

**REPORT OF THE
CHIEF LEGISLATIVE ANALYST**

DATE: October 28, 2016

TO: Honorable Members, Planning & Land Use Management Committee

FROM: Sharon M. Tso 
Chief Legislative Analyst

Assignment No. 16-10-0831

SUBJECT: **Application Process for Sign Relocation Agreements**

SUMMARY

On August 23, 2016, your Committee instructed our office to submit a report on an application process for sign relocation agreements. In addition, your Committee instructed the City Administrative Officer to submit a report on the relationship between takedowns and revenue sharing.

This instruction was in response to separate draft ordinances transmitted from the City Planning Commission (CPC) and the City Attorney to enact new criteria for the establishment of sign districts.

In a June 18, 2015 joint CLA/Planning Department report, we discussed the feasibility of requiring relocation agreements in connection with the relocation of existing static and digital billboards to other sites, and noted that other cities allow this to occur. In addition, the report noted that: (1) relocation agreements would need to identify the number of static signs that would need to be removed in exchange for digital signs; and (2) relocation agreements would need to 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.

In addition, on August 19, 2016, a joint CLA/CAO/Planning Department, Department of Building and Safety report, recommended minimum land use criteria by which off-site signs would be allowed outside of sign districts, and that those land use standards be codified in the Municipal Code to provide a clear framework for project applicants.

As requested, this report provides a discussion of relocation agreements, and delineates the objective criteria that must be satisfied to approve or reject an application. In turn, the report recommends the modification of the proposed Sign Ordinance by allowing the use of relocation agreements for off-site signage outside of sign districts on privately owned property, and allow a specified square footage of lawfully permitted static billboards to be removed and replaced with a specified square footage of new offsite digital signs.

The zoning ordinance will include minimum land use standards that will be 'checked off' by Planning Department staff to ensure compliance, as enumerated in this report and the August 19, 2016 joint report, and that must be adhered to for the *by right* approval of off site signs outside sign districts via relocation agreements.

In addition, the report recommends, as instructed by the Council's adoption of the Fiscal Year 2016-17 Budget, that the CAO and the Planning Department, identify funding for six Resolution Authority positions (1 City Planner; 4 City Planning Associates; and 1 Geographic Information Specialist) that were authorized in the Budget but were not funded, to staff a Sign Unit in the Planning Department. One of the Sign Unit's function will be to accept, review, and approve/deny relocation agreement applications for off-site signs outside of sign districts.

Relocation Agreements:

Relocation agreements are authorized by the *California Outdoor Advertising Act* (California Business and Professions Code Section 5412), which “prohibits removal of a lawfully erected advertising display without payment of compensation.” This 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 defines **relocation** as the “*removal of a display and construction of a new display to substitute for the display removed.*” Therefore, a reduction in the City’s existing off-site signs could be enabled by the use of relocation agreements that offer the placement of off-site signs in locations outside of a sign district.

Municipal Code Section 12.21 (A)(7)(l): Off-Site Signs:

Municipal Code Section 12.21 (A)(7)(l) allows off-site signs in the City if permitted pursuant to the following: (1) A legally adopted Specific Plan; (2) Supplemental Use District; (3) An approved Development Agreement, or (4) A **Relocation Agreement** entered into pursuant to California Business and Professions Code Section 5412.

Since the Municipal Code already allows off-site signs in the City if permitted through a relocation agreement, the Council could adopt a zoning ordinance that permits the use of relocation agreements for off-site signage *outside sign districts* on (1) privately owned and/or (2) City owned property, which would allow a specified square footage of lawfully permitted static billboards to be removed and replaced with a specified square footage of new offsite digital signs.

Relocation Agreement Application Process:

The Council could create an application process that delineates the necessary objective criteria to approve or reject a relocation agreement. As such, the approval process must be based on discrete, very defined criteria and objective standards which includes: time, place, and manner regulations. Therefore, it is recommended that a menu of pre-cleared community benefits be adopted as enumerated below, along with a nexus (connection) study, to identify the necessary community benefits of any sign reduction program. The community benefits must be tied to any negative impacts caused by the new/relocated sign.

The relocation agreement process could contain the following:

1. Approval of **minimum land use standard criteria** are recommended if off-site signs are authorized outside of sign districts. Relocation agreements would need to adhere to these minimum standards, which would be used to approve or reject them. It should be noted that as long as an applicant proposes a location that meets the proposed standard criteria, the City would approve the relocation agreements *by right*.

These minimum land use standards could be incorporated as part of Municipal Code Article 4.4 Sign Regulations , Section 14.4.18, (Off-Site Signs), and inclusive of the following ‘menu’ of agreed upon community benefits as noted in the May 19, 2016 CLA/CAO/Planning Department joint report:

■ **Location:**

1. Off-site signs are recommended to be restricted to commercially or industrially zoned properties designated as Regional Center Commercial; General/Highway Oriented Commercial; Community Commercial; or Industrial in the General Plan.

2. Off-site signs are recommended to be prohibited in the following locations:

Properties designed as Neighborhood or Limited Commercial in the General Plan

Properties within an Historic Preservation Overlay Zone

Along designated Scenic Highways

Public Parks

Civic buildings

3. Off-Site signs are recommended to continue to be prohibited in:

Residential zones

Properties within a Specific Plan that prohibits off-site signs

4. Off-site signs outside sign districts can be a minimum of either 500; 200; or 100 square feet from the following sensitive uses. The distance, however, is a policy decision that has yet to be decided.

Single family zones

State or national parks

Ecological preserves

River Implementation Overlay

Scenic Overlays

- **Digital Display Standards:** Illumination and brightness, hours of operation, restrictions on message frequency, and restrictions on animation and refresh rates, more restrictive spacing requirements (distance between signs) for digital signs than for non-digital off-site signs are recommended for signs with digital displays outside of sign districts. Consistent also with the prior joint reports, more restrictive message frequency would also be necessary for off-site signs *outside* sign districts.

- **Existing Regulations:** Regulations currently in effect that regulate off-site signs with respect to dimensions, and freeway exposure are recommended to be retained, as codified in Municipal Code Section 14.4.18 (Off-Site Signs). The existing regulations would need to be modified, however, to include spacing requirements for digital signs *outside* sign districts. The existing regulations include the following limitations which are included in all versions of the proposed Sign Ordinance:

Off-Site signs are limited to 800 square feet in area

42 feet in height

8 feet above ground

200 square feet from residentially zoned lot for sign areas greater than 80 square feet

Subject to spacing requirements

No signs are permitted within 2,000 square feet of a freeway

- **Required Sign Reduction:** Off-site signs allowed outside of sign districts are recommended to be offset by required sign reduction at a determined ratio. This is the ratio that would remove X square footage of static signs for X square footage of digital signs erected. This is an ongoing policy decision that has been deliberated by your Committee. Different ratios were discussed in the August 19, 2016 joint report (8:1; 6:1; 4:1), and discussion of the merits of this policy are ongoing.

- **Required Community Benefits:** Off-site signs allowed outside of sign districts are recommended to be offset by community benefits. The following are community benefits that have been considered and were included in the May 19, 2016 joint report:
 - Streetscape Improvements
 - Public art programs
 - Public transportation programs
 - 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, or 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
 - Free use of available advertising space
 - Voluntary restrictions on content (e.g. City of Beaumont-no adult material)
 - Any other to be determined public benefits.

Relocation Agreement Application Process:

1. The application would need to contain information that demonstrates compliance with all regulations that would be reviewed by the Planning Department and ‘checked off’ for compliance.
2. Consider requiring a public hearing process that allows community input, and notification to residents living within a 500 square foot radius.
3. Limitation as to where signage would be allowed to be relocated as discussed in this report and prior reports.
4. Illumination standards, spacing requirements, and minimum requirements for sign reduction and/or community benefits.
5. Include language indicating that relocation agreements do not allow a net increase in signs, inasmuch as the intent is sign reduction, and not an increase in signs.
6. Each relocation agreement would be subject to environmental review and clearance and public review process, along with the necessary nexus (connection) study, to identify the necessary community benefits of any sign reduction program.
7. The Planning Department would review each application and make a recommendation for City Planning Commission review and Council review.

Funding the Planning Department’s Sign Unit:

The Fiscal Year 2016-17 Budget authorized six Resolution Authority positions for a Sign Unit in the Planning Department. The six positions are 1 City Planner; 4 City Planning Associates; and 1 Geographic Information Specialist. The positions are unfunded.

The objective of the Sign Unit would be to revise the proposed Sign Ordinance and to also review all applications for new Sign Districts, study Citywide signage issues, and develop new sign regulations and amendments. The City Administrative Officer (CAO), and the Planning Department, were instructed by the Council to identify the necessary funding for these positions during the fiscal year. Funding of the Sign Unit is important, inasmuch as one of their functions, as we previously indicated, will be to accept, review, and approve/deny relocation agreement applications for off-site signs outside of sign districts.

RECOMMENDATIONS

1. INSTRUCT the Planning Department, in consultation with the City Attorney, to revise the draft Sign Ordinance to include the minimum land use standards as enumerated in this report and the August 19, 2016 joint report, and any additional land use standard criteria and required environmental clearance, that must be adhered to for the approval of off site signs outside sign district via relocation agreements.
2. INSTRUCT the Planning Department, in consultation with the City Attorney, to include the land use standards for the approval of off-site signs outside sign districts via relocation agreements to be incorporated in Section 14.4.18 (Off-Site Signs) of the Municipal Code.
3. INSTRUCT the City Administrative Officer, with the assistance of the Planning Department, to identify funding for the six Resolution Authority positions (1 City Planner; 4 City Planning Associates; and 1 Geographic Information Specialist) that were authorized in the FY 2016-17 Budget, but were not funded.

Outstanding policy issues:

The Council will need to make policy decisions to determine whether to allow off-site digital signs outside of sign districts on private property only, or to allow off-site digital signs outside of sign districts on both private *and* City property.

It should be noted that on January 12, 2016, the City Planning Commission disapproved allowing off-site signs outside of sign districts on private property. The Planning Commission noted that additional study was needed whether to allow off site signs outside sign districts on City owned property. Another policy issue that must be decided is whether there will be a Citywide cap on the number of new digital signs allowed by relocation agreement.

CONCLUSION

As requested, this report identifies an application process for relocation agreements, and we have consulted with the Department of Building and Safety, Planning Department, and City Administrative Officer.


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Analyst