

**CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE**

Date: June 18, 2015

To: Honorable Members, Planning & Land Use Management Committee

From: Sharon M. Tso, Chief Legislative Analyst *ST* Assignment No.15-06-0462
Michael LoGrande, Director of Planning *ML*

Subject: **Citywide Sign Regulations for Digital Off-site Signs**

On December 16, 2014, the Planning and Land Use Management (PLUM) Committee instructed the Chief Legislative Analyst and the Department of City Planning to submit a report addressing seven issues relative to permitting digital off-site signs outside of Sign Districts (Council File No. 11-1705). These questions were in response to an October 10, 2013 Planning Department report and draft ordinance that outlined three policy options for the regulation of digital billboards: 1) No digital off-site signs outside of Sign Districts; 2) a "Public Option" allowing digital off-site signs on City-owned property only; and 3) a "Public/Private Option" allowing digital off-site signs on public and private properties.

In addition to this report, the City Administrative Officer (CAO) was instructed to prepare a fiscal analysis for the three options presented by the Planning Department, including all of the costs that the City would incur as well as any revenue that may be realized.

The October 10, 2013 report noted that options 2 and 3 would require funding in the amount of \$200K for a new "sign unit" within the Planning Department. This unit would research and develop selected policy options for digital signs outside of Sign Districts and prepare the necessary Environmental Impact Report (EIR).

The following information is in response to your Committee's December 16, 2014 instructions:

Issue #1 Discuss the feasibility of Creating a Conditional Use Permit for Off-Site Digital Signs Outside of Sign Districts:

A possible creation of a new Conditional Use Permit (CUP) for off-site digital signs outside of Sign Districts would mandate a 500-foot public notification of a mandatory public hearing for each new sign. The City's current CUP findings provide the decision maker, either the City Planning Commission, Area Planning Commissions, or Zoning Administrator, with broad discretion to approve or deny a project based on subjective findings such as whether the project will "adversely affect or further degrade adjacent properties, the surrounding neighborhood, or the public health, welfare, and safety."

Such findings would have to be overhauled to comply with the legal parameters of being "narrow, definite, and objective." Although the granting of the CUP would only be appealable to the City Council if the underlying decision maker is the City Planning Commission, the process would enable stakeholders to provide recommendations for conditions on each sign proposed. Additionally, the Area Planning Commissions (APC) would consider any appeals of CUP cases decided by the Zoning Administrator, and the Council would have the option to assert jurisdiction per Charter Section 245, on any decision, of the Area Planning Commission.

A new CUP process would require additional Planning Department staff to conduct the necessary land use analyses and hearings and applicants would have to pay a CUP filing fee. As such, PLUM could direct the Planning Department to prepare a full cost recovery fee ordinance to assess projected costs.

Issue #2 Discuss the feasibility of Requiring Relocation Agreements:

Some cities have utilized relocation agreements in connection with the relocation of existing static and digital billboards to other sites in those cities.

Relocation Agreements are authorized by the *California Outdoor Advertising Act* (California Business and Professions Code Section 5414), which "prohibits removal of a lawfully erected advertising display without payment of compensation," and the section further authorizes a local entity to enter into an agreement with a display owner to relocate a display (relocation agreement) as quoted below:

"Cities, counties, cities and counties, and all other local entities are specifically empowered to enter into relocation agreements on whatever terms are agreeable to the display owner and the city, county, city and county, or other local entity, and to adopt ordinances or resolutions providing for relocation of displays."

The California Outdoor Advertising Act specifically defines Relocation to mean, the "removal of a display and construction of a new display to substitute for the display removed."

To permit relocation agreements, the Council would need to adopt an ordinance, with the necessary findings that delineate the need for relocation agreements. The relocation agreements would need to identify the number of static signs that would need to be removed in exchange for digital signs. As such, relocation agreements identify specific signs that need to be relocated to a specific new site in order to avoid the City having to compensate the owner of the signs for their removal. Alternatively, the Council could choose to permit digital signs by negotiating *development agreements* with off-site digital sign owners.

Issue #3 Discuss the feasibility of creating clear standards and conditions for Digital Signs outside of Sign Districts:

An ordinance to establish standards and conditions for digital off-site signs could be drafted by the Planning Department to regulate the following matters:

- prohibition of digital signs in single-family zones and other districts
- spacing criteria between signs
- illumination limitations
- brightness limitations
- moving, flashing, shimmering, glittering, and video limitations
- message frequency

Issue #4 Discuss the feasibility of take down requirements of 4:1 or greater:

For each new digital sign allowed, the City could specify a number of static (or digital) sign removals. The City could adopt an ordinance to replicate the proposed Citywide Sign Ordinance take down model for static signs discussed in the October 10, 2013 draft ordinance included in the Planning Department report, which proposes a 1:1 takedown based on the overall square footage of static signs and not the actual number of signs. It would mandate the removal of one square foot of existing off-site signage for one square foot of new off-site signage.

For the static signs (non-digital), your Committee has discussed a ratio of 1.5:1 with required 'community benefits' such as sidewalk and streetscape improvements, undergrounding of utilities, and construction of public parking structures. The model used for static signs could be similarly used for digital signs, however, your Committee discussed a minimum ratio of 4:1 or greater. This is a policy decision that would need to be codified as part of the digital sign regulations that would need to be adopted by City Council.

Issue #5 Discuss options relative to assessment of community benefits per CUP:

Site specific conditions imposed through a CUP for a new digital sign must be supported by a nexus between the subject sign and the condition. Following are potential community benefit conditions that could possibly be supported by a nexus study, subject to further review by the Planning Department and City Attorney:

- streetscape improvements.
- public art programs.
- public transportation improvements.
- funding for safety related maintenance or upgrades for transit related services, including charter buses, dial-a-ride, or other public transit service.
- funding for safety related purchase, lease, or rental of transit related equipment, including buses, trucks, transit shelters, and street furniture.

- funding consultant studies, city staff costs, land acquisition, design or construction of sidewalks, curb improvements, speed humps, street resurfacing, traffic lane or pedestrian marking and signage, and beautification projects needed to improve conditions for users of the public-right-of way.
- public safety, public service, and/or emergency messaging.

Any community benefits recommended as a project condition could be done in consultation with the subject Council office. The process would be codified in an ordinance that would require issuance of a CUP, or any discretionary action, to be contingent on a community benefits agreement or relocation agreement, to pay for the community benefits, or otherwise fulfillment of the required community benefits in some other manner.

Alternatively, a Mitigation Fee Ordinance could be adopted that would include a community benefit requirement or component to mitigate adverse and detrimental neighborhood impacts. The Mitigation Fee Ordinance could quantify the dollar amount of each of the *agreed upon* 'community benefits,' and in either option the funds would be deposited into a trust fund.

Issue #6 Discuss restrictions on digital off-site signs outside sign districts, their location per zone, including distance from neighboring signs and illumination standards:

The October 17, 2013 draft ordinance would prohibit digital off-site signs unless they are permitted as part of a Tier 1 or Tier 2 Sign District, other Supplemental Use District, or Specific Plan.

Tier 1 Sign Districts would be large (at least 15 acres or 5,000 linear feet of street frontage) and can be located only in Regional Centers (R5 or C Zones).

Tier 2 Sign Districts would be smaller in size (at least 5 acres or 100,000 square feet of nonresidential floor area if not in a Regional Center) but can be located in most parts of the City. All signs in these districts would be prohibited from being visible from any public right of way or any property other than the subject property.

The draft Sign Ordinance also proposes:

Illumination standards:

- new brightness limits of 7,500 candelas by day and 450 candelas by night
- sensors for automatic dimming

Sign Districts limited to the following zones:

- Regional Centers or Regional Commercial Designations (R5 or C Zones)
- Greater Downtown Housing Incentive Area (R5, C, or M Zones)

Port of LA, LA Zoo, or Stadiums with minimum 50,000 seats

- prohibited near single family zones, Los Angeles River, State/National parks, botanical gardens of 60 acres or greater

The draft Sign ordinance also would regulate the number of Sign Districts inasmuch as they are limited where they can be located as described above, and because it proposes minimum size requirements for sign districts. Distance criteria, and other land use regulatory controls, would need to be developed for digital signs to comply with the findings that are necessary for Sign Districts and which address aesthetics and traffic safety.

Issue #7 Citywide cap on digital off-site signs on public and private land:

The CUP process could enable the City to cap the number of digital signs by either prohibiting a net increase in total number of signs or total sign area. The CUP regulations could be structured to cap digital signs based on geography (e.g. by Area Planning Commission boundaries, Neighborhood Council boundaries, or Council boundaries). The ordinance would need to include the necessary selection criteria and update the findings to be less subjective.

OPTIONS:

Should the City Council wish to disallow digital off-site signs outside sign districts, or to adopt a Digital Off-Site Sign Program for locations outside of Sign Districts, the following are two options for your consideration:

1. REQUEST the City Attorney to prepare and present an ordinance which **would not allow digital off site signs outside sign districts.**

Or:

2. REQUEST the City Attorney prepare and present an ordinance which **would allow digital off site signs outside sign districts, along with the following directives:**
 - a. INSTRUCT the Planning Department, with the assistance of the City Administrative Officer, and in consultation with the City Attorney and the Chief Legislative Analyst, to prepare a full cost recovery fee ordinance to recover the costs of a Conditional Use Permit (CUP) process for digital off-site signs outside sign districts.
 - b. INSTRUCT the Planning Department, in consultation with the City Attorney, to prepare a draft ordinance to establish standards and conditions for digital off-site signs outside sign districts, and that also incorporates a 4:1 takedown ratio requirement, and includes distance criteria, illumination standards, zoning restrictions, minimum size for digital signs outside sign districts, by replicating the criteria noted in the October 17, 2013 draft Sign Ordinance for digital on-site signs.

- c. INSTRUCT the Planning Department, in consultation with the City Attorney, to prepare a draft ordinance to require community benefits with each Conditional Use Permit, or any discretionary action, to be contingent on a community benefits agreement or relocation agreement, to pay for the community benefits, or otherwise fulfillment of the required community benefits in some other manner and which will be deposited into a trust fund. The community benefits will be done in consultation with the Council office where the project is located, and the funds will be deposited into a trust fund, or:

INSTRUCT the Planning Department, in consultation with the City Attorney, to prepare a draft Mitigation Fee Ordinance to mitigate adverse and detrimental neighborhood impacts that requires *agreed upon* community benefits as part of the Conditional Use Permit for Digital off-site signs outside sign districts. The funds will be deposited into a trust fund.

- d. INSTRUCT the Planning Department, in consultation with the City Attorney, to prepare a draft ordinance to cap the number of digital signs by geography, such as by Area Planning Commission, Neighborhood Council boundaries, or by Council district boundaries, with specific distance criteria denoting minimum/maximum distance from one digital off site sign to another digital off site sign, and other land use regulatory controls, as well as the necessary findings for their creation, along with the involvement of all necessary stakeholders, such as but not limited to, Council offices and Neighborhood Council representatives, homeowner association, and/or Business Improvement District (BID)/Chamber of Commerce representatives.