permits. The amount of the fees added to Chapter 441 of the Municipal Code will correspond with the amounts currently prescribed by Chapter 363, and will be subject to an annual adjustment as per Subsection 441-4 of Chapter 441, Fees and Charges, of the City of Toronto Municipal Code. The provisions of the new Sign By-law require Chapter 441 to be amended to contain fees for the renewal and transfer of sign permits. Proposed amendments to the fees listed in Chapter 363 and 441 of the Municipal Code are contained in Appendix F.

Sign Districts

Historically, Sign By-laws relied on municipal Zoning By-laws and the use permissions and categories established in them. This is the case in Toronto, with the Sign By-laws generally relying on the zoning categories set out in the City's 43 Zoning By-laws. Since Toronto is now nearing completion of an effort to replace the 43 Zoning By-laws with a new single City-wide Zoning By-law, it would be impractical to create a single City-wide Sign By-law based on these by-laws. As the Official Plan is a guiding document for by-laws created by the City, it is proposed that the types of signs permitted and the associated regulations be established in accordance with the underlying uses envisioned by the Official Plan.

These Sign Districts are proposed to be identified on a map, forming Schedule 'A' to the proposed Sign By-law that is substantially consistent with the map attached to this report as Appendix 'B'. The Sign District Map aligns with the Official Plan and is consistent with the more precise legal mapping for the new City-wide Zoning By-law. The Sign District map is also expected to be made available in an interactive, electronic format allowing for ease of access to the regulations pertaining to each district.

Special Sign Districts

In addition to the general Sign Districts above, the new by-law establishes several Special Sign Districts where signs are a determining factor in setting an area's fundamental visual character in a way that differentiates it from other Sign Districts. These are areas where the character is either created or enhanced by the presence or type of signs, such as that of Dundas Square. Alternatively, the absence of signs in an area that would otherwise detract from its specific appearance would also constitute an area with special character with respect to signage.

The current Sign By-laws contain a number of areas where signage is restricted for this very reason. Some examples include:

- the area around City Hall and Nathan Philips Square,
- portions of University Avenue and
- the area surrounding Fort York.

It is proposed that the new Sign By-law address the special character of areas with respect to signage by establishing a Special Sign District which carries forward the existing provisions of the current Sign By-laws in these areas. Alternatively, the new Sign By-law address will address specific areas where signage is inappropriate by developing specific provisions dealing with a geographic area (e.g. prohibiting signage within specific a distance from a highway).

Gardiner Gateway

The area surrounding the F.G. Gardiner Expressway at Exhibition Place is an area where large, illuminated, spectacular-type billboards have been installed. By virtue of the amount, size, purpose, and type of signs that have evolved in this area, signage has become a defining element of its character.

The ‘Gardiner Gateway’ reflects an area established by Subsection 297-12N of Chapter 297, Signs, of the Municipal Code of the former City of Toronto. Currently, Subsection 297-12N of Chapter 297 allows a ground or roof sign to be erected on industrial/employment lands in the ‘Gardiner Gateway’ area if the ground or roof sign does not have a height greater than 15 metres or an area exceeding 50 square metres.

The new Sign By-law proposes to establish a Special Sign District that is limited by Strachan Ave to the east; Dufferin Street to the west; King Street to the north; and Lake Ontario to the south. The proposed ‘Gardiner Gateway’ is included within a second larger area established by Subsection 297-13 of Chapter 297, Signs, of the Municipal Code of the former City of Toronto. This larger area surrounds the Gardiner Expressway from the Humber River in the west to Woodbine Avenue in the east, as well as includes the southern portion of the Don Valley Parkway and certain other specifically listed properties.

This larger area established by Subsection 297-13 of Chapter 297, Signs, of the Municipal Code of the former City of Toronto has a broad permission that allows for sign attributes, including copy display technologies, to be changed without the need to comply with the other applicable sections of Chapter 297 provided those sign structures are larger than 63 square metres in area. The original intent of this regulation was to provide sign owners an opportunity to upgrade older sign structures with new sign structures that could be more aesthetically pleasing. However, Subsection 297-13 of Chapter 297 has only served to prolong the life of non-conforming signs in areas of the City where they may no longer be desirable, such as adjacent to residential uses or natural areas

It is proposed that the Subsections 297-12N and 297-13 of Chapter 297, Signs, of the Municipal Code of the former City of Toronto be repealed upon approval of the new Sign By-law and be replaced with new regulations for the ‘Gardiner Gateway’ area as described in the proposed Sign By-law attached as Appendix A.

It is proposed that in the proposed ‘Gardiner Gateway’ Special Sign District, the underlying regulations that would otherwise apply under the proposed Sign By-law will still apply. It is also proposed all premises in the ‘Gardiner Gateway’ Special Sign Districts will have an additional permission that will allow any legally existing third party wall or ground signs in this area containing any electronic copy to be replaced with a sign containing electronic static copy as defined in the proposed Sign By-law up to 15 metres in height, and 50 square metres in area.

It is thought that this permission will further enhance the existing sign structures in the area in a positive way, allowing the area to serve as a ‘gateway’ to the downtown area. Any sign that takes advantage of the conversion will be subject to a five-year sign permit and any renewal of the sign permit would require a review of the surrounding land uses.

Yonge-Dundas Square

Yonge-Dundas Square was officially opened in 2003 as part of the revitalization of Downtown Yonge. It is part of the City’s reinvestment in the downtown core and the revitalization of Yonge and Dundas. Yonge-Dundas Square is utilized year-round as public open space, as well as for a variety of events.

Toronto Life Square, the retail, office and entertainment complex on the north side of Yonge-Dundas Square, was opened in 2007. A site-specific by-law 695-2007 was enacted to allow increased permissions regarding signage from those provisions in Chapter 297 of Municipal Code of the former City of Toronto.

A site-specific by-law 1997-0615 was enacted in 1997, which amended Chapter 297 of the Municipal Code of the former City of Toronto to permit the media tower at 306 Yonge Street, the northwest corner of Yonge Street and Dundas Street. The media tower is located on the property to the north of the heritage building that is immediately located on that corner. In 1998 and 1999, site-specific by-laws 1998-0835 and 1999-0370 were enacted to amend Chapter 297 of the Municipal Code of the former City of Toronto to permit signage installations on 1 Dundas Street West, and the Eaton Centre, including the media tower on the southwest corner of Yonge and Dundas Streets.

In addition, variances from Chapter 297 of the Municipal Code of the former City of Toronto have been granted to permit other signage installations in the area. The new Sign By-law proposes to maintain and carry forward the current regulations with respect to the signage on properties surrounding Yonge-Dundas Square.

Downtown Yonge Business Improvement Area

A recently completed Signage Vision Exercise for the Downtown Yonge Business Improvement Area in an area beyond the current Yonge-Dundas Square is an example of how the goals of a specific vision can be developed into a framework to evaluate future sign proposals. Once a framework has been fully developed, sign standards will be included in the new Sign By-law to support the long-term vision for future signage within the district.

The City will consider establishing new Special Sign Districts through a similar approach where a signage vision has been prepared. The vision will guide the development and adoption of appropriate sign standards for the area and its future growth.

While some specifics have been developed in consultation with Heritage and Community Planning staff, the regulations included in the new Sign By-law will not contain all of the specifics contained in the recently completed Signage Vision Exercise. The area will be established by the new Sign By-law and initially contain regulations for the area that are consistent with those that apply to commercial sign districts, instead of the more restrictive regulations for commercial-residential sign districts which would otherwise apply to the area.

Chinatown

Chinatown, located in and around the intersection of Spadina Avenue and Dundas Street, is an area in the City recognized by the signage identifying the businesses and character of the area.

This new sign district will allow first party wall, projecting, and overhanging signs to be permitted on the third storey of a building as opposed to only the second, and, will provide for an increased ratio for these signs in comparison to other commercial sign districts. These increased permissions reflect and are expected to enhance the character of the area.

Environmental Considerations

In keeping with the City of Toronto's environmental goals that include objectives for energy efficiency and sensitivity to the natural environment, proposed regulations in the new Sign By-law will:

- require all new third party advertising signs using electricity, including electronic display signs, to provide on-site renewable energy or enter into and maintain an agreement to purchase renewable energy;
- require all new first party signs to be turned off within 4 hours of a smog alert being issued for the City of Toronto;

- require the illumination of all new signs to be consistent with the City’s Bird Friendly Development Guidelines;
- protect trees and natural areas as per Municipal Code requirements found in Chapter 658 and Chapter 813;
- set maximum illumination levels for all signs;
- restrict illumination levels in residential areas and parks: and,
- require that all new illuminated first-party signs to be turned off at the end of the business day.

While adding a requirement that all third party sign copy be re-used or recycled was explored, it was determined that due to the wide range of materials and methods used to display sign copy, this would not be practical at this time. A requirement of this nature would also be extremely difficult to enforce and monitor as it would require Sign Unit staff to trace the origins and/or destinations of all third party sign copy used and discarded within the City.

First and Third Party Signs

Current Sign By-laws in place throughout the amalgamated City and in other municipalities across Ontario and North America recognize and distinguish between first party signs and third party signs. A first party sign is a sign that normally identifies a business or use on the site where it is located. A third party sign is generally a sign that displays a message about something that is not available or related to the use or business on the site where it is located. The new by-law proposes to maintain this distinction. To adopt the principle of readability and ease of use in the new Sign By-law, sign types have been generalized as follows:

- Ground Sign
- Fuel Pump Sign
- Wall Sign
- Overhanging Structure Sign
- Projecting Sign
- Window Sign
- Topiary Sign
- Roof Sign

GENERAL CONSIDERATIONS

Roof Signs

Roof Signs are regulated by the current by-laws in various ways. They are permitted under varying conditions in industrial and commercial locations in all of the Sign By-laws of the former municipalities as outlined in Appendix C. By comparison, many GTA

and North American municipalities do not permit Roof Signs in their Sign By-laws. Prohibiting these sign types is intended to avoid the negative visual impacts Roof Signs can have, in many cases effectively undermining the urban design objectives for the massing and built form of the buildings where they are located. As such, it is recommended that the new Sign By-law prohibit all new Roof Signs, both first party and third party.

Mural and Painted Signs

The former City of Toronto established Mural Signs as a specific sign type painted directly on the “face of a wall” and the Sign By-law of the former City of York permitted a similar “painted Wall Sign”. In both cases, the painted Wall Signs were permitted to be substantially larger than other Wall Signs, subject to certain restrictions. With the broad availability of new approaches to the installation of large Wall Signs, apart from hand painted signs, it is recommended that the separate, distinct, and more favourable permissions for mural and painted signs not be carried forward in the new Sign By-law and mural and painted signs be regulated in the same fashion as all other Wall Signs.

Second Party Copy

The issue of second party copy on first party signs (i.e. a sign that displays third party copy that is located where the service or good advertised is available) is not specifically addressed in current by-laws. To avoid visual confusion between first party signs and third party signs, the proposed Sign By-law will limit the amount of copy on a first party sign used for the display of second party copy to 30% of the area of the sign.

THIRD PARTY SIGN PROPOSALS

The greatest amount of public comment and interest in the development of this by-law has focussed on third party advertising signs. Third party signs are defined as signs that advertise a product, service or event that are not located or available at the location where the sign is located or displayed. Current by-laws use various terms to describe this sign type including billboard, off-premise sign, street ad, standardized outdoor advertising sign, non-accessory sign, marketplace advertising sign, and third party advertising sign.

Comments were made about the number of third-party signs in Toronto and their effect on the appearance of the City. Concern was also expressed regarding the City’s process for approving these signs, including review of applications and the sign variance approval process. In addition, comments were received requesting consistent and suitable standards for regulating the size, location, and display methods of these signs in the future.

An inventory of third party advertising signs, established as part of the Sign By-law project, identified over 2000 sign installations resulting in over 4,000 third party sign faces in Toronto. This number is equivalent to one sign face for every 623 residents. In

comparison, other Ontario municipalities have Sign By-laws that are much more restrictive. The City of Burlington, allows a maximum of 50 third party signs, equating to one-third party sign for every 3,300 residents. The Town of Markham allows a maximum of 10 third party signs, equating to one third party sign for every 26,000 people. Since the population is also considerably higher in Toronto, it is clear that there is a significantly higher physical concentration of signs in Toronto in comparison to its GTA neighbours.

Type

Third party signs permitted under the current Sign By-laws are generally categorized as Wall Signs, Ground Signs, or Roof Signs depending on their location. While the new Sign By-law proposes to prohibit new first and third party Roof Signs, it continues to allow Ground Signs and Wall Signs under specific restrictions as described below.

Size and Height

The size and height restrictions for third party advertising signs vary to some extent among the current by-laws and by factors such as property frontage, location, and type as outlined in Appendix C. The proposed new Sign By-law provides a standard sign size of 20 square metres, which corresponds to the standard size of third party signs utilized by the outdoor advertising industry. The new Sign By-law also proposes to apply a maximum height of 10.0 metres for third party Ground Signs, which marginally exceeds the average permissions found in the current by-laws.

The new Sign By-law proposes to establish a maximum permitted height of 15 metres above grade for third party Wall Signs. The new Sign By-law will not permit third party Wall Signs to face a street, except where the sign is erected in a Utility District. The new Sign By-law intends to orient third party Wall Signs to pedestrians and reduce the impact of third party advertising on the City's streetscape and views.

Location

Locations where third party wall and ground Signs are permitted in the current Sign By-laws are largely limited to areas used for commercial, industrial, employment or transportation and utility purposes, with the exception of the former City of Toronto by-law which also permits these signs in Mixed Use areas.

Under the new Sign By-law, it is proposed that only the following new third party sign types be permitted in the following areas:

- Commercial Sign Districts and Commercial-Residential Sign Districts
 - Wall Signs
- Employment Sign Districts
 - Ground Signs
- Utility Sign Districts

○ Ground Signs and Wall Signs

The regulations proposed in the new Sign By-law are generally consistent with restrictions on third party signs found in the current by-laws and/or provincial policies.

Examples of restrictions for third party signs proposed in the new by-law include:

- Not permitted to be facing a street;
- Not permitted within 400 metres of any limit of Highways and portions of the Gardiner Expressway (consistent with Ministry of Transportation Policy);
- Not permitted within a Heritage Conservation District unless permitted by the Heritage Conservation District Plan; and,
- Not permitted on a listed or designated heritage building unless expressly allowed.

While removing the opportunity for Roof Signs and Ground Signs in commercial areas, the new regulations create new opportunities for Wall Signs in commercial areas of the former municipalities of Etobicoke and North York as this sign type is found to be more compatible with commercial uses and the form of development encouraged by the City.

The new Sign By-law will provide new permissions for Ground Signs in employment areas on developed property in the former municipalities of Etobicoke and North York. The proposed regulations also allow third party signs on roads that are not arterial roads in the former municipality of East York.

Separation Requirements

The new Sign By-law proposes a minimum 100 metres radius separation from any other third party advertising sign. This is similar to the rules in the current Sign By-laws where the average separation distance between third party signs is approximately 105 metres. This average is also comparable to the separation distance average of 95 metres in other major Canadian cities. The separation distance in these cities ranges from 60 metres in Montreal to 150 metres in Ottawa.

In addition, the new by-law proposes a minimum 30 metre separation from a street intersection and a minimum 30 metre separation from any limit of a Residential District, Residential Apartment District, or Open Space District. The proposed 30 metre separation requirement is effectively equivalent to a standard lot depth in the City and is proposed to minimize any visual conflict and impact on sensitive uses.

Cap

As the proposed provisions of the new Sign By-law are considered and adopted, a cap or maximum permissible number of third party signs is not recommended. It has been determined that the use permissions and performance standards for new signs are the most effective way to regulate the distribution of third party signs and their impact on the

visual quality of the public realm. Furthermore, the caps on third party signs in place in the former City of York and the former City of Scarborough, respectively, have not proven to be effective enforcement tools.

Motion and Animation in Third Party Signs

Through the consultations, it was suggested that the existing in-force Sign By-laws have been unable to keep pace with emerging technologies introduced by the sign industry. The current by-laws attempt to regulate the physical motion, illumination, rotation and other associated movements of signs, all characteristic of analog technology.

However, the sign industry has developed digital technology with the application of LED and LCD displays. The traditional sign painters and those who physically applied sign copy to sign faces have been replaced by computer controlled digital display technology creating high definition images and rapid image change. As a result, these new higher quality and more powerfully expressive sign types can be the most visually intense signs in the City. The new Sign By-law proposes to identify these signs and regulate them based on potential distractions, public safety, and compatibility with existing and future land uses. To this end, the new Sign By-law proposes to regulate the dwell time (the length of time in which the static image is displayed) and transition time (the time required to change the electronic display) of these signs.

Fully animated or dynamic digital displays will continue to be permitted in and around Dundas Square. Areas that are similar in nature to Dundas Square may also be considered as Special Sign Districts where a signage vision has been adopted.

A new type of sign displaying static images of electronic copy has been proposed in specific areas of the City by the sign industry. This particular type of sign copy has generally not been contemplated in the existing Sign By-laws of the former municipalities. It is proposed that this sign type be recognized in the new Sign By-law and be permitted in specific areas of the City where visual impacts can be mitigated.

In and around the F.G. Gardiner Expressway at Exhibition Place there is a concentration of large format and spectacular third party signs. The signs are among the largest of the third party signs in the City and they provide a “bright lights - big city” approach in advance of the panoramic views of new high-rise condominium neighbourhoods and the City’s Financial District beyond.

First Party Sign Proposals

The majority of signs in the City are first party signs. These signs identify businesses or uses on the site or property where the sign is located. They are also interchangeably described as on-premise signs, accessory signs, identification signs, and business signs. Although individually they generally have less impact than third party signs,

cumulatively they can have considerable impact on the quality of the urban experience. Described below are the broad regulations proposed for some of the first party signs in the new Sign By-law.

Ground Signs

First party Ground Signs are free-standing signs permanently mounted in the ground. Standards are intended to restrict the number of signs per frontage, the size of the sign relative to the size of the property and the height relative to the characteristics of the property.

It is proposed that the new Sign By-law provide a range of maximum heights for these signs depending on the land use and other property characteristics such as street frontage.

Wall Signs

First party Wall Signs are signs generally attached to the front wall of a building in proximity to the ground floor commercial occupancy. Standards are intended to ensure signs are in scale with the building and its elevation facing the street.

Wall Signs are proposed to be limited in scale as follows:

- Maximum area at the first storey: 20% of the first storey façade of a building;
- Maximum height at the first storey: the lesser of 4.5 metres above grade or the base of a window sill on the second storey;
- Maximum area on the second storey: 10% of the second storey façade;
- not permitted above the second storey of a building with the exception of a logo or corporate symbol on a building more than 10 storeys;
- not permitted to project above the wall or parapet of a building.

Window Signs

First party Window Signs attached to the interior of windows are currently subject to minimal or no restrictions in most of the current Sign By-laws. However, the new Sign By-law contains regulations to prevent window signs from obscuring the window, blocking visibility through the window or functioning as additional Wall Sign area.

Recommended standards are:

- Maximum area of a Window Sign equal to 25% of the entire window;
- Only permitted on the first and second storey;

Other Considerations

Video Displays at Automobile Service Stations

Automobile service stations contain consciously designed signage. These signs form part of a branding scheme that is reproduced among these nationally recognized business locations. The impact of video displays located on fuel pumps has been raised as an issue and has been investigated by the project team drafting the new Sign By-law. It has been determined that these sign types will be regulated in the new Sign By-law and will require a Sign Permit in order to avoid impacts on adjacent streets as well as limit their size and location on site.

COMMENTS – THIRD PARTY SIGN TAX

COTA is very specific in the way that any new taxes can be levied. Taxes must be direct taxes and cannot be based on income, profits or energy or resource consumption. In the case of a tax on third-party signs, the tax would have to be determined based on the sign itself with consideration of some characteristics of the sign, rather than the income the sign may generate for the operator.

The potential objectives for the allocation of revenues from the TPST raised during the public consultation process were to provide funding for enhanced enforcement of the Sign By-law and to provide revenue to support City beautification, and arts and culture, initiatives.

There was also an opportunity for the TPST to be used to reinforce the goals and objectives of the new Sign By-law, with rates determined based on the sign types that the new by-law encourages or prohibits, as well as contributing to the overall goal of reducing sign clutter and the environmental impacts of signs.

Models Considered:

With this in mind, the Sign By-law Team considered four basic models for the determination of a tax on outdoor advertising devices: a flat tax per sign; A tax based on the geographic location of a sign (i.e. a sign located in the downtown area vs. another area of the City); a tax based on the size of the sign (proposed in the Hemson Report, 2007); a tax based on the display technology being used by a sign (i.e. a static display sign vs. a video or tri-vision sign); and, a combination tax based on size and/or type of sign and the display technology used.

These models are summarized in Table 3 below.

Table 4 - Possible Models for a Third Party Sign Tax

Model	Calculation Method	Pros	Cons
Flat Tax per Sign	An identical amount of tax is assessed in relation to every sign	<ul style="list-style-type: none"> • Easy to calculate and administer 	<ul style="list-style-type: none"> • Questions of fairness as this model does not consider the different nature of various signs • Does not contribute to goal of promoting environmentally friendly sign technologies
Tax Based on Geographic Location	The amount of the tax payable in relation to a sign is assessed based on the location of the sign within the City	<ul style="list-style-type: none"> • Many options available for the selection of a geographic area • Geographic areas could be modified over time • May help reduce sign clutter in some areas of the City. 	<ul style="list-style-type: none"> • Data requirements increase • Changing geographic areas could increase the difficulty in administration • Does not take into account size, or display technology being used • Does not contribute to the goal of promoting environmentally friendly sign technologies
Tax based on Size (Proposed in Hemson Report, 2007)	The amount of tax payable in relation to a sign is assessed on the size of sign on a square metre basis	<ul style="list-style-type: none"> • Tax would be reflective of the signs contribution to sign clutter 	<ul style="list-style-type: none"> • Data requirements increase significantly • Level of measurement and verification for every sign would increase and may be extremely difficult due to variable sign sizes • May require by-law amendments to capture new display technologies
Tax Based on Display Technology	The amount of tax payable in relation to a sign would be assessed on the method utilized to display sign copy ,	<ul style="list-style-type: none"> • Tax would be reflective of the sign's contribution to sign clutter • Could be designed to provide incentives for more environmentally friendly signs 	<ul style="list-style-type: none"> • Data would require frequent review as sign faces change from one technology to another • May require by-law amendments to capture new display technologies
Tax Based on type of sign ; display technology; and size ranges (Recommended)	The amount of tax payable in relation to a sign is one of five different amounts assessed in relation to the overall size of the sign, the display technology used, and sign type	<ul style="list-style-type: none"> • Easy to calculate and administer • Fair as the model considers the nature of the differing signs in the City • Tax would be reflective of the sign's contribution to sign clutter • May help reduce the sign clutter in some areas of the City; • Could be used to further other goals and objectives of the City 	<ul style="list-style-type: none"> • May require by-law amendments to capture new display technologies

Selection of an Appropriate Model:

After a closer review of the different models and consulting with City staff, industry and stakeholder groups and an outside economist, the Sign By-law Team recommends that the most appropriate and fair model for taxing third party signs is based on: the overall size of the sign; the sign type; and the copy display technology.

The Sign By-law team determined that the model proposed in the Hemson Report of assigning a tax per square foot on a sign-by-sign basis would have proven very difficult to manage, as it would be very cumbersome and complex to confirm the exact size of the approximately 4000 lawfully erected sign faces in the City of Toronto.

The proposed TPST could potentially contribute to all of the policy objectives of the new Sign By-law, as well as raise sufficient revenues for its administration and contribute to other City goals.

Establishing the Rates

The Sign By-law Project Team received advice from an economist, retained to assist in developing the third party sign tax concerning the maximum threshold and appropriate overall level of taxation. The economist conducted a review of similar charges in other jurisdictions. The Sign By-law Project Team reviewed the advice of the economist and the Hemson Report, in determining how burdensome the proposed tax may be to a sign owner, and for determining an appropriate overall level of taxation.

The Sign By-law Team also engaged in consultations with representatives from the outdoor advertising industry. The information that the Sign By-law Team received from the outdoor advertising industry, made it clear that in order to arrive at a fair method for determining the tax; sign size, type and technology would need to be considered.

By considering the three factors of overall size of the sign, the sign type, and the copy display technology in the calculation of the amount that each sign attracts in tax, the proposed TPST establishes a tax model that will not unduly burden the owner of any particular sign.

Sign Classes

In order to create categories for the signs based on size, type and technology and ensure that all current and anticipated third-party sign types are captured, five sign classes have been developed for the purpose of applying the tax. Under the proposed tax structure, each sign class would have a corresponding tax rate assigned to it based on types of signs permitted by the new Sign By-law. These groups are detailed in Table 4 below.

Table 4 - TPST Sign Classes

Sign Class	Description of Signs in Class	Rationale
Class I	<ul style="list-style-type: none"> • Ground signs only displaying static copy with an aggregate sign face area of less than or equal to 15 square metres, and • Wall signs only displaying static copy with an aggregate sign face area of less than or equal to 25 square metres 	<ul style="list-style-type: none"> • Signs are permitted in some sign districts as-of-right • Size is less than or equal to the maximum permitted in the new sign by-law • Minimal environmental impacts
Class II	<ul style="list-style-type: none"> • Ground signs only displaying static copy with an aggregate sign face area greater than 15 square metres and less than 45 square metres, • Wall signs only displaying static copy with an aggregate sign face area greater than 25 square metres but less than 45 square metres, and • Wall signs displaying mechanical copy, in whole or in part, with an aggregate sign face area of less than or equal to 25 square metres 	<ul style="list-style-type: none"> • Smaller signs may be permitted in some sign districts as-of-right • Greater environmental impacts through light pollution and energy consumption • Mechanically moving signs may contribute to noise and driver distraction
Class III	<ul style="list-style-type: none"> • Ground signs displaying mechanical copy, in whole or in part, with an aggregate sign face area of less than or equal to 25 square metres, and • Roof signs displaying static or mechanical copy, in whole or in part, with an aggregate sign copy area less than or equal to 45 square metres 	<ul style="list-style-type: none"> • Roof signs are prohibited in the new Sign By-law • Roof signs are more difficult to access to regulate • Roof signs contribute greatly to sign clutter in some areas of the City • Mechanical signs consume greater amounts of energy • Greater environmental impacts through light pollution and energy consumption • Mechanically moving signs may contribute to noise and driver distraction
Class IV	<ul style="list-style-type: none"> • Ground signs only displaying static copy with an aggregate sign face area greater than 45 square metres, • Ground signs displaying mechanical copy, in whole or in part, with an aggregate sign face area greater than 25 square metres • Wall signs only displaying static copy with an aggregate sign face area greater than 45 square metres, • Wall signs displaying mechanical copy, in whole or in part, with an aggregate sign face area greater than 25 square metres and, • Roof signs displaying static or mechanical copy, in whole or in part with an aggregate sign copy area greater than 45 square metres 	<ul style="list-style-type: none"> • Large format signs require greater amounts of energy to illuminate • Contribute greatly to sign clutter in some areas of the City • Large mechanical signs consume greater amounts of energy • Locations are limited in the new Sign By-law

Sign Class	Description of Signs in Class	Rationale
Class V	<ul style="list-style-type: none"> All signs displaying or containing electronic static copy or electronic moving copy 	<ul style="list-style-type: none"> Contribute significantly to light pollution Require large amounts of energy to operate Concerns about driver distraction and safety Public concern over these sign types Locations are limited in the new Sign By-law

Phase in of Rates and Future Increases

In light of the current economic conditions and to allow for a transition period, it is recommended that the annual TPST rates effective July 1, 2010 will be prorated so as to only apply for half the year, and that the tax not be payable until September of 2010.

Table 5 - Proposed Annual Tax Rates per Sign

	Class I Advertising Device (per Sign)	Class II Advertising Device (per Sign)	Class III Advertising Device (per Sign)	Class IV Advertising Device (per Sign)	Class V Advertising Device (per Sign)
Pro-rated per Sign - 2010	\$575	\$1,425	\$2,475	\$5,500	\$12,000
Rate per Sign – 2011	\$1,150	\$2,850	\$4,950	\$11,000	\$24,000

It is recommended that the tax be indexed annually in accordance with the City overall property tax rate increase from the prior year. In this way the tax revenue would be subject to the same increase or decrease that the overall City budget is faced with, lagged by a year for administrative purposes (so the change is known well in advance and established in time for a January 1st update). In general, this would also protect the tax revenue from erosion by inflation. The formula for the annual increase would be last year's sign tax rate multiplied by the following

$$\frac{\text{SUM, for each property class, of} \\ \text{Prior Year Rateable Assessment X} \\ \text{Prior Year Ending Municipal Tax Rate (excluding Charity rebates)}}{\div}$$

$$\frac{\text{SUM, for each property class, of} \\ \text{Prior Year Rateable Assessment X Prior Year Tax Rate for Base General Local} \\ \text{Municipal Levy Before Graduated Tax Rate}}{\div}$$

= Overall Property Tax Increase for Prior year

Listed below are the estimated revenues that the proposed TPST will generate in 2010 and 2011 based on an assumption of approximately 2000 lawfully erected third-party sign structures of varying size, type, and display technologies in the City of Toronto, and the above-mentioned pro-ratio for 2010:

- 2010 - \$5,200,000
- 2011 and forward - \$10,400,000

Collection, Administration, Enforcement, Refunds and Exemptions

Due to the technical nature of the tax calculation and the fact that the information on which the tax is based is likely to require some verification and/or inspection, it is recommended that the TPST be administered and collected by the Sign By-law Unit in Toronto Building. It is proposed that the TPST By-law delegate all necessary authority to the Chief Building Official for the collection and enforcement of the TPST.

Details regarding the collection, administration and enforcement of the TPST are set out in more detail in Appendix E to this report and include the following:

Collection:

- The Sign Owners will be required to submit an inventory of all existing and planned Third Party Signs that they are operating to the Sign Unit by January 31st of each year, and by March 31st 2010 for the 2010 tax year;
 - The information required to be submitted as part of the inventory will be:
 - the address and the ward, where each Third Party Sign being operated by the Sign Owner is located;
 - the aggregate size of the sign face(s) of each Third Party Sign in square metres;
 - the Sign Type(s) of each Third Party Sign;
 - Such other information as determined by the Chief Building Official as being required for the enforcement or proper administration of the TPST; and,
 - The information should be certified as accurate and true, and will be subject to inspection/audit, as required.
- Toronto Building will issue annual tax assessments by March 31st of each year, July 1st in 2010, which will be sent to the Sign Owner or to the Sign Owner's authorized agent;
- Payment of the TPST in accordance with the tax assessment will be due by July 1st of each year, and by September 1, 2010 for the 2010 tax year.

Administration:

- Third-Party Sign tax refunds will be administered by the Sign Unit in Toronto Building and issued where the Chief Building Official has determined in his or her discretion that the TPST has been collected in error;
- The amount of tax assessed will be prorated on a daily basis for Third Party Signs where a permit to construct or display a Third-Party Sign is issued in-year, or, where a permit to erect or display a Third-Party Sign is revoked in-year;
- Signs where the Sign Owner has an existing agreement with the City of Toronto for revenue sharing will not be subject to the TPST for the duration of the agreement; however, once the agreement expires the TPST will apply in full from the expiration date of the agreement;

Enforcement:

- In the event of delinquent payments or failure to pay taxes owed, Toronto Building will work with staff from Legal and Finance to seek any remedies, penalties and fines, or to initiate legal proceedings where required
- For any purpose relating to the administration and enforcement of the TPST By-law, the City of Toronto may audit or demand information from any person;
- The TPST will include an anti-avoidance provision to address certain situations where a Sign Owner may seek to avoid payment of the Third-Party Sign tax;
- If the TPST payment has not been received, the City will further assess the overdue TPST, together with applicable interest and penalties, and notify the Sign Operator in writing;
- If payment has not been received within 30 days of the date of the issuance of an Overdue Assessment, the Chief Building Official will be delegated the authority to determine the appropriate collection mechanism, which may include:
 - Bringing an action in the courts to recover any unpaid TPST;
 - Referral to a bailiff or a collection agency for collection of the TPST;
- The Chief Building Official may assess the following penalties in respect of the TPST:
 - A failure to pay the TPST where such a failure is attributable to fraud or wilful default – minimum penalty of \$120 and a maximum penalty of double the amount of the assessed tax payable;
 - A penalty for failure to comply with an audit – a maximum penalty of \$1000;
 - A failure to file the information return – minimum penalty of \$120 and a maximum penalty of double the amount of the assessed tax payable.
- The following will be continuing offences under the TPST by-law, punishable upon conviction by the following fines for each day on which the offence continues:
 - Making false statements – minimum daily fine of \$500, to a maximum fine of \$5000;
 - Interference with an Audit – maximum fine of \$5000;

- Contravention of the TPST by-law – maximum fine of \$5000.

Rebates and Exemptions:

- TPST refunds will be administered by Toronto Building and issued where the Chief Building Official has determined in his or her discretion that the TPST has been collected in error;
- Third Party Signs less than 1.0 square metres will be exempt from the TPST;
- Third Party Signs where the Sign Owner has an existing agreement with the City of Toronto for revenue sharing will not be subject to the TPST for the duration of the agreement; however, once the agreement expires the TPST will apply in full from the expiration date of the agreement;
- No tax is payable with respect to a Sign Owner who is one of the following persons or entities:
 - The Crown or a Crown agency within the meaning of the *Crown Agency Act*, R.S.O. 1990, c. C.48;
 - An authority, board, commission, corporation, office or organization of person a majority of whose directors, members or officers are appointed or chosen by or under the authority of the Lieutenant Governor in Council of Ontario or a member of the Executive Council of Ontario;
 - A board as defined in subsection 1(1) of the *Education Act*, R.S.O. 1990, c. E.2;
 - A university in Ontario or a college of applied arts and technology and postsecondary institution in Ontario whether or not affiliated with a university, the enrolments of which are counted for purposes of calculating annual operating grants entitlements from the Crown;
 - A hospital referred to in the list of hospitals and their grades and classifications maintained by the Minister of Health under the *Public Hospitals Act*, R.S.O.1990, c. P.40, every private hospital operated under the authority of a licence issued under the *Public Hospitals Act*, R.S.O. 1990, c. P.40, and every hospital established or approved by the Lieutenant Governor in Council as a community psychiatric hospital under the *Community Psychiatric Hospitals Act*, R.S.O. 1990, c. C.21;
 - A nursing home as defined in subsection 1(1) of the Nursing Homes Act, R.S.O. 1990, c. N.7, every approved charitable home for the aged as defined in section 1 of the Charitable Institutions Act, R.S.O. 1990, c. C.9, every home as defined in section 1 of the Homes for the Aged and Rest Homes Act, R.S.O. 1990, c. H.13, and a long-term care home as defined in subsection 2(1) of the Long-Term Care Homes Act, 2007, S.O. 2007, c.8, ss. 198(4), 232(2);
 - The Toronto Community Housing Corporation;
 - The Toronto Economic Development Corporation;
 - The City of Toronto;
 - A local board as defined in the *City of Toronto Act, 2006*, S.O. 2006, c. 11, Sched. A;

- Such other persons and entities as may be prescribed by the Lieutenant Governor in Council pursuant to subsection 272(b) of the *City of Toronto Act, 2006*, S.O. 2006, c. 11, Sched. A; and
- Such other persons and entities as may be exempted by by-law of the City.

Program and Policy Options for Allocation of Revenues:

In addition to the policy objectives identified for review by council, further suggestions have been made as the work on the Sign By-law progressed, including the potential to: use funds towards the preservation of Heritage Buildings with Third-party signs on them; and, funding the further implementation of the City of Toronto Climate Change Plan through energy efficiency retrofits for signs in the City.

Administration of the Sign By-law:

Throughout the development of the new Toronto Sign By-law, one of the main concerns that the public and stakeholders had was the enforcement of the Sign By-law(s).

The current enforcement practices are split between two City divisions: Toronto Building and Municipal Licensing and Standards (MLS). Toronto Building issues and inspects sign permits, and MLS follows up on complaints and violations on signs where there are no active permits. This split in service delivery has been a source of confusion for the public and stakeholders alike.

In response to this, the Sign By-law Team is proposing that a single unit for enforcement and administration of the new Sign By-law be created under Toronto Building.

Toronto Building funds the issuance and inspection of sign permits and variance applications through fees; there is currently no revenue stream available for pro-active enforcement or to follow up on complaints.

Although it would be possible to fully fund the enforcement of the by-law through increasing sign permit fees and other fees established in the Sign By-law, it is recommended that part of the annual revenue of the TPST, detailed in this report, be used to offset part of the administration and enforcement costs of the Sign By-law and tax, should Council agree to the tax. Although these costs could be recovered through an annual enforcement fee, it would be impractical to administer a separate annual fee in addition to the proposed tax.

Other Initiatives that may be Considered for Funding

Due to the current economic conditions and the uncertainty about future revenues for the City, revenues collected from the TPST beyond the cost of administering the Sign By-law may be required to maintain the current level of services being offered by the City of

Toronto to its residents and businesses, including those related to arts and culture and City beautification initiatives.

Two that could be considered through the 2010 budget process are: providing funding for arts and cultural initiatives; and, providing incentives for environmentally friendly signage in the City of Toronto.

Funding Arts and Culture

One of the original directions from Council in exploring the tax on third-party signs was that a portion of the revenues be directed towards the funding of City beautification, arts, and culture initiatives.

City Council approved the Culture Plan for the Creative City in 2003 as a ten-year cultural strategy for the City of Toronto. One of the main goals of this plan was that Council increase the per capita spending on culture to \$25 by 2008.

Some of the recommendations in the Culture Plan for the Creative City are:

- The transformation of University Avenue into an ‘Avenue of the Arts’;
- The development a Public Arts Master Plan;
- Encouraging Design Competitions for important municipal buildings and other public buildings and projects

The February 2008 Culture Plan Progress Report II identified that Council had achieved a per capita spending of \$18 per capita as of 2008, \$7 per capita short of the target.

Tax revenues may be well suited to maintaining or enhancing the current funding levels particularly for arts and culture initiatives, many of which are located in the public realm. The goals of the Culture Plan for the Creative City are aligned with the goals of the proposed Sign By-law as both contribute to enhancing the quality of the experience in the public realm.

Promoting Environmentally Friendly Signage in Toronto

In 2007, the City of Toronto adopted the Climate Change, Clean Air and Sustainable Energy Action Plan. This plan was crafted with substantial public and stakeholder input and is designed to achieve and exceed the Kyoto greenhouse gas reduction target.

As a possible way to help meet the City’s greenhouse gas reduction targets, the Economic Development, Culture and Tourism Division has been working with TABIA/GreenTbiz on potential programs to assist small businesses to improve their energy efficiency. As a first step towards this, GreenTbiz has proposed a program titled the “Small Business Signage Retrofit Assistance and Incentive Program”. GreenTbiz was developed by the Toronto Association of Business Improvement Areas (TABIA) to deliver programs that

result in economically and environmentally favourable outcomes for Toronto Business Improvement Areas and their members.

A Small Business Signage Retrofit Assistance and Incentive Program would provide funding to local businesses to make energy efficient retrofits to their existing signage through changes to the lighting technology or through the addition of timers, dimmers or other new technologies to existing signs.

Tax revenues are suitable for funding this type of program as it would contribute to a City-wide policy that has been adopted by Council; and could be implemented in any part of the City to any number of business (depending on resources and funding); and, could result in City-wide benefits through reductions in greenhouse gas emissions, energy consumption and light pollution throughout the City.

Supporting Heritage Preservation Efforts

The Downtown Yonge Business Improvement Area is an area of the City that is proposing to expand the use large-format signage, both first and third party, as a means of achieving an overall character for the area. Within the Downtown Yonge Business Improvement Area, there are a number of heritage buildings that may have large-format signage erected on them as part of the vision.

As part of the recent review of the Signage Vision Exercise for the Downtown Yonge Business Improvement Area and development of the Downtown Yonge Business Improvement Area Special Sign District, there was a suggestion that revenues from the placement of large format signs on heritage buildings could be used to fund the repair and maintenance of the heritage attributes of those buildings. Staff from the Sign By-law Project, City Planning, and Heritage Preservation Services met to discuss the matter and determined that due to the very specific levels of revenues required, as well as the limited number of locations throughout the City that would potentially benefit from the funding, that the TPST would likely not be the most appropriate means for generating revenue for this program.

The preferred approach to funding the repair and maintenance of Heritage Buildings within the Downtown Yonge BIA area would be to create requirements of application and approval linked to the conservation of the subject heritage properties. Through a model of requiring a conservation plan, condition report, signage plan and heritage impact assessment, staff could identify the required conservation activities for the site and secure the work through a series of conditions for approval and letters of credit. This reflects the current practice of Heritage Preservation Services when approving major alterations for recognized buildings and it would eliminate the need for the City to collect revenues and redistribute them through a new program.

Annual Enforcement Fee Option

Should Council choose not to adopt the TPST as detailed above, an alternative revenue model for the administration and enforcement of the Sign By-law is available.

The former City of Scarborough By-law No. 22980 contains a fee that is charged to the owner of each third party sign in the former City of Scarborough to help recover the costs of enforcement. This annual fee was challenged to the Ontario Court of Appeal in *Urban Outdoor Trans Ad v. Scarborough (City)*, and upheld.

The annual fee rates are: \$100 per sign face of each ground or wall sign; and \$200 per face of each roof sign; these rates have not been subjected to any inflationary adjustments since first implemented in 1999. In 2008, the revenue collected from this fee was approximately \$78,000 from 569 signs; this was enough to cover the cost of 1 full time By-law Enforcement Officer.

Currently, the revenues that are charged and received through the issuance of Sign Permits are enough to provide only for the review of Sign Permit applications and the inspection of the signs once they are erected. There is no revenue stream to cover the costs of pro-active enforcement of the Sign By-law(s).

Section 259 of COTA allows the City to establish fees for the provision of services or activities. Similar to the former City of Scarborough, revenues collected from an annual fee could be used to supplement the revenues collected through permit fees and cover the costs of enhanced enforcement of the new Sign By-law.

The annual fee rates would be required to provide for sufficient revenue to support the administration and enforcement of the proposed Sign By-law. Should Council wish to consider this option, the Chief Financial Officer and the Chief Building Official and

Executive Director, Toronto Building, will be required to consider and report back to Executive Committee no later than April 2010, with recommendations concerning the adoption of an annual fee on all Third Party Sign Owners for the purpose of recovering the costs of the administration and enforcement of the City's sign regulations.

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ATTACHMENTS

1. Appendix A – New Sign By-law for the City of Toronto
2. Appendix B – Schedule ‘A’ Map – Sign Districts
3. Appendix C – Report – Toronto New Sign By-law, Martin Rendl Associates
4. Appendix D – Analysis of Stakeholder Submissions – Response to motion filed by Planning and Growth Management Committee at its meeting of April 14, 2009
5. Appendix E – Administrative Design Features – Third Party Sign Tax
6. Appendix F – Proposed Amendments to Municipal Code Chapter 363, Building Construction and Demolition, and Chapter 441, Fees.
7. Appendix G – Summary of Public and Stakeholder Consultations
8. Appendix H – Terms of Reference – Sign Variance Committee
9. Appendix I – Proposed Variance Process