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Los Angeles City Council
c/o Office of the City Clerk
City Hall, Room 395
Los Angeles, California, 90012

Attention: PLUM Committee

Dear Honorable Members:

ON-SITE DIGITAL SIGNS, VINYL REPLACEMENT OF MURAL SIGNS, OFF-SITE DIGITAL SIGNS ON HISTORIC BUILDINGS, NONCONFORMING SIGNS, AND RELOCATION AGREEMENT IMPLEMENTATION PROCESS AND PROGRAM VIABILITY; CF 11-1705

On November 1, 2016, the Planning and Land Use Management Committee instructed the Department of City Planning to report back on the following:

1. On-site digital signs
2. Vinyl replacement of certain mural signs
3. Off-site digital signs on historic buildings in existing sign districts
4. Nonconforming signs
5. Relocation Agreement Process
6. Relocation Agreement Program Viability

This report presents options for City Council consideration to address the above issues. Such options are being explored as avenues to allowing digital signs outside of sign districts under certain conditions. However, it should be noted that the City Planning Commission, in its determination dated January 12, 2016, recommended disapproval of any provisions that would allow off-site signs and digital signs outside of sign districts.

This report also includes a discussion of the environmental clearance for the sign ordinance.

1. ON-SITE DIGITAL SIGNS

Pursuant to instructions from PLUM, dated December 19, 2014, requesting that the proposed ordinance be amended to prohibit on-site digital signs outside sign districts, the proposed citywide sign ordinance prohibits digital signs (on-site and off-site), except for those that are in one of two types of sign districts, Tier 1 or Tier 2:

- Tier 1 Sign Districts are intended to allow off-site and digital signs in appropriate venues, such as major regional commercial centers.
- Tier 2 Sign Districts are intended to allow digital signs, primarily on-site but also off-site if not visible from outside the property, for major projects, such as shopping centers and campus-type developments.

The Department outlined some concerns with allowing by-right on-site digital signs in the prior PLUM report dated May 19, 2016:

Allowing on-site digital signs outside of sign districts poses unique challenges ... [as] it is inherently difficult to distinguish a digital on-site sign that advertises a myriad of products sold on the premises from an off-site sign. The lure of significant advertising revenue could serve as an incentive for business owners to take full advantage of on-site digital signage, resulting in a proliferation of digital signs citywide. The retention of strong land use controls may be required to curb the signage and/or lessen its aesthetic and traffic safety impacts.

Proponents maintain that even though the Zoning Code currently allows on-site digital signs, the City is not currently faced with a proliferation of such signs. They also suggest that because digital signs can display messages of multiple businesses on the same site, such displays may encourage the consolidation of on-site static signs, resulting in improved aesthetics.

However, it is possible that the cost of digital on-site signs currently keeps such signs out of reach of the average small business. As technology advances, the cost of digital signage will likely continue to become more affordable, allowing more businesses to make use of them. Therefore, careful thought should be given to more permissive on-site digital sign provisions to avoid a citywide proliferation of digital signs.

If PLUM prefers a more permissive approach for on-site digital signs, the following are options to consider:

- Preserve the citywide prohibition against by-right digital signs by modifying the eligibility criteria for Tier 2 Sign Districts so as to permit more types of projects to qualify and, thereby, use on-site digital signs, or
- Preserve the citywide prohibition against by-right digital signs while allowing on-site digital signs for significantly smaller scale businesses by creating a Tier 3 type Sign District. Qualifying criteria for a Tier 3 type Sign District could be set to be available on properties having a minimum contiguous length of street frontage, lot area, and/or non-residential floor area, or on certain pre-selected types of streets or streets associated with a particular type of use, in order to include appropriate properties which would not otherwise qualify for a Tier 1 or Tier 2 Sign District, or
- Allowing on-site digital signs as a limited use on properties having a minimum contiguous length of street frontage, lot area, and/or floor area, as above, without needing to be in a sign district.

If PLUM intends to broaden the availability of on-site digital signs, Planning recommends creating a Tier 3 type Sign District to allow on-site digital signs for a wider variety of businesses, while preserving the citywide prohibition on by-right digital signs. The ordinance could include an accommodation for existing fueling stations to shift to digital integers.

Tier 3 Sign District Options

- **Eligibility.** It is recommended that eligibility be limited to sites that are a minimum size of two blocks or one acre, whichever is smaller, on commercially or industrial zoned properties designated as Regional Center Commercial, General, Highway Oriented Commercial, Community Commercial, or Industrial in the General Plan. In addition, it is recommended that such sites be a minimum of 200 feet from sensitive uses.
- **Digital Display Standards.** It is recommended that the illumination and digital display standards, including brightness, hours of operation, message frequency, and restrictions on animation and refresh rates be in line with standards in the draft sign ordinance recommended by the City Planning Commission, which includes a limit of 300 candelas per square meter. It may be appropriate to eliminate limits to intensity during the daytime, as generally brightness during daylight hours is not considered to be of concern.
- **Area.** Limit on-site digital signs to 50 percent of a property’s sign allotment, not to exceed a total on an individual site of 300 square feet, inclusive of pole, monument, and wall signs. Count any off-site digital signs on a property against its 50 percent limit.
- **Spacing between Signs.**

Current regulations for on-site signs require monument, pole, and projecting signs to be a minimum of 15 feet from each other. There are no spacing requirements for on-site roof or wall signs.

Consider requiring on-site digital signs to comply with the spacing currently required of off-site signs, as reflected in the table below:

Current Spacing Requirements for Off-Site Signs				
	Sign Area	Proposed Sign		
		< 80 sf	80-300 sf	>300 sf
Existing Sign	< 80 sf	100 ft	100 ft	200 ft
	80-300 sf	100 ft	300 ft	300 ft
	>300 sf	200 ft	300 ft	600 ft

Alternatively, spacing between signs could be doubled, as suggested for off-site digital signs in the PLUM report dated August 19, 2016.

- **Establishing a Tier 3 Sign District.** Tier 3 Sign Districts could be established using the same process as for Tier 1 or Tier 2 Sign District, but subject to more expanded eligibility criteria. Custom-tailored provisions for allowing on-site signs within the boundaries of each Tier 3 Sign District would be determined during the process of its establishment. Within a Tier 3 Sign District, proposed on-site signs that comply with the minimum standards could be permitted administratively.
- **Relief.** The proposed citywide sign ordinance currently allows for a Sign Adjustment to exceed standards by 20 percent or less and a Sign Variance to exceed standards by more than 20 percent.

2. VINYL REPLACEMENT OF CERTAIN MURAL SIGNS

There are 12 or fewer off-site signs created by the muralist Barry Blue for the 1984 Olympics. The Department of Building and Safety (LADBS) issued permits for these signs after the fact; the permits require any changes to their copy to be hand painted. PLUM has indicated interest in allowing these to be changed using a vinyl material approved by LADBS that is glued or affixed in some manner to the existing wall.

PLUM could require that these specific signs adhere to their permits. Alternatively, PLUM could consider allowing them to be changed using the vinyl material as proposed with limitations, such as requiring the vinyl changes to have the appearance of being hand painted, limiting the commercial message to 3 percent of the sign area, prohibiting the covering of any vents, windows or doors, and requiring the signs to remain in compliance with all other terms of their building permit and other applicable regulations.

3. OFF-SITE DIGITAL SIGNS ON HISTORIC BUILDINGS IN EXISTING SIGN DISTRICTS

PLUM has also indicated an interest in allowing off-site digital signs, by a sign adjustment procedure, on buildings designated as Historic-Cultural Monuments within a sign district established prior to the effective date of the proposed sign ordinance. Planning recommends that such modifications to the rules of an existing sign district can be better addressed by modifying the parameters of the individual sign district; a citywide mechanism is not necessarily needed for relief from the provisions of any particular sign district.

However, if PLUM prefers to pursue such changes in the proposed sign ordinance, Planning recommends the following provisions:

- Allow the Planning Director to grant a sign adjustment to the following design standards for a Digital Display sign: height above grade, allowance for placement on an open panel roof sign; number of signs or displays on a block face or building location, and square footage of the sign face, subject to the following limitations:
 - The sign must be located on a building designated as a Historic-Cultural Monument in a sign district established prior to the effective date of the ordinance.
 - The maximum sign area for an individual sign may not exceed 20 percent of the area of the façade or the roof of the building on which the sign is located.
 - A Sign Adjustment may not be granted that would cause the maximum sign area of all signs combined, set by the sign district, to be exceeded.
- The sign must conform to the Secretary of the Interior's Standards for Rehabilitation.
- The Director must make the findings for a sign adjustment as provided in the proposed sign ordinance and follow the procedures for a project permit adjustment.

4. NONCONFORMING SIGNS

A legal, nonconforming sign is one that does not conform to current regulations but lawfully existed at the time it was erected. The status of such signs is clearly addressed in Zoning Code Section 12.23 Nonconforming Building and Uses.

This report addresses those signs for which existing legal status is unclear, such as signs without an existing permit on record, and signs that have been altered in violation of their permit. Data as to the number, status, and other details of nonconforming off-site signs was addressed in the

PLUM report, dated August 19, 2016. In summary, the August 19, 2016 report states that enforcement of the majority of off-site signs for which there is no permit is subject to the “Rebuttable Presumption” law. In contrast, enforcement of signs that are in violation of their permits is clearer cut, but implementation is dependent on LADBS having sufficient inspector resources.

As previously reported by LADBS, signs out of compliance with their permit can be addressed by more stringent enforcement. Alternatively, PLUM could add a sign-specific slight modification process, allowing changes of up to 10 percent, to be issued administratively, to bring certain signs into compliance. This could be available only to those off-site signs for which a 10 percent modification would bring them into compliance and only for off-site signs that were out of compliance prior to a set date, so as not to encourage any continuing violation/forgiveness of the regulations.

Regarding existing off-site signs with no valid permit, PLUM could consider the following:

- Granting lawful status to existing off-site signs with no valid permit on record from at least the five years preceding December 16, 2014, and for which no order to comply was issued by LADBS (consider referencing a list of existing signs). Granting legal status to the aforementioned signs would make them eligible to be counted for any future sign reduction requirements and, thus, provide a path toward a gradual decrease in their numbers outside the “rebuttable presumption” protections. However, granting these signs legal standing may serve as an incentive for their owners to retain, enlarge, or otherwise take advantage of this new status in lieu of removing them.
- An alternative for PLUM to consider would be to allow these off-site signs (the same referenced list of existing signs as above) to count toward any future sign reduction requirement, without explicitly deeming them to be lawfully erected. For the sake of sign-reduction credit, PLUM could count them the same as an off-site sign with a valid permit, such as one square foot of an off-site sign without a valid permit counts the same as an off-site sign with a valid permit. Or, off-site signs without valid permits could count towards sign reduction requirements at a fraction of the “value” of an off-site sign with a valid permit. Such fraction could be one-half or one-quarter the “value” of an off-site sign with a valid permit. No other benefit would be accorded. Thus, owners of off-site signs on the aforementioned list of signs without valid permits would be provided an incentive to remove one or more of them in order to “earn” digital off-site signage, without gaining other benefits.
- Another option would be for off-site signs without an existing permit on record, or signs that have been altered in violation of their permit, to remain in their current status. PLUM could direct LADBS to enforce the City’s prohibition on by-right off-site signs, starting with reviewing records to identifying which off-site signs may not qualify for rebuttable presumption status.

5. RELOCATION AGREEMENT IMPLEMENTATION PROCESS

The Outdoor Advertising Act, contained in the California Business and Professions Code, as a policy encourages local governments and off-site sign owners to enter into relocation agreements instead of compensating owners for the removal of signs pursuant to eminent domain laws. The Act empowers local entities to enter into relocation agreements and adopt ordinances or resolutions providing for the relocation of off-site signs. As such, it is recommended that if PLUM seeks to offer relocation agreements, the citywide sign ordinance should explicitly provide for such authority and not rely on the State’s sign relocation provisions.

As an example, the City of Sacramento has provisions in its City Code that explicitly allow and describe the procedures for the relocation of existing off-site signs in accordance with relocation agreements approved by the City Council. The following are some of the pertinent provisions:

- Relocation agreements are only for the relocation of legal, nonconforming off-site signs.
- Proposals are subject to a public hearing and considered by the Planning and Design Commission and the City Council. These are noticed in the same manner as a conditional use permit application.
- Net reduction in the number and area of legal off-site signs is required (no specific amount specified)

Sacramento's relocation agreement program is for both static and digital signs. However, digital signs are only allowed on city-owned property as authorized by a relocation agreement. To date, Sacramento has authorized four digital signs on city-owned property through relocation agreements.

The following are potential elements of a relocation agreement process for off-site signs outside of sign districts:

Eligibility. As stated in the August 19, 2016 report to PLUM, a policy decision will need to be made as to whether relocation agreements will be available for off-site signs on private property only, City-owned property only, or on private and City-owned property. Other options to consider with respect to eligibility are the location restrictions recommended in the PLUM reports, dated May and August 19, 2016.

Initiation. Relocation agreements are agreements entered into by the City and a private party. As such, a relocation agreement request should be initiated by an applicant for an off-site sign on private property. For an off-site sign on City-owned property, the City could initiate the relocation agreement process by announcing the availability of a property or properties for a relocation agreement and requesting a response from interested applicants.

Pre-application consultation. It is recommended that applicants be required to participate in a pre-application consultation to become familiar with the application requirements, expectations, and process.

Program management. At the start of any relocation agreement program, there may be a sudden high volume of applicants competing for what are considered the most lucrative locations. This surge in applications may overwhelm the City's capacity for processing. The following are options to consider, either alone or in combination, to manage the program:

- **Cap the overall number of relocations.** A cap on the overall number of relocations could be established, which would contain the total number of requests. Additional regulation would be required to address a possible surge at the outset of the program.
- **Cap the number of relocations allowed per applicant within a given time period.** A cap on the number of relocations allowed per applicant on a monthly or annual basis could be established. The number of relocations allowed could be tied to the sign reduction ratio employed. As an example, a sign reduction ratio of 2:1 (two square feet of existing sign area removed in exchange for one square foot of new sign area) might allow an applicant two sign relocations; a sign reduction ratio of 4:1 might allow four sign relocations, etc., up to a selected maximum, such as five or six sign relocations within the established time period.

- **Structure the timing of applications.** Applications could be accepted only on a periodic basis, such as during a monthly, quarterly, or semi-annually application window. Alternatively, applications could be accepted on a geographic basis within a specified time window, one area at a time, rotating through the city. Another approach could be to accept only the number of applications that can be processed within a set, reasonable amount of time, as determined by in-take staff.
- **Allocate desirable locations.** It is anticipated that some locations may be highly prized, which may result in competition among applicants for the opportunity to relocate an off-site sign there. In addition, as discussed earlier in this report, the Zoning Code currently requires that off-site signs observe a minimum distance from each other, the spacing of which depends on the sizes of the off-site signs in question. Regardless of whether or not the spacing requirements for digital off-site signs will be increased, there will be regulations in place that could preempt one applicant's requested location if it is too close to another applicant's requested location.

The challenge is how to equitably allocate competitive locations. One option is to allocate them based on the time/date stamp of the relocation agreement application, honoring location requests according to the order in which they are received. Another option is to allocate a competitive location to the applicant having the oldest off-site sign being relocated. Building permits would be supplied by the applicants; if building permits are not available, applicants could present other records, recognized as valid by LADBS, to document age.

When an existing, desirable location currently contains multiple off-site signs, an applicant would be prohibited from "relocating" an off-site sign to its existing location on account of the required spacing between off-site signs. To address this situation, an exception to the spacing requirements could be considered to allow the replacement of existing signs only, not the addition of new signs. The exception could be limited to only one replacement sign per location, or only one replacement sign per operator.

Application form. Applicants would complete an application form describing the proposed details of the relocation agreement. Details could include, but not be limited to, the following:

- Description of the new off-site sign(s), such as display area, number of faces, support structure, and display standards.
- Location/orientation
- Proposed sign reduction
- Evidence of a valid permit for the existing sign

Other application documents could include drawings, photos of existing signs proposed for removal, and computer modeling of the proposed sign in its proposed location.

Environmental clearance for relocation agreements. Each relocation agreement would require its own environmental clearance.

Fees. An appropriate fee that reflects the expenditure of time it takes the City to review and process a relocation agreement application should be established. The fee may be similar to the current fees for development agreements.

Staffing. A dedicated Sign Unit would be needed to effectively process relocation agreement applications, as one of an array of sign-related responsibilities.

Application procedure. The application would be submitted and payment of fees would be paid to the Planning Department counter at the Development Services Center. The application would then be assigned to the Sign Unit, where it would be reviewed by staff to ensure it meets the minimum requirements, including the proposals for sign reduction, revenue sharing, and community benefits.

Public hearing/staff recommendation report. A staff level public hearing would be conducted, with notice requirements similar to that of a conditional use permit. The hearing officer could take testimony on the terms of the proposed relocation agreement. Staff would prepare a recommendation report, inclusive of a summary of public input and a recommendation, for the decision maker.

Decision maker. The City Council would be the decision maker for relocation agreements. The review and recommendation could originate from a staff level Director's Determination, Zoning Administrator (possibly assigned to the Sign Unit), or either the appropriate Area Planning Commission or the City Planning Commission. The Planning Department recommends that an Area Planning Commission or the City Planning Commission make a recommendation on the terms of the relocation agreement to the City Council for a decision.

6. RELOCATION AGREEMENT PROGRAM VIABILITY

The City currently prohibits off-site and digital signs, with some exceptions, including allowing such signs in certain sign districts. The proposed citywide sign ordinance contains provisions detailing how and under what conditions sign districts can be established, which would be more restrictive than the regulations currently in effect.

This and previous reports to PLUM since May 2016, have explored policy options that allow for additional exceptions to the prohibition, including allowing off-site digital signs pursuant to relocation agreements, in accordance with recommended land use restrictions, as a means to expand siting options as well as to achieve additional sign reduction. Since existing off-site signs provide an indication as to desirable locations, it is logical to examine how existing off-site sign locations coincide with the areas that meet the land use limitation criteria to evaluate as to whether the contemplated relocation agreement program is a viable approach to achieving additional sign reduction.

Maps illustrating the locations excluded as a result of the recommended land use parameters were prepared, incorporating a buffer distance from the recommended list of sensitive uses. Three different buffer depths were explored: 100 feet, 200 feet, and 500 feet. These maps were then combined with the locations of existing off-site signs, using records from LADBS's Off-Site Sign Periodic Inspection Program (OSSPIP). The resultant data indicates that prospective allowed locations (areas not excluded by the land use parameters) do not exactly match locations of existing off-site signs. The table below shows the number of existing off-site signs (counted by display faces) that fall outside the areas that would be excluded if the land use restrictions suggested in the May 19, 2016 PLUM report were in effect. These are presented by the three buffer scenarios. The total number of off-site signs mapped represents only those off-site signs for which addresses were available.

	Existing Off-Site Signs in Locations Compliant with Potential Land Use Limitations
Excluded Areas using 100' Buffer	6292 (78.43%)
Excluded Areas using 200' Buffer	4666 (58.17%)
Excluded Areas using 500' Buffer	3063 (38.18%)
Total Off-site Signs Citywide (mapped) = 8022 ¹	

The table shows that depending on the buffer distance employed, either about 40, 60, or 80 percent of the locations of existing off-site signs would also be eligible locations for new off-site signs. Therefore, it appears that the contemplated off-site sign relocation agreement program is viable, using any of the three buffers, as a means for reducing the number of existing off-site signs. The eligible locations increase as the buffer depth decreases. However, the desire to enhance the number of eligible locations will need to be balanced against the need to protect sensitive uses. Finally, it should be noted that existing off-site sign locations are not the definitive indicator of lucrative locations. The city prohibited by-right off-site signs in 2002, resulting in virtually no new off-site signs being established since then, except for the specific exceptions allowed. Therefore, existing off-site sign locations do not reflect the city's more recent land use and real estate development trends.

7. ENVIRONMENTAL CLEARANCE FOR PROPOSED SIGN ORDINANCE

If substantive changes are made to the proposed sign ordinance, such as adding provisions that allow more on-site digital signs and/or provisions that provide for relocation agreements for off-site digital signs outside of sign districts, additional analysis regarding the environmental implications of the change in project description may be required to be conducted. New projects proposed, within the parameters of new citywide sign regulations, may also require their own environmental clearance.

Sincerely,

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Director of Planning



Kevin J. Keller, AICP
Deputy Director

VPB:KJK:TR:pn

Enclosures

¹ As of May 17, 2016, Off-Site Sign Periodic Inspection Program (OSSPIP) records show 8,323 sign faces, but only 8,022 are associated with addresses and could be mapped.