

## **CLASS F & G SIGNS ON TRANSIT PROPERTY**

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### **EXECUTIVE SUMMARY**

Council directed Administration to develop and bring forward a policy to guide the placement and approval of Sign – Class F (static Third Party Advertising Signs) and Sign – Class G (digital Third Party Advertising Signs) on Calgary Transit property and to allow these signs to be permitted uses on Calgary Transit lands. This could require an amendment to Land Use Bylaw (LUB) 1P2007.

Third Party Advertising Signs located on Calgary Transit property offer a significant source of revenue for The City that can offset tax support of operations and increases to transit fares. Currently these signs are not a listed use on Calgary Transit property, limiting the ability for the City to generate revenue from this source. Advertising revenues are critical for sustaining transit service in communities.

Administration has worked collaboratively to identify options for amendments to the LUB, as well as to the Streets Bylaw and Traffic Bylaw, and creation of a policy. Administration has identified several complex risks to these options and recommends bringing forward a package of land use amendments for specific sites rather than making changes to the LUB. The intent of this report is to solicit support from Council before initiating this significant work.

### **ADMINISTRATION RECOMMENDATION(S)**

That the SPC on Transportation and Transit recommend that Council direct Administration to bring forward a package of land use amendments designed to accommodate Class F & G signs on sites where those signs generally meet the provisions of the existing sign bylaws and are desired by The City.

### **RECOMMENDATION OF THE SPC ON TRANSPORTATION AND TRANSIT, DATED 2017 MAY 17:**

That the Administration Recommendation contained in Report TT2017-0419 be approved.

### **PREVIOUS COUNCIL DIRECTION / POLICY**

At the 2015 March 30 Regular Meeting of Council, Council directed as follows (TT2015-0289):

ADOPT, AS AMENDED, Moved by Councillor Keating, Seconded by Councillor Chu, that the SPC on Transportation and Transit Recommendations contained in Report TT2015-0289 be adopted, as amended, as follows:

That Council:

1. Receive this report for information; and
2. Direct Administration to develop and bring forward a Calgary Transit Policy to guide the placement and approval of Sign – Class F and Sign – Class G on City (Transit) owned lands prior to planning applications, and return to the SPC on Transportation and Transit no later than Q2 2016; and

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3. Direct Administration to Amend the Land Use Bylaw to add Sign – Class F and Sign – Class G as Permitted Uses on City (Transit) owned lands within the Special Purpose – City and Regional Infrastructure (S-CRI) District, and any other affected provisions in the Land Use Bylaw.

A subsequent deferral report, TT2016-0523, was approved at the 2016 July 4 Combined Meeting of Council. A deferral report was then approved at the 2017 April 10 Combined Meeting of Council (TT2017-0183) directing Administration to report back to the SPC on Transportation and Transit by Q2 2017.

### **BACKGROUND**

Signs on Calgary Transit Property are governed by multiple bylaws depending on their locations. The Land Use Bylaw (LUB) provides direction on where signs on titled property can be located. Transit signage for stations, platforms, and bus shelters/benches are typically allowed within road rights-of-way and not subject to the provisions of the LUB; these are subject to the Street Bylaw and Traffic Bylaw.

The LUB has two uses for Third Party Advertising Signs, often referred to as billboards. These uses are Sign – Class F, which are static, paper signs, as well as Signs – Class G, which are digital signs. These signs are typically for discretionary uses, and are primarily listed in non-pedestrian oriented commercial and industrial land.

The majority of municipal land that is used for Transit-related services, including Light Rail Transit (LRT) stations are designated with the Special Purpose – City and Regional Infrastructure (S-CRI) District. This district is only used for City infrastructure and utility facilities and is not used for lands owned by anyone other than Federal, Provincial and municipal levels of government. A map identifying S-CRI districts across the city is presented in Attachment 1.

In 2013 February, Council approved Bylaw 4P2013, which proposed amendments to the LUB. One of these amendments was the deletion of Sign – Class F and Sign – Class G from the S-CRI district, meaning that no new Third Party Advertising signs would be approved on lands designated S-CRI.

Council's existing policies, including the Municipal Development Plan, Transit Oriented Development Policy Guidelines, and Calgary's Third Party Advertising Sign Guidelines (Attachment 2), suggests that Third Party Advertising Signs are not appropriate in S-CRI districts, as lands that are for transit purposes should have a strong relationship to the human scale and encourage pedestrian-oriented businesses and access. Current policies direct Administration to ensure the design and mix of land uses surrounding transit stops and stations support transit and emphasize a pedestrian-oriented environment. They also support high quality developments that are attractive and walkable. Third party advertising signs in stations, on platforms, on shelters and benches are located in the road right-of-way and are not governed by the LUB; as such, these signs are not the subject of this report.

Typically, S-CRI parcels are embedded in areas that have been identified for Transit Oriented Development, often intended for higher densities and intensities of uses. Council policies for

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these areas identify that they should ensure that pedestrian comfort is of primary importance. S-CRI parcels are often in close proximity to residential areas, sometimes being low density in nature. The impacts of Third Party Advertising signs on nearby residential uses could be significant depending on the proximity and location of the sign. These areas also typically have high commercial, retail and residential uses.

Included in this report are two examples of historical Third Party Advertising signs on Calgary Transit property: a Class F sign at 32 Avenue Connector NE at Calgary Transit's Spring Gardens Transit Administration Building (Attachment 3) and a former Class F sign at Anderson Station park and ride lot (Attachment 4). Both of these parcels are designated S-CRI, and as such, new Third Party Advertising signs would not be allowed (existing signs were grandfathered). Also included for reference is an example of a Class G sign (Attachment 5).

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

Third Party Advertising signs are a significant source of revenue for the City, when placed on City-owned land. This revenue can be used to offset tax support of operations and increases to transit fares, providing a public benefit that is aligned with Council policy. Administration is also reviewing opportunities to fund a number of upcoming projects with operating cost implications (e.g. Green Line, Bus Rapid Transit Network, introductory service to new communities) and is reviewing revenue generation opportunities in response to findings from the Calgary Transit Service Review (Zero-Based Review) and a review of advertising contracts.

As such, Administration has investigated different options that would allow the City to generate this additional revenue.

#### Option 1: Maintain Current System – Land Use Redesignation

The current system requires Calgary Transit to apply for a Land Use Redesignation in order to have these signs on municipal land. This system allows for a comprehensive review, whereby Administration can evaluate individual sites to determine the unique qualities of that parcel that would warrant the approval of a Third Party Advertising sign.

This option presents the least amount of risk from a planning standpoint, but adds significant challenges to the City being able to consider Third Party Advertising signs as a meaningful source of revenue. Land Use Redesignations take can take up to 180 days to review, circulate and evaluate, and are often weighed against the opinions of adjacent and surrounding land owners. Approvals are not guaranteed as they are decided upon by Council, who reviews all relevant policies in their decision-making process; this may reduce the ability to put these signs on the desired parcels, thereby reducing the amount of potential revenue. There are also staff, cost and committee resourcing impacts with bringing forward these redesignations on a case-by-case basis.

#### Option 2: Amend the Land Use Bylaw

There are a variety of potential amendments to the LUB that could be made to allow for approval and placement of these signs on Calgary Transit land. These amendments could be very general giving ultimate flexibility, or could be tailored based on a new policy (detailed under Option 3 below) that would guide the placement and approval of Third Party Advertising signs on City (Transit) owned lands. Should amendments to the LUB be the desired path,

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Administration has identified existing Council policy that may also need to be amended to reflect this new direction. Potential policy amendments that would be investigated include but are not limited to: Municipal Development Plan (Volume 1 & 2), Transit Oriented Development Policy Guidelines, Calgary Third Party Advertising Sign Guidelines, Calgary Transportation Plan, Complete Streets, and Local Area Plans done after 2013. LUB amendments take significantly longer than Land Use Redesignations and will require more staff time and resources to complete.

### Option 3: Create New Policy

This policy could guide the placement and approval of Third Party Advertising signs on City (Transit) owned lands. It could identify the lands most suitable for these signs, acknowledging them in a policy which would ensure the public and Council are aware of which specific parcels would warrant these signs. This would include a review of the purpose and future of S-CRI land holdings in Calgary Transit's inventory. The same means of addressing the signs' adherence to the LUB would be required as in one of either Option 1 or 2. However, this policy would provide additional grounds and establish a clearer framework for relaxation of the rules, thereby making it easier to engage, submit, and review each proposed sign installation. The policy itself would be the subject of extensive public and stakeholder engagement.

Administration has identified a number of risks to Options 2 and 3 listed above. Decisions related to municipal lands are weighted the same as decisions on private parcels. In fact, in some instances Administration receives direction to hold developments on municipal lands to a higher standard.

Based on Council's previous direction, Administration has determined that there are a number of risks to reintroducing Third Party Advertising signs into S-CRI. First, it will give the City more opportunities than private land owners would have. Administration would not contemplate changes to the LUB that would allow private land owners the ability to put Third Party Advertising signs in pedestrian-oriented areas, so changing the LUB to allow the City to do so would be an advantage over private land owners. It would allow the City exclusive ability to place Third Party Advertising signs in pedestrian and high density areas. There will also be impacts on nearby residences, depending on the size, location and orientation of static or digital signs. This may also impact the public realm, creating sign clutter.

Further, because of the rules associated with digital signs, some commercial businesses that may be located near S-CRI parcels, that would want first party (on-premise) digital signs to advertise their business, may lose that opportunity and would only be able to use static signage for their business. These rules are in place for all forms of digital signs for a number of reasons including:

- safety - making sure drivers are not distracted;
- reducing sign clutter - ensuring the public realm is not cluttered with digital signs thereby reducing the aesthetic quality of the public realm; and,
- reducing the amount of signs, putting more emphasis on first party (on-premise) signs that help draw attention to businesses on the same parcel as the sign.

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These amendments would give the City another advantage as Administration typically places a higher importance on first party (on-premise) signage as it is more important that businesses be able to advertise for their products which are on-site rather than have Third Party Advertising signs for unrelated products.

Administration's recommendation is to pursue Option 1. Administration will prepare a package of site-specific land use amendments that generally follow the existing provisions of the relevant bylaws.

### **Stakeholder Engagement, Research and Communication**

Internal engagement has been done with members of Administration from Calgary Transit, Roads, and Calgary Growth Strategies.

Stakeholder engagement conducted as part of the coordinated street furniture initiative identified that these signs represent a significant revenue stream that could contribute to the viability of a new program.

### **Strategic Alignment**

Increasing the use of revenue sources that do not impact property taxes and/or customer fares is aligned with the direction outlined in Action Plan 2015-2018, RouteAhead (30-year Strategic Plan for Transit in Calgary) and the Municipal Development Plan/Calgary Transportation Plan.

Council's existing policy framework (Municipal Development Plan, Transit Oriented Development Policy Guidelines, and Calgary Third Party Advertising Sign Guidelines) indicates that large scale Third Party Advertising signs are not appropriate in station areas (S-CRI in the LUB), as lands that are for transit purposes should have a strong relationship to the human scale, and adjacent businesses should not have to compete for signage opportunities.

Calgary's Third Party Advertising Sign Guidelines are the most recently approved policy document specifically relating to this type of signage. This policy indicates that Third Party Advertising signs are predominately suited to automotive-oriented development. Third Party Advertising signs are not appropriate in pedestrian oriented areas as they provide additional visual clutter that may detract from the local businesses in the immediate vicinity.

This policy also indicates that transit areas are determined as being pedestrian oriented where higher density development is encouraged to locate within close proximity. Digital displays specifically increase concerns related to the potential for and proximity of residential development, and increases competition for adjacent businesses and limits to business signage opportunities.

### **Social, Environmental, Economic (External)**

#### **Social**

Revenue from Third Party Advertising signs would provide a public benefit for the citizens of Calgary and would offset the operating cost of improvements to the urban realm and transit service that have triple-bottom-line benefits.

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### **Environmental**

Public transit options allow citizens to take part in economic and social activities. The public health benefits of pedestrian-scale public realm improvements and public transit include improved urban air quality and increased physical activity, which can lower the risk for many diseases.

### **Economic**

Improving public transit in communities slows the rate of urban expansion, which reduces the fiscal impact of growth and promotes integrated and sustainable development.

### **Financial Capacity**

#### **Current and Future Operating Budget:**

There are no Operating Budget impacts associated with these recommendations.

#### **Current and Future Capital Budget:**

There are no Capital Budget impacts associated with these recommendations.

### **Risk Assessment**

While risks have been identified with the options presented in this report, there are no significant risks associated with pursuing Option 1. In the absence of funding either from fare increases, tax support, or revenues from advertising, Administration will be unable to sustain current transit service levels in residential communities and employment areas.

### **REASON(S) FOR RECOMMENDATION(S):**

While it is necessary to move quickly to address Calgary Transit's revenue position, Administration is respectful of the impact of Land Use Bylaw amendments. A package of site-specific land use amendments can be prepared that generally follow the existing provisions of the Land Use Bylaw. The intent of this report is to solicit support from Council before initiating this significant work. This will help inform Calgary Transit's Fare and Revenue Framework policy report in advance of the 2019-2022 business plan and budget.

### **ATTACHMENT(S)**

1. Commercial and Residential Land Use Districts Map
2. Third Party Advertising Sign – Policy Excerpts
3. Class F Sign at 32 Avenue Connector NE – Calgary Transit Spring Gardens Administration Building
4. Former Class F Sign at Anderson Station Park and Ride Lot
5. Class G Sign near Blue Line Sunalta Station
6. **Letter received at the meeting**