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4024 Radford Ave.
Edit. Bldg. 2, Suite 6
Studio City, CA 91604
(818) 655-5400

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January 17, 2013

Los Angeles City Councilmembers

Sent by Email

Re: Council File Number 11-1705

Dear Honorable Councilmembers:

At its regular meeting on January 16, 2013, the Board of the Studio City Neighborhood Council passed the following motion:

MOTION 2013.01.16.16: The Board of the Studio City Neighborhood Council urges the City of Los Angeles to fully implement the appeals court ruling in the Summit Media LLC v. City of Los Angeles and to remove the 100+ digital billboards as provided for therein. We further request that the City refrain from making any changes to the zoning laws relative to digital billboards until any such proposed change has been subjected to an open and transparent outreach to the communities and to the Neighborhood Councils in particular.

We also request that the previously drafted sign ordinance being considered by the Planning and Land Use Management Committee and the City Council be considered as it is currently written and that no language be added to that ordinance which would retroactively legalize the digital billboards which were the subject of the appellate court decision or in any other way incorporate digital billboards into the ordinance.

This motion shall be added as a Community Impact Statement.

If you have any questions, please do not hesitate to contact us.

Sincerely yours,

John T. Walker, President
Studio City Neighborhood Council

JTW/lis

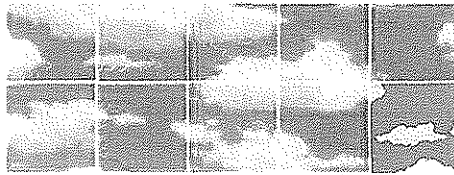
Date: 1-22-13

Submitted in PLUM Committee

Council File No: 08-2020 / 11-1705

Item No.: _____

Deputy: Communication from Public



Agenda Item # 1

STEVEN S. PRETSFELDER
Executive Vice President and
General Counsel

Van Wagner

January 14, 2013

Date: 1-22-13

The Honorable Ed P. Reyes
Chair, Planning and Land Use Management Committee
City of Los Angeles
200 N. Spring Street, Room 410
Los Angeles, CA 90012

Submitted in PLUM Committee

Council File No: 08-2020/11-1705

Item No.: 1

Deputy: Communication from Public

Re: Citywide Sign Ordinance

Dear Chairman Reyes:

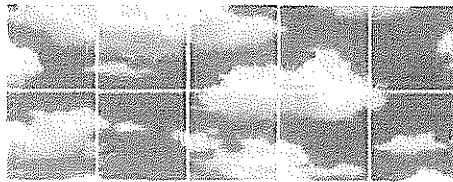
Van Wagner is submitting this letter in response to the most recent draft sign ordinance circulated by the Department of City Planning dated December 4, 2012 ("New Draft Ordinance"). While we greatly appreciate your leadership and the Planning Department's hard work on this issue, we remain concerned by certain provisions in the New Draft Ordinance. We respectfully ask the Department and PLUM Committee to consider the following comments prior to sending the proposed citywide sign ordinance to the full City Council for adoption.

The Unfair Competitive Environment Created by the City Must be Addressed

The New Draft Ordinance continues to fail to address the fundamentally unfair competitive landscape that resulted from the City's settlement agreement entered into in 2006 with four outdoor advertising companies that sued the City. That agreement rewarded those companies which sued the City by allowing them to modernize their sign inventory, including converting their static signs to digital signs. However, the City has refused to allow sign companies that refrained from suing the City the same opportunities. The New Draft Ordinance furthers those inequities by limiting opportunities for new inventory Citywide.

Non-settlement companies such as Van Wagner continue to stand on the sidelines and watch while the parties to the settlement agreement reap a windfall based on the City's unfair actions, even following the recent California appellate court ruling that upheld the decision of the Superior Court in Summit Media v. City of Los Angeles to void the settlement agreements. Previous reports of the Department of City Planning and the motion adopted by the City Council in October 2012 have focused on legislative solutions to deal with existing digital signs --those owned by certain of the settlement agreement companies-- in a way that is fair and does not harm the City's sign ordinance or visual environment. However, the City continues to ignore the plight of the sign companies that refrained from suing the City, that are not part of the settlement agreement and that are not permitted to convert their static signs to digital signs.

As the City Council considers the future of digital signs in Los Angeles in the wake of the appellate court decision in the Summit Media case, the issue of parity for the companies not part of the settlement agreement cannot continue to be ignored. It must be a central part of any conversation about digital signage, and the City Council must finally level the playing field for all sign companies in the City.



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We urge the City to address the parity issue immediately and ensure that, if the settlement companies are permitted to continue to operate any digital signs in Los Angeles, ALL sign companies be permitted to compete in the digital sign market on a fair and competitive basis, including by permitting sign companies that were not part of the settlement agreements, to convert some of their static signs to digital signs on the same basis as settlement agreement companies.

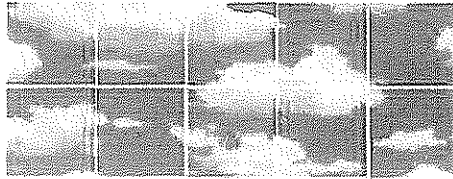
Sign Districts, Sign Reduction and Community Benefits

The New Draft Ordinance's provisions that significantly limit the areas of the City where sign districts can be created are overly broad, and we believe work against the best interests of the City. Under the New Draft Ordinance, it appears that several Council Districts would have limited opportunity to create sign districts and the standards for establishing sign districts would be even more restrictive than those currently in effect. In fact, sign districts can serve as a necessary economic development tool to spur investment in blighted or other underperforming areas in Los Angeles. The Hollywood Sign District is a good example of an area where off-site signage was an essential catalyst to rejuvenating downtrodden areas. The recent negotiations for the football stadium in downtown contemplate sign revenue as an important factor in enabling the convention center/football stadium deal. Without that revenue, the project and the improvements to the convention center that the City is eager to realize could not be achieved. Each Councilmember should have the flexibility to work with the community and developers to create special sign districts as a means to spur economic development activity in his/her district.

In addition to limiting where sign districts can be located, the minimum size requirement in the Draft Ordinance – 5,000 linear feet of street frontage or 15 acres in area – is excessive and makes it extremely difficult to create any new Sign Districts at all. Prohibiting or making it unduly burdensome to create a sign district in an area that can benefit from the revenue and business generation that a sign district can provide, limits economic growth and works to the detriment of the City as a whole. The New Draft Ordinance now includes the PLUM Committee recommendation to reduce the minimum size requirement for SUDs in the *Greater Downtown Housing Incentive Area* to 2,640 linear feet from 5,000 linear feet of street frontage. We ask that the PLUM Committee further amend the New Draft Ordinance to reduce the minimum size requirements from what is currently proposed on a **Citywide** basis.

The New Draft Ordinance also continues to require mandatory sign reduction in sign districts even when community benefits are determined to be of greater need in a particular community. Sign proliferation is not a shared concern across all Council districts. Community beautification is of equal if not greater concern in many districts, and should be considered **IN LIEU OF** simply requiring sign reduction, not merely as a way to reduce the amount of mandatory sign reduction.

In addition, sign reduction does not necessarily benefit the City. There are outdoor advertising companies that currently control and/or operate large inventories of small signs in Los Angeles. These signs have little commercial value because they are old and in disrepair, and/or have no permits or improper permits and/or are located outside of core areas that attract high advertising prices. Under the New Draft Ordinance, these companies will be able to remove these valueless signs in exchange for the right to install new, highly valuable signs that they otherwise could not



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build. Mandatory sign reduction would give some outdoor companies with larger or illegal inventories an unfair advantage over those that do not have as much inventory and have been playing by the rules.

We urge you to allow community benefits as a stand-alone option, as this will not only provide all sign companies the ability to participate in sign districts, but also allow Councilmembers the maximum flexibility in determining the unique issues and specific needs of their respective communities.

Additional Work Program

The November 21, 2011 staff report from the Planning Department to PLUM recommended that a Sign Advisory Committee be established to guide the newly created Sign Unit staff and consultants in their work, and to advise the City Planning Commission and City Council on matters related to the Sign Unit's work. In addition, in October 2012, Councilmembers Reyes, Krekorian and Cardenas introduced a motion regarding the creation of a "billboard working group." We support the formation of the Sign Advisory Committee and billboard working group, and believe that they can play a very constructive role in helping the City Planning Commission and ultimately the City Council tackle some of the most challenging and important advertising sign related issues.

We very much appreciate the Department's recommendation that the composition of the Sign Advisory Committee be balanced to represent a variety of stakeholder views. We know that there are competing interests in the community at large and that they all must be taken into account if this process is to be successful. If the billboard working group is to be a separate group, we believe these same standards of inclusion should apply to that group.

During our meetings and conversations with the PLUM Committee members and their respective staffs during the last four years, we have explained that within the outdoor advertising community there is not a uniform approach to some of the most significant advertising sign issues. While a number of the largest Outdoor Advertising Companies (OACs) such as Clear Channel, CBS and Lamar, have formed the Los Angeles Outdoor Advertising Coalition, the coalition does not speak for the industry at large. Van Wagner has elected not to join that coalition because our perspective on a number of key issues (especially digital billboard disparity, sign reduction and permitting) differs from that of the coalition. We are aware that other OACs (including many middle size and small companies) also have different views than the coalition in a number of areas.

We believe that it is very important that the entire outdoor industry be fairly represented on the Sign Advisory Committee and any billboard working group, not just the handful of large companies that comprise the coalition. We believe that Van Wagner will be able to represent not only our own interests, but the interests of many smaller and middle size companies that are similarly situated to us. Therefore, as the Department prepares to recommend members for the Committee and the billboard working group, we again respectfully request your consideration of Van Wagner as a participant.



Van Wagner

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We thank you for your consideration and we look forward to continuing to work with the City.

Sincerely,



Steven S. Pretsfelder

cc: Councilmember Jose Huizar
Councilmember Englander
Alan Bell
Daisy Mo

LA OUTDOOR ADVERTISING COALITION

The LA Outdoor Advertising proposes the following changes be made to the draft consensus sign ordinance released on December 4, 2012. These revisions would accomplish the following:

- Provide a 30-day period for responsible parties to cure a violation after the effective date of an order to comply before civil penalties accrue.
- Toll the accrual of civil penalties upon the filing appeal, unless the sign was erected or modified after January 1, 1999 without a building permit, in which case penalties shall be tolled only if copy is taken down.
- Provide that a property owner shall only be considered a responsible party for purposes of a violation of the City's sign regulations if the sign owner is not identified on the sign as required by the Code, and that civil penalties may only be specially assessed against the real property on which a sign found in violation is located or a lien recorded against that real property if the property owner received an order to comply as a responsible party.
- Propose reconsideration of the amount of the fines in light of data from other cities.

* * * * *

SEC. 14.4.2625. VIOLATIONS AND ADMINISTRATIVE CIVIL PENALTIES.

~~This section governs violations of the sign regulations set forth in this article and violations of any other sign regulations established by ordinance. It also governs the assessment of administrative civil penalties.~~

A. Purpose. This Section 14.4.25 of this Code applies only to the sign regulations set forth in article 4.4 of Chapter II and in article 8 of Chapter IX of this Code and to violations of any other sign regulations established by ordinance. The City Council finds there is a need for alternative methods of enforcing all provisions of this Code pertaining to signage. The City Council further finds that the assessment of additional civil administrative penalties for violations of these sign regulations is a necessary alternative method for gaining compliance with the sign regulations. The assessment of the assessment of civil penalties established in this article is in addition to any other administrative or judicial remedies established by law which may be pursued to address violations of the sign regulations; however, the method for assessing civil penalties established by this Section 14.4.25 shall only be used to assess only the civil penalties established in this Section 14.4.25 article may be assessed under this article.

B. Authority and General Provisions.

1. The Department of Building and Safety shall have the authority to issue orders to comply and assess penalties against any and all responsible parties for violations of any provisions of this Code pertaining to signage.

Date: 1-22-13
 Submitted in PLUM Committee
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2. The owner of the property on which a sign is located and the owner of the sign and sign support structure and, if the owner of the sign is not identified on the sign pursuant to Section 91.6204.1 of this Code, the owner of the property on which a sign is located are both responsible parties for complying with all provisions of this Code pertaining to signage. ~~In addition, both~~ Responsible parties are individually jointly and severally liable for to pay the civil penalties assessed pursuant to this section.

3. Violations of the sign regulations are deemed continuing violations and each day that a violation continues is deemed to be a new and separate offense.

4. Whenever the Department of Building and Safety determines that a violation of the sign regulations has occurred or continues to exist, the Department of Building and Safety may issue a written order to comply to each of the responsible parties.

5. The order to comply shall be mailed via U.S. first class mail to each responsible party.

6. Penalties shall not accrue for a period of 30 days after the effective date shown on the order to comply, or any extension thereof while the responsible party completes all actions required by the order to comply, including notifying the Department of Building and Safety to request a re-inspection.

~~6-7.~~ Penalties shall begin to accrue on the ~~16th~~ 31st day after the effective date shown on the order to comply, unless the violation is corrected, or the sign copy is removed before midnight on the ~~15th~~ 30th day after the effective date. or the accrual is otherwise stopped pursuant to the terms of this Section

~~7-8.~~ The amount of penalties shall follow the chart in Subsection C below. These penalty amounts shall be in addition to any other fees required by Chapter IX of this Code.

~~8-9.~~ After correcting the violation, or removing the sign copy, the responsible party must contact the representative of the Department of Building and Safety who issued the order to comply; to request a re-inspection. Any penalties will toll from the date the responsible party contacts the Department of Building and Safety to request a re-inspection until the re-inspection is performed. Any penalties assessed will cease to accrue starting on the day that the Department of Building and Safety determines through its re-inspection that the violation has been corrected or that the sign copy has been removed.

~~9-10.~~ If the Department of Building and Safety rescinds an order to comply, the violation shall be considered corrected and no penalties shall be due.

~~10-11.~~ All other matters pertaining to the issuance of orders to comply and assessment of penalties for sign code violations, to include the processing of appeals, shall be as regulated by Chapter IX of this Code.

Nothing in this Section shall interfere with the authority of the City Attorney to bypass the administrative procedures in this Section and file an enforcement action in civil or criminal court seeking to enforce any violation of this Section

12. The filing of an appeal pursuant to Section 14.4.26 of this Article shall toll the accrual of penalties during any administrative and/or judicial proceedings if the responsible party provides evidence that the erection, modification or other matter that is the subject of the order to comply occurred prior to [REDACTED]. Such evidence may include a lease, deed, tax record, payment or billing record, correspondence, memorandum, contract, construction document, photograph, permit from any City, County, State or federal agency that has not been finally adjudicated as invalid, sworn declaration under penalty of perjury, or other comparable evidence. Penalties shall likewise be tolled, regardless of the date of the challenged erection or modification, if such work was performed pursuant to a building permit issued by the Department of Building & Safety that has not been finally adjudicated as invalid. In all other cases, penalties shall not be tolled unless the copy is removed from the sign, in which case penalties shall be tolled. The removal of copy during administrative and/or judicial proceedings shall not be deemed an abandonment of any rights of the responsible party. This provision shall not prevent a stay of penalties as permitted or required by State or Federal law.

C. Amount of Penalties.

1. The amount of administrative civil penalties for off-site signs are as set forth in the following table:

SIGN AREA OF OFF-SITE SIGN IN VIOLATION	CIVIL PENALTIES PER DAY OF VIOLATION ¹		
	First Violation	Second Violation	Third Violation and All Subsequent Violations
Less than 150 square feet	\$250	\$400	\$800
150 to less than 300 square feet	\$400	\$800	\$1600
300 to less than 450 square feet	\$600	\$1200	\$2400
450 to less than 600 square feet	\$800	\$1600	\$3200
600 to less than 750 square feet	\$1000	\$2000	\$4000
750 or more square feet	\$1200	\$2400	\$4800

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¹ **The penalties set forth above are stricken and marked in grey for reconsideration. They are far higher than those in other California cities and could be considered excessive as a matter of law. We will provide some alternative examples.**

2. The amount of administrative civil penalties for on-site or noncommercial signs of any size shall be the same as the general civil penalty defined in Section 11.00 L of this Code, for the first and all subsequent violations.

3. For signs of less than 20 square feet in sign area, ~~c~~Civil penalties per day of a violation ~~for~~ Section 14.4.21 of this Code ~~article for signs of less than 20 square feet in sign area~~ shall be \$500 per day of violation for the first and all subsequent violations.

D. Collection.

1. If the civil penalties are not paid in a timely manner and the owner of the real property on which the sign found in violation is located was issued an order to comply as a responsible party pursuant to the provisions of this Code, the City Council may order that the civil penalties be specially assessed against the real property on which the violating sign found in violation is located. The owner of the real property shall be provided 30 days notice before the special assessment may be considered by the City Council. If the City Council orders that the civil penalties be specially assessed against the real property on which violating the sign found in violation is located, it shall confirm the assessment, and the assessment may be collected after a period of 30 days at the same time and in the same manner as ordinary real property taxes are collected. Acceptance of payment of the civil penalties prior to the date the assessment may be collected or upon the special assessment by any person shall satisfy and extinguish the assessment. The assessment shall be subject to the same penalties and the same procedure and sale in case of delinquency as provided for ordinary real property taxes. All laws applicable to the levy, collection, and enforcement of real property taxes are applicable to the special assessment.

2. The City Council may also cause a notice of lien to be recorded 30 days after civil penalties are specially assessed against the owner of the real property on which a sign found in violation is located. The notice shall, at a minimum, identify the record owner or possessor of the real property, set forth the last known address of the record owner or possessor, the date on which the civil penalties were imposed, a description of the real property subject to the lien, and the amount of the penalty. Any such recorded lien shall be extinguished and removed within five days after the acceptance of payment of any assessed penalties.

3. Any unpaid civil penalties may also be collected in accordance with the procedures set forth in Los Angeles Administrative Code Section 5.181 *et seq.*

E. General Fund. Civil penalties collected pursuant to this section shall be credited to the general fund.