

SB8.2.4

James G. Heller

Robert Bader
Supervisor, Sign Bylaw Unit
City of Toronto
100 Queen St. West
Toronto, ON
M5H 2N2

March 16, 2016

Re: Application for Third Party Sign Variance east of Eglinton Ave. East & Leslie St. Intersection

Dear Mr. Bader:

I attended last evening's meeting at the Thorncliffe Public Library concerning an application by Outfront Media to obtain third party sign variance to erect an electronic sign facing eastbound traffic on the south side of Eglinton Avenue East just east of Leslie Street and near the southwest corner of the CP Rail overpass at that location. The sign is large at about 10.67 m (horizontally) by 3.05 m (vertically) or 32.54 m² in area and 10 m in height (as shown in the City's handout for this application). According to the applicants, the sign will have LED lighting and will display 1 static (no animation) advertisement for 10 seconds, and then shift to a second ad display for another 10 seconds. There will be 6 such ad displays lasting a total of 1 minute and then the ad sequence will repeat itself. The sign will be lit from 7 a.m. until 11 p.m. daily. A number of variances are requested to enable the application.

The applicants noted that 2 existing signs within the CP Rail corridor in question would be removed as part of their application. They noted that the community would benefit since there would only be 1 new sign replacing the 2 old signs. However, the old signs are not electronic, smaller and far less visible and obtrusive than the new one as a consequence. The applicants noted that there will be three revenue streams triggered by their application: (1) CP Rail will receive a rent from Outfront for land use; (2) Outfront will generate a revenue stream from its sale of ad space on the sign to clients; and (3) The City will obtain revenue from an annual third party sign fee paid by Outfront. The applicants noted that the City's fee would be \$25,000+, which would replace the previous fee of about \$3,000 on the 2 old existing signs.

We are led to understand that the City classifies third party signage into 5 categories according to their attributes, aggregate sign face size, type of sign and method of display. Electronic signage is in the highest fee category. The City's signage fees have been structured by in house research to yield an overall 7% fee based on the total estimated ad revenues over the signage in all sign categories. This methodology yields a fee rate of 2.5% of the estimated revenues for the electronic signage category. This would lead to an approximate figure of **\$1 million dollars plus in annual ad revenues** for Outfront Media [$\$25,000+$ in annual fees divided by 2.5% in expected revenue per fee dollar percentage].

However, the applicant failed to note that the sign would be viewed by considerably more 'eyeballs' once the Eglinton LRT transit project is up and running based upon its expected daily ridership. This would be expected to easily double or more the number of eyeball viewings of that particular sign. Consequently, because the City third party sign fee is based primarily upon vehicular traffic along city streets, it

woefully underestimates the expected ad revenues that would be charged to Outfront Media's clients since it does not anticipate viewing by riders of the new transit project. This fact alone would increase the expected profitability derived from the new sign and the fee revenues for the City.

Outfront Media is a company wholly owned by a U.S. based multinational giant, MediaCom. Its profits would therefore be expected to flow back into its U.S. owners' headquarters. It was extremely difficult to get exact information during last night's meeting from the applicants about these issues. They were evasive and contended that Outfront Media is a Canadian company. It took much effort to get them to acknowledge their firm's U.S. ownership.

Outfront disclosed that it would set up a camera to provide surveillance of the ads appearing on the sign. This surveillance is conducted for all MediaCom signage across North America from a Spokane, Washington location. So we would be faced with a situation where Canadian sign ads would be inspected for quality assurance (and other undisclosed purposes) by a U.S. company overseer. The City does not have the resources to adequately regulate this signage and this function would thereby be 'privatized' by placing this responsibility with Outfront's owners.

There is the much ignored issue of our community's quality of life to be addressed. The area between the CP Rail corridor and Leaside is parkland, used by hikers, cyclists and picnickers year round. Leaside condominium developments overlook this parkland and their value is based in part on their view of treed green space. The intrusion of electronic commercial ad signage into this landscape is a detriment to residents' quality of life. This raises a still larger question that should be addressed by the sign variance committee when it deliberates. This application is one of a growing number of development applications lining the Eglinton Connects transit project corridor. Each application will impact the quality of life of surrounding neighbourhoods. By approving applications such as this one in particular, the City is in effect monetizing the quality of life of residents in these communities and selling it to developers for profit and for the City's revenues. The inevitable tradeoff is a lower quality of life for communities in exchange for private profit and public revenues. This is a utilitarian bargain with the devil! By approving these applications, the City is incrementally reducing the quality of life of its citizens and communities.

By this reasoning, the application fails to meet the bylaw standards in at least three ways: (1) it is not compatible with the development of the premises and surrounding parkland areas; (2) it will adversely affect the value of adjacent premises; and (3) it will alter the character of the premises or surrounding parkland areas.

This letter should make it clear why I urge the Sign Variance Committee to reject this application.

I thank the Committee and Mr. Bader for hearing our plea. I hope to present this letter in person to Committee members next week but if circumstances should make that impossible, I hereby ask Mr. Bader to read the letter to the Committee and to table it before them. I look forward to the Committee's positive consideration of this recommendation.

Respectfully submitted,

James G. Heller, PhD, DECH