HEARINGS

AGENDA ITEM 16.01
TO: Mayor and City Council

FROM: Michael E. Locke, Deputy City Manager

SUBJECT: PUBLIC HEARING: CITY INITIATED MUNICIPAL CODE AMENDMENT FOR TITLE 16 TO ALLOW DIGITAL OFF-PREMISES SIGNS, AN ASSOCIATED CEQA GENERAL RULE EXEMPTION AND AUTHORIZATION TO RELEASE A REQUEST FOR PROPOSAL TO SOLICIT OFFERS TO LEASE AND INSTALL DIGITAL OFF-PREMISES SIGNS ON CITY PROPERTY (P12-033)

RECOMMENDATION

It is recommended that the City Council adopt two (2) resolutions and an ordinance as follows:

1. Resolution certifying a “General Rule” Exemption under the California Environmental Quality Act.
2. Ordinance approving an amendment to Stockton Municipal Code Title 16 to allow digital off-premises signs on City property and clarifying the requirements for other off-premises signs.
3. Resolution approving the Request for Proposal and authorizing its release to solicit offers for installation of digital off-premises signs on City-owned property.

Summary

In response to interest expressed by representatives of the outdoor media industry, the City Council at its January 31, 2012 Study Session initiated a Municipal Code amendment to allow digital off-premises signs (digital billboards) on City-owned property subject to specific criteria and standards and directed the preparation of a Request for Proposal to allow for a competitive selection process. The Planning Commission at its March 22, 2012 meeting considered and recommended approval of the City initiated Municipal Code amendment and the associated California Environmental Quality Act (CEQA) “General Rule” Exemption. Specifically this action would amend Title 16, Section 16.76.110 of the Stockton Municipal Code to allow twelve (12) digital off-premises signs at six (6) locations on City-owned sites in industrial zoning districts and some commercial and public land zoning districts along designated freeways. Sign installation would be subject to Planning Commission and City Council approval, permanent removal of nine (9) sq. ft. of existing signage for each new sq. ft. of digital signage installed as well as several other requirements.

The Request for Proposal (RFP) has been developed to comply with the City Charter provisions related to providing a competitive process for the leasing of public property. The RFP will also initially limit the number of sign sites to two (2) so as to allow further evaluation by the City. The RFP addresses many items including but not limited to sign
location, technology and board replacement schedules, City identification on and the City's use of the sign as well as the financial benefit the City will receive from the sign site lease.

DISCUSSION

Background

The City has been contacted by representatives of the 3 major off-premise advertising companies with signs in the City; Primero Outdoor Media, Clear Channel Outdoor and CBS Outdoor, all of whom are expressing an interest in being able to install digital off-premises signs (digital billboards) within the City, generally along freeway corridors. Additionally, at least one of these companies has indicated that they may consider requesting Municipal Code changes to allow this type of land use. The City's current off-premises sign (billboard) ordinance (SMC 16.76.110; Attachment A) provides standards for the construction, location, and maintenance of off-premise signs, but does not specifically address digital off-premises signs. In 2001, a few years after the repeal of the unsuccessful off-premise sign amortization language which was targeted at nonconforming off-premises signs, an amendment of the ordinance established the “cap and replace” provisions that remain in place today. Among other requirements, these provisions limit the total number of off-premise signs in the City to 306 and prescribe zoning district specific allowances and constraints for the construction of new off-premise signs (within the 306 cap). New off-premises signs are only allowed within the IL (Industrial, Limited) and IG (Industrial, General) zoning districts. In addition, an existing off-premise sign may be relocated, subject to an approved relocation agreement, to the CD (Commercial, Downtown), CG (Commercial, General), or CL (Commercial, Large-Scale) zoning districts based on a sign face square footage replacement ratio of three to one. The Municipal Code, further expands on the State limitations prescribed by the Outdoor Advertising Act, and completely prohibits off-premises signs on any property adjacent to and oriented toward a “landscaped freeway” if the sign is primarily oriented towards persons traveling the freeway and is within 660 feet of the freeway’s outer limits.

Over the past several months, staff has engaged in an ongoing dialogue with these three outdoor advertising companies, each of which maintains a number of existing off-premises sign structures within the City. Considering the level of outside interest and to avoid grappling with one or more privately initiated and potentially competing code amendments that could unfairly benefit one company; staff contacted several other cities which currently have digital off-premises signs, including the City of Sacramento, to determine how these cities dealt with the issue of digital off-premises signs. Based on this research, it appeared that there was an opportunity for the City to effectively limit the number and location of digital off-premises sign sites, give the City an appropriate
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and legal range of control on the content, as well as provide a revenue opportunity for the City. Beginning in September, 2011, at City management's direction, a team from Community Development, Economic Development and the City Attorney's Office met to refine the original Development Code language to take advantage of the experience of other cities and to develop a conceptual request for proposals to lease and install digital off-premises signs at City-owned locations, subject to specific criteria. As a result of those meetings, on January 31, 2012, the City Council, at a formal Study Session, discussed the potential for allowing digital off-premises signs in Stockton subject to the concepts presented by staff and directed a Municipal Code amendment be initiated to allow the installation of digital off-premises signs on City-owned property.

Based on the Council's direction and the process identified by staff, representatives of the outdoor advertising industry with sign ownership in the City and adjacent areas (6 companies) were invited to meet with staff to provide their input on the concepts and specifics of the draft Municipal Code amendment and draft Request for Proposal. Staff met with and had follow-up conversations with all of the responding companies, which consisted of the three (3) major outdoor advertising companies doing business in the City. The industry representatives raised several issues related to the draft Municipal Code amendment including:

- Reducing the proposed 9 to 1 sq. ft. replacement ratio (at least 9 sq. ft. of static sign must be removed for each sq. ft. of new digital sign installed). The industry representatives stated that this ratio is unprecedented anywhere within the industry and may significantly reduce the revenues that the City may realize. The Planning Commission and staff do not support any change to this ratio.
- Eliminate the building permit reference for the replacement/relocated sign due to a potential timing issue with required Caltrans process/approvals. This change has been incorporated in the recommended Municipal Code amendment.
- Provide for a maximum height above the freeway/sound wall of 40 feet rather than the staff suggested 20 feet. The recommended Municipal Code amendment has been adjusted to reflect a maximum 35 foot height above the freeway/sound wall to address the industry concerns.
- Provide reduced spacing between digital off-premises signs and existing static off-premises signs to make the best use of the limited number of City owned sites. The recommended Municipal Code amendment reflects a reduced digital to static off-premises sign separation of 500 feet (Caltrans standard) as suggested by the industry representatives.
- Allow digital off-premises signs on selected arterial streets within the City. The Planning Commission and staff do not support this suggestion at this time, though it may be a future consideration once the City has significantly more experience with digital off-premises signs.
Further the industry representatives raised several issues related to the draft Request for Proposal (RFP) including:

- Eliminate the call out of specific sites and allow the industry to select the most viable sites and the sites with the highest revenue potential in response to the RFP and the range of State and Federal requirements. Staff agrees with the industry input and has included this concept in the RFP which now identifies nineteen City-owned properties as suggested sites for the location of digital off-premises signs. It further allows for the consideration of other appropriate City-owned sites not specifically identified in the RFP.

- Allow the consideration of portions of existing street right-of-way where pole structure would not impede vehicular or pedestrian activity and the sign would actually overhang the street with a minimum acceptable clearance. Though not specifically stated in the recommended Municipal Code amendment or RFP, this option would be available in the Weber Grant area where the City owns the street right-of-way and could be available in other areas of the City depending upon how “City-owned” is ultimately defined by the City Attorney.

- Provide information on how the RFP’s will be scored to allow the applicants to tailor their applications for the maximum possible opportunity. Staff believes that there is sufficient criteria included in the RFP and has not included a scoring procedure in the RFP.

Present Situation

The recommended Municipal Code amendment and the recommended Request for Proposals take into consideration the issues raised by the industry representatives in their meetings and discussions with staff and the City Council’s direction from the January 31, 2012 Study Session. The recommended Municipal Code amendment (Attachment B) and the recommended Request for Proposals (Attachment C) are presented for the City Council’s consideration and highlights of these items are as follows:

**MUNICIPAL CODE AMENDMENT**

**Specific Requirements for Digital Off-Premises Signs**

- Limited to sites owned by the City that are adjacent to a freeway and located in the IG, IL, CD, CG and PF zoning districts.Sites meeting these criteria may also be in a Redevelopment Area or along a landscaped freeway.
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- Limited to within 660 feet of Interstate 5, State Route 99 and the Crosstown Freeway segment of State Route 4
- A maximum of 2 sites may be used per freeway
- Signs are subject to Planning Commission Use Permit
- One double faced sign will be allowable at each location, for a potential maximum of 12 digital sign faces in the City
- A minimum replacement ratio of 9 to 1 or greater with required Relocation Agreement, i.e. at least 9 sq. ft. of static sign must be removed for each sq. ft. of new digital off-premises sign installed
- Sign height will be a maximum of 35 feet above the freeway surface or associated sound attenuation structure which ever is greater and not to exceed a maximum height of 90 feet
- Minimum 5,000 foot separation between digital off-premises signs and a 500 foot separation from static signs
- Signs removed to install digital off-premises sign(s) will reduce the current 306 citywide sign cap, on a sign for sign basis
- Definitions expanded and clarified to include digital signs

In addition to the above changes specifically related to digital off-premises signs, the following changes are also included in this Municipal Code amendment:

- All new/relocated static signs are subject to an Administrative Use Permit
- Sign height (for static signs oriented to the freeway) will be a maximum of 35 feet above the freeway surface or associated sound attenuation structure which ever is greater and not to exceed a maximum height of 90 feet
- Re-defined “freeway oriented signs” consistent with State Outdoor Advertising Act - i.e. within 660 feet of freeway right-of-way
- Amend Table 2-2 to reflect current code provisions for off-premises signs in the Commercial Large-Scale (CL) Zoning District

REQUEST FOR PROPOSALS

- Code Compliance as a minimum
- Location of the digital off-premises sign site(s)
- City will select up to two (2) sites from the proposals received as an initial trial (Additional Sites may be released to the Code established maximums, based on Council direction and experience)
- Number of signs, over the required 9 to 1 ratio, offered for removal
- Location of signs offered for removal
- Remuneration offered to the City – initial payment and monthly lease rate
- Design features of the sign
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- City identification on sign
- Availability for City and public service messages
- Board and technology replacement schedule
- Experience and track record of proposer with similar board installations

Below are few of the goals that went into the development of the Municipal Code amendment and associated Request for Proposal summarized above:

- Providing minimum standards to safeguard life, health, property and public welfare in the City
- Maintaining and improving the character of the City, by providing further regulation and controls on the construction, location, maintenance and operation of digital off-premises signs
- Reducing visual pollution or blight while advancing traffic safety and aesthetics.

These goals are achieved, in part, by the removal of a number of off-premises signs and the reduction in the cap, thereby resulting in a permanent reduction of the number of signs that may be permitted in the City. Further this minimum nine to one replacement ratio with the associated cap reduction is intended to encourage a more desirable urban character which has a minimum of visual clutter and/or blight as there would be fewer off-premises signs and the new digital off-premises signs would be of a more aesthetically pleasing design.

Consistent with the recommended Municipal Code amendment and attached for the City Council's information, as Attachment D, is a map identifying various City-owned sites where digital off-premises signs might possibly be located, however, not all of these sites may be physically able to accommodate a sign due to size limitations or the existence of underground facilities that preclude the construction of the large and deep foundation required for a sign. This map also identifies the segments that are designated by the State Department of Transportation (Caltrans) as "Landscaped Freeways" and therefore also must comply with additional provisions of the State's Outdoor Advertising Act. This act grants Caltrans review and approval authority for off-premises signs within 660 feet of State/Interstate Highways and provides for additional review and requirements to place off-premises signs along "Landscaped Freeways". Caltrans is routinely included in the City's review and permitting process for off-premise signs. An additional map is also included, as Attachment E, depicting this same information with the Council Districts identified. A list of the various City owned sites is provided as Attachment F.

Though the recommended Municipal Code amendment is suggesting up to six (6) sign locations with a total of twelve (12) sign faces, staff is suggesting, through the Request
for Proposals, a more incremental approach to the actual installation of digital off-premise signs in the City. Staff is recommending, initially, only selecting two (2) sites, with a total of up to four (4) sign faces with the initial Request for Proposal. Following this approach will provide the Council with an opportunity to evaluate the actual effects of the newly installed digital billboards before potentially authorizing the release of additional sites for the installation of additional digital off-premises signs.

Since the recommended Municipal Code amendment limits digital off-premise signs to City owned properties it provides an opportunity for the City to potentially gain another revenue stream for the General Fund. It is anticipated that revenues could range from $10,000 to as much as $360,000 annually. Though only the final contract(s), based on an open and competitive Request for Proposal process, will determine the City’s actual revenue.

The City Attorney’s Office has been extensively involved in the formulation of the proposed Development Code amendment and the Request for Proposal. Specifically, as it relates to the ordinance provision limiting digital billboards to City-owned property, the 2009 United States Court of Appeals, District 9 published decision - Metro Lights LLC vs. City of Los Angeles, held that a city may prohibit advertisers in general but may permit them to bid for the right to advertise on city-owned property. Based on this decision, the City Attorney has determined that this limitation contained in the recommended Municipal Code amendment is appropriate and legally supported. The City Attorneys office also determined this Development Code amendment is within the bounds of legal propriety and an appropriate use of the City’s land use regulation and police powers. Additionally the Attorney’s Office has stated that the Request for Proposal is acceptable and is subject to the provisions of the City Charter regarding procedures to lease public property.

Next Steps

Pending the City Council’s support for the recommendations contained in this report, the following is the anticipated schedule of activities:

- Release Request For Proposals (May 10, 2012)
- Proposals due to City (June 14, 2012)
- Review and selection of Proposal(s) (June/July 2012)
- Council Authorization to negotiate lease with successful proposer(s) (August 2012)
- Planning Commission Approval of Use Permits for digital off-premises signs (October 2012)
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- City Council approval of leases and relocation agreements for digital off-premises signs (November/December 2012)

Environmental Clearance

The General Rule Exemption was prepared in compliance with the California Environmental Quality Act (CEQA), State CEQA Guidelines and City Guidelines for the Implementation of CEQA. The "general rule" is that CEQA applies only to projects which have the potential for causing significant, adverse environmental effects. As defined in CEQA, a "Project" is an activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The recommended Code amendment is an activity covered under the "general rule" exception based on the following: 1) the recommended Code amendment does not entitle and/or otherwise approve any specific activity that could result in either a direct or a reasonably foreseeable indirect physical change in the environment; and 2) the recommended Municipal Code amendment includes provisions for the City's discretionary approval of all future allowable off-premise signs, thereby requiring an environmental assessment, per the CEQA requirements, prior to any site-specific project approval.

Related to the recommended CEQA exemption are affects on aesthetics and traffic safety:

Affect on aesthetics – The recommended Code amendment requires 9 sq. ft. or more of existing sign be permanently removed for each new sq. ft. of digital sign installed. This permanent removal requirement will substantially improve the general aesthetics of the City thereby leading to a potentially positive or at the very least a neutral effect under CEQA.

Affect on traffic safety - The Federal Highway Administration (FHWA) monitors the issue closely, and recently released its report updating the agency's view of the issue. The February, 2009 report is entitled: "The Effects of Commercial Electronic Variable Message Signs (CEVMS) on Driver Attention and Distraction: An Update", and presents the following conclusion:

"In summary, from the perspective of strict statistical hypothesis testing, the present literature review is inconclusive with regard to demonstrating a possible relationship between driver safety and CEVMS exposure."

In other words FHWA has found no conclusive link between driver safety and digital off-premises signage, therefore, based on the current research and for the purposes of
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CEQA, there is no established relation between digital off-premises signs and traffic safety impacts.

At the time of the required use permit review and the consideration for specific projects, site specific CEQA analysis and documentation will be completed to address aesthetics and driver/traffic safety as well as the other items considered under the CEQA Guidelines.

PUBLIC HEARING DISCUSSION

The Planning Commission held a public hearing on this item on March 22, 2012. Representatives of the outdoor advertising industry spoke in favor of the proposed amendment and answered the questions of the Commissioners though one representative did suggest that the 9 to 1 replacement ratio was excessive. No one spoke in opposition to the proposed amendment.

PLANNING COMMISSION ACTION

Following the public hearing, the Planning Commission voted 6-0 (Davis absent) to recommend City Council approval of the General Rule Exemption and the proposed amendments to SMC Title 16, based on the findings contained in the attached Planning Commission staff report (Attachment G). Further it should be noted that the Planning Commission did not review or take action on the recommended Request for Proposal as the Request for Proposal is under the City Council’s direct purview.

PUBLIC NOTIFICATION

A notice of this public hearing was published in The Record on April XX, 2012 to fulfill the requirement to publish a notice in the local newspaper at least one time, ten days prior to the public hearing.

VOTES REQUIRED

A simple majority vote of the City Council is necessary to approve the recommendations contained in this report. (City Charter section 404)

FINANCIAL SUMMARY

Though there is no immediate or direct financial impact to the General Fund or any unrestricted fund, this action sets the stage for the City to lease existing City property for a specific private use, creating a long term stable revenue stream and will also encourage additional private sector investment. It is anticipated that revenues could be
as much as $360,000 or more annually. Only the final contract(s), based on an open and competitive Request for Proposal process, will determine the City’s actual revenue.

Respectfully Submitted

MICHAEL E. LOCKE
DEPUTY CITY MANAGER/
INTERIM COMMUNITY DEVELOPMENT DIRECTOR

MEL:GSM:sis

Attachment A – Current Off-Premise Sign Ordinance
Attachment B – Recommended Development Code Amendment
Attachment C – Recommended Request for Proposal
Attachment D – Map of Suggested Digital Billboard Sites
Attachment E – Map of Suggested Digital Billboard Sites with Council Districts
Attachment F – List of Suggested Digital Billboard Sites
Attachment G – Planning Commission staff report (3-22-12)
16.76.110 Standards for off-premises signs.

A. Purpose.

1. The provisions of this section are intended to provide minimum standards to safeguard life, health, property and public welfare in the City, and in keeping with the character of the City, by regulating and controlling the construction, location, and the maintenance of off-premises signs, and to:
   a. Protect and enhance the character of neighborhoods and property values by prohibiting obtrusive and incompatible off-premises signs;
   b. Provide a reasonable and comprehensive system of control of off-premises signs to promote traffic safety;
   c. Encourage a desirable urban character which has a minimum of visual clutter and/or blight; and
   d. Enhance the value of the overall community and each of its areas through regulation of off-premises signs.

2. This section shall not be interpreted or applied in a way that would give a preference or a greater degree of protection to a sign conveying a commercial message than would be given a similar sign that conveys a noncommercial message. In the event of any ambiguity, it shall be resolved in favor of allowing noncommercial signs the same benefits, exemptions, and other protections as may be given to a similar commercial sign.

B. Cap and Replace. The total number of off-premises signs shall never exceed 306 signs. The only zoning districts where off-premises signs are allowed to be erected and maintained are the IL and IG zoning districts, unless the City and the sign company have entered into a relocation agreement. Pursuant to the relocation agreement, and subject to the cap of 306 and subject to all the other standards of this section, an off-premises sign may be relocated to the CD, CG, or CL zoning districts based on a sign face square footage replacement ratio of three (3) to one (1). This means that for every new sign allowed, existing signs equal to three (3) times the sign face square footage of the new sign shall be removed.

C. Off-Premises Signs Prohibited.

1. Notwithstanding subsection B of this section (Cap and replace), off-premises signs shall be prohibited in the following areas:
   a. The Miracle Mile area along Pacific Avenue between Harding Way and Alpine Avenue;
   b. The Stockton Channel area as defined in Division 8 of this Development Code;
   c. Any project area established by the Redevelopment Agency;
   d. Any historic preservation district established by the Council; and
e. Any property adjacent to any "landscaped freeway" within the City if the sign is designed to be viewed primarily by persons traveling along the landscaped freeway, and the sign is located within 660 feet of the outer limits of the landscaped freeway.

2. No off-premises sign shall be erected at any location where, by reason of the position, shape or color, it may interfere with, obstruct the view of, or be confused with any authorized traffic sign, signal, or device.

3. Off-premises signs shall be prohibited if any portion of the sign is located within 300 feet of any residential zoning district.

4. No off-premises sign shall be physically attached to the roof of any structure.

D. Standards for Off-Premises Signs.

1. **Size.** The maximum size of any off-premises sign shall be 672 square feet.

2. **Height.** All off-premises signs shall be subject to a maximum height of 45 feet, except those signs oriented towards a freeway and located within 500 feet of a freeway right of way line shall be subject to a maximum height of 60 feet.

3. **Separation.** No off-premises sign, which is greater than 300 square feet in size, shall be located nearer than 1,000 feet to any portion of another off-premises sign. All other off-premises signs, 300 square feet or less in size, shall be separated by at least 750 feet.

4. **Type.** All flashing and/or moving displays/signs shall require an administrative use permit. Flashing and/or moving displays/signs shall not be located within 300 feet of any residential zoning district unless the display/sign is not visible from a residential zoning district. The distance shall be measured in a straight line from the nearest point of the proposed sign to the nearest applicable boundary line of a residential zoning district.

E. Nonconforming Signs.

1. It is the intent of this section to recognize that the eventual elimination of existing off-premises signs not in conformity with the provisions of this Development Code is as important as the prohibition of new signs that would violate these regulations. It is also the intent of this chapter that the elimination of nonconforming signs shall be effected so as to avoid any unreasonable invasion of established property rights. All off-premises signs which do not meet the requirements of this chapter are deemed nonconforming.

2. If any legal nonconforming off-premises sign shall be damaged, deteriorated, or dilapidated to a point that repair or rehabilitation would require expenditures in an amount exceeding 50 percent of the fair market value of the sign, the sign shall be removed within 90 days of a determination of the condition, as evidenced by written notification by the Director to the owner of the sign.

3. No additions, enlargements, or changes which increase the nonconformity or life of the sign shall be made to any nonconforming off-premises sign except the periodic replacement of copy thereon. Repairs and maintenance of an ordinary nature may be
made in any period of 12 consecutive months to an extent not to exceed 10 percent of
the fair market value of the sign.

F. **Relocation.** If, due to a City or Redevelopment Agency project, a nonconforming off-
premises sign must be removed, it may be relocated on the same parcel of land, if feasible
and if all parties (landowner, sign owner, City, and/or Agency) agree. This also applies to a
conforming sign as long as the relocation does not make the sign nonconforming. Any
relocation on the same parcel of land in compliance with this section shall not be subject to
the three (3) to one (1) cap and replacement ratio in subsection B of this section (Cap and
replace). (Ord. 015-09 C.S., eff. 12-3-09; prior code § 16-360.100)
B. Cap and Replace

1. **The Cap.** The total number of all off-premises signs shall never exceed 306 signs, further said cap shall be reduced by the number of signs removed pursuant to relocation agreement(s) for digital/electronic/moving displays/signs.

2. **Static Signs.** The only zoning districts where static off-premises signs are allowed to be erected and maintained are the IL and IG zoning districts, unless the City and the sign company have entered into a relocation agreement. Pursuant to the relocation agreement, and subject to the cap and subject to all the other standards of this section, a static off-premises sign may be relocated to the CD, CG, or CL zoning districts based on a sign face square footage replacement ratio of three (3) to one (1). This means that for every new static sign allowed, existing signs equal to three (3) times the sign face square footage of the new sign shall be removed.

3. **Digital/Electronic/Moving Displays/Signs.** The total number of Digital/Electronic/Moving off-premises displays/signs shall be as established by City Council Resolution but shall never exceed twelve (12) signs (one (1) double-faced sign installation at six (6) locations). Digital/Electronic/Moving off-premises displays/signs are allowed to be erected and maintained only on City owned property in the IL, IG, CD, CG, or PF zoning districts subject to the City and the sign company entering into a relocation agreement. Pursuant to the relocation agreement, and subject to the cap and subject to all the other standards of this section, a Digital/Electronic/Moving off-premises display/sign may be relocated to City owned property in the above noted zoning districts based on a minimum sign face square footage replacement ratio of nine (9) to one (1). This means that for every new Digital/Electronic/Moving display/sign allowed, existing signs equal to or greater than nine (9) times the sign face square footage of the new sign shall be removed.

4. **Sign Removal.** Signs to be removed under the requirements of this section shall be removed prior to any construction or installation of the replacement or relocated sign(s).

C. Off-Premises Signs Prohibited.

1. Notwithstanding subsection B of this section (Cap and replace), off-premises signs shall be prohibited in the following areas:
a. The Miracle Mile area along Pacific Avenue between Harding Way and Alpine Avenue;
b. The Stockton Channel area as defined in Division 8 of this Development Code;
c. Any established Redevelopment Project Area, except on City owned property;
d. Any historic preservation district established by the Council; and
e. Any property adjacent to any “landscaped freeway” except on City owned property, if the sign is designed to be viewed primarily by persons traveling along the landscaped freeway, and the sign is located within 660 feet of the outer limits of the landscaped freeway.

2. No off-premises sign shall be erected at any location where, by reason of the position, shape or color, it may interfere with, obstruct the view of, or be confused with any authorized traffic sign, signal, or device.

3. Off-premises signs shall be prohibited if any portion of the sign is located within 300 feet of any residential zoning district, unless the display/sign is not visible from a residential zoning district. The distance shall be measured in a straight line from the nearest point of the proposed sign to the nearest applicable boundary line of a residential zoning district.

4. No off-premises sign shall be physically attached to the roof of any structure except on City owner property.

D. Standards for All Off-Premises Signs.

1. Size. The maximum size of any off-premises sign shall be 672 square feet.

2. Height. All off-premises signs shall be subject to a maximum height of 45 feet, except those signs oriented towards a freeway and located within 660 feet of a freeway right of way line shall be subject to a maximum height of 35 feet above the adjacent Freeway surface or the adjacent freeway sound attenuation structure which ever is greater and shall not exceed 90 feet in height.

3. Separation. No off-premises sign, which is greater than 300 square feet in size, shall be located nearer than 1,000 feet to any portion of another off-premises sign. All other off-premises signs, 300 square feet or less in size, shall be separated by at least 750 feet.

4. Type. All off-premises signs shall require an Administrative use permit and as applicable, a City Council approved relocation agreement.

5. Other Regulations. All off-premises signs shall be consistent and comply with all provisions of the Outdoor Advertising Act as applicable.

E. Standards for Digital/Electronic/Moving Off-Premises Displays/Signs.

1. Size. The maximum size of any off-premises sign face shall be 672 square feet.

2. Height. All off-premises signs shall be subject to a maximum height of 45 feet, except those signs oriented towards a freeway and located within 660 feet of a freeway right of way line shall be subject to a maximum height of 35 feet above the adjacent Freeway surface or the adjacent freeway sound attenuation structure which ever is greater and shall not exceed 90 feet in height.
Freeway surface or the adjacent freeway sound attenuation structure which ever is greater and shall not exceed 90 feet in height.

3. **Separation.** No off-premises digital/electronic/moving display/sign shall be located nearer than 500 feet to any portion of another off-premises sign and no nearer than 5000 feet to any other off-premises digital/electronic/moving display/sign.

4. **Location.** Digital/electronic/moving off-premises displays/signs shall only be located along Freeways or access controlled State Highways. There shall be a maximum of two (2) digital/electronic/moving off-premises display/sign locations along qualifying sections of Interstate 5, a maximum of two (2) digital/electronic/moving off-premises display/sign locations along qualifying sections of State Route 99, and a maximum of two (2) digital/electronic/moving off-premises display/sign locations along qualifying sections of State Route 4. A maximum of one (1) double-faced display/sign is allowed per location.

5. **Type.** All digital/electronic/moving off-premises displays/signs shall require a Commission use permit and a City Council approved relocation agreement.

6. **Duration of Display/Message.** A digital/electronic/moving off-premises display/sign shall only display a series of still images, each of which must be displayed for a minimum of eight (8) seconds. Still images may not move or present the appearance of motion. Transition/blank screen time between one still image and the next shall not exceed one (1) second.

7. **Other Regulations.** All off-premises signs shall be consistent and comply with all provisions of the Outdoor Advertising Act as applicable.

### F. Nonconforming Signs.

1. It is the intent of this section to recognize that the eventual elimination of existing off-premises signs not in conformity with the provisions of this Development Code is as important as the prohibition of new signs that would violate these regulations. It is also the intent of this chapter that the elimination of nonconforming signs shall be effected so as to avoid any unreasonable invasion of established property rights. All off-premises signs which do not meet the requirements of this chapter are deemed nonconforming.

2. If any legal nonconforming off-premises sign shall be damaged, deteriorated, or dilapidated to a point that repair or rehabilitation would require expenditures in an amount exceeding 50 percent of the fair market value of the sign, the sign shall be removed within 90 days of a determination of the condition, as evidenced by written notification by the Director to the owner of the sign.

3. No additions, enlargements, or changes which increase the nonconformity or life of the sign shall be made to any nonconforming off-premises sign except the periodic replacement of copy thereon. Repairs and maintenance of an ordinary nature may be made in any period of 12 consecutive months to an extent not to exceed 10 percent of the fair market value of the sign.

### G. Relocation.** If, due to a City or Redevelopment project, a nonconforming off-premises sign must be removed, it may be relocated on the same parcel of land, if feasible and if all parties (landowner, sign owner, City, and/or Agency) agree. This also applies to a
conforming sign as long as the relocation does not make the sign nonconforming. Any
relocation on the same parcel of land in compliance with this section shall not be subject to
the three (3) to one (1) cap and replacement ratio in subsection B of this section (Cap and
replace). (Ord. 015-09 C.S., eff. 12-3-09; prior code § 16-360.100)

Title 16, Division 8, Section 16.240.020 Definitions

15. Digital and/or Electronic Signs or Message Display. A sign that is equipped to
allow its information content, whether fixed or variable, to be changed or altered by
electric, electro-mechanical, electronic or, digital display technology means.

16. Moving Display/Sign (includes Flashing). A sign that uses blinking, flashing,
or intermittent illumination that has at least one (1) change in a 24-hour period; light
reflectors; moving or reflective characters or materials.
CITY OF STOCKTON
REQUEST FOR PROPOSALS

Digital Billboards
Multiple City-owned Sites

Contact:

Economic Development Department
City of Stockton
425 N. El Dorado Street, 3rd Floor
Stockton, CA 95202
(209) 937-8539
Introduction

The City of Stockton is soliciting proposals from qualified entities to develop and operate one-sided or two-sided digital billboards on City-owned sites located along Interstate 5, State Highway 4, and State Highway 99. The digital billboards must conform to the specifications described in this request for proposals ("RFP"), as well as the requirements of Title 16, Division 3, Section 16.76.110. The selected proposer(s) will be solely responsible for all costs arising from planning, permitting, installing, operating, and maintaining the digital billboards.

A committee comprised of staff from the City's Community Development Department, Economic Development Department, and City Manager's Office will evaluate and rank the proposals using the selection criteria outlined in this RFP, which include the following:

- Revenue generation to the City
- Design features of the digital billboards
- Extent and location of proposed removal of existing outdoor advertising media. Preference will be given to removal of media within blighted areas, the City's central core, and areas where signs are currently prohibited.
- Conformance with Digital Display Specifications
- Amount of time offered for City messages and public service announcements

The committee will present the top-ranked proposal(s) to the Stockton City Council and request authority for City staff to negotiate a master lease with the selected proposer(s). The City and the selected proposer(s) will then negotiate a master lease (or similar instrument) outlining terms under which the proposer(s) will install and operate the digital billboards.

In addition to entering into the master lease, the selected proposer(s) must demonstrate a willingness and capability to remove existing billboards in conjunction with its proposal to install the new digital billboards. This is required by the City's restrictions on new off-site signs (see below), which requires a net reduction in the number of billboards or similar outdoor advertising media within the City. The terms governing the removal of existing billboards will be specified in a "relocation agreement." At the conclusion of negotiations, both the relocation agreement and the master lease will be presented to the City Council for approval.

Background

The City

Stockton is San Joaquin County's seat and is located in the heart of the fertile Central Valley of California. Just 60 miles from the San Francisco Bay Area and 45 miles from Sacramento, the State Capitol, Stockton has an ideal central location within the
state. Stockton has a comfortable, affordable, California lifestyle enriched by the pleasures of metropolitan living without congestion, overcrowding and expense.

The population of the City of Stockton was officially estimated by the 2010 Census to be 291,707, although the true population is significantly higher due to unincorporated pockets of residential areas within the City.

The City's Sign Code

Digital/Electronic/Moving Display/Sign signs shall only be located along freeways or access controlled State Highways. There shall be a maximum of two (2) Digital/Electronic/Moving Display/Sign locations along qualifying sections of Interstate 5, a maximum of two (2) Digital/Electronic/Moving Display/Sign locations along qualifying sections of State Route 99, and a maximum of two (2) Digital/Electronic/Moving Display/Sign sign locations along qualifying sections of State Route 4. A maximum of one (1) double-faced display/sign is allowed per location. The total number of Digital/Electronic/ Moving off-premises displays/signs shall never exceed twelve (12) signs (one (1) double-faced sign installation at six (6) locations).

Digital/Electronic/Moving off-premises displays/signs are allowed to be erected and maintained only on City-owned property in the IL, IG, CD, CG, or PF zoning districts subject to the City and the sign company entering into a relocation agreement.

Pursuant to the relocation agreement, and subject to the cap and to all the other standards of this section, a Digital/Electronic/Moving off-premises display/sign may be relocated to City-owned property in the above noted zoning districts based on a sign face square footage replacement ratio of nine (9) to one (1). This means that for every new Digital/Electronic/Moving display/sign allowed, existing signs equal to nine (9) times the sign face square footage of the new sign shall be removed.

All Digital/Electronic/Moving Display/Signs shall require a Planning Commission use permit and a City Council approved relocation agreement.

A Digital/Electronic/Moving Display/Sign shall only display a series of still images, each of which must be displayed for a minimum of eight (8) seconds. Still images may not move or present the appearance of motion. Transition/blank screen time between one still image and the next shall not exceed one (1) second.

All off-premises signs shall be consistent and comply with all provisions of the Outdoor Advertising Act as applicable.

The complete Digital/Electronic/Moving Off-Premises Displays/ Signs Ordinance is attached as Exhibit A.
City-owned Sites

The City of Stockton has numerous City-owned sites as potential locations for proposed digital billboards. A listing of suggested sites is included as Exhibit B. The City will be the sole judge of whether the proposed sign location on the site is suitable, taking into account such factors as visibility, size of sign or foundation, and compatibility with on-site and nearby land uses.

Environmental Review Standards

The California Environmental Quality Act (CEQA) requires that public agencies document and consider the potential environmental effects of agency actions that meet CEQA’s definition of a “project.” Briefly summarized, a “project” is an action that has the potential to result in direct or indirect physical changes in the environment. A project includes the agency’s direct activities, as well as activities that involve public agency approvals or funding. Provided that a project is not found to be exempt from CEQA, the first step in the agency’s evaluation of the potential environmental effects of the project is the preparation of an Initial Study. The City Council’s approval of the master lease and relocation agreement will be a project under CEQA and compliance with CEQA will be required. As a signatory to the City’s “Memorandum of Understanding Concerning Processing, Preparing, and Adoption of CEQA Documents”, the project proponent will be responsible for the preparation of an Initial Study and any subsequent environmental documentation. The City will determine the level of environmental review required. The selected proposer(s) will be responsible for all costs associated with such review and compliance, including noticing costs, filing fees, staff costs, and consultant fees. To this end, the selected proposer(s) will be required to deposit funds in advance sufficient to cover such costs.

Specifications for Proposed Digital Billboards

Current best available digital-billboard technologies, including but not limited to the following:

- Remote diagnostic and maintenance capability
- "Amber Alert" capability
- Automatic brightness adjustment to ambient lighting conditions
- UL and IEC approved
- Color calibration to ensure consistent image quality
- Remote shutdown capability

Code Requirements, including but limited to the following:

- Maximum size of 672 square feet
- Maximum height of 35 feet above the adjacent freeway surface or the adjacent freeway sound attenuation structure, whichever is greater.
• No off-premises Digital/Electronic/Moving Display/Sign shall be located nearer than 500 feet to any portion of another off-premises sign and no nearer than 5,000 feet to any other off-premises Digital/Electronic/Moving Display/Sign.

Construction and operation requirements:

• Regularly scheduled onsite maintenance
• Internal service access for safety and improved appearance (no visible catwalks)
• Constructed to comply with all applicable City codes

The master lease will require the selected proposer(s) to maintain, repair, and upgrade the digital billboards as needed to provide the best available digital-billboard technologies during the term of the master lease.

Business Terms

To be considered, a proposal must meet the following minimum requirements:

• The proposed digital billboards must conform to the specifications set out above.
• The proposal must include the removal of existing "static" billboards for each proposed digital billboard, at a sign face square footage replacement ratio of at least nine to one. Terms for removal of individual static billboards will be included within the relocation agreement to be presented to the City Council for its approval. In the event proposed removal locations are not approved, the selected proposer(s) will offer alternative locations for consideration by the City Council.
• The proposal may be for any City-owned location(s) shown in Exhibit A, or other appropriate City-owned sites, so long as the proposed location(s) meet the minimum spacing requirement and the proposal meets the minimum replacement ratio.
• Proposed remuneration to the City must include (1) an initial payment consistent with the standard in the outdoor-advertising industry (i.e., "signing bonuses"); and (2) monthly lease payments for individual sites. The monthly lease payments must have scheduled automatic adjustments for lease rate increases. In addition, the proposal must provide for periodic review and renegotiation of the monthly lease payments so that the City's remuneration remains consistent with prevailing market conditions throughout the term of the lease.
• Proposal must include a "City of Stockton" identification sign on each side of the sign structure.
• Proposal must make the sign available for Amber Alert messages, public service announcements, and City messages.
• The term of the master lease must be at least 25 years.
• The proposed digital billboard must include a replacement schedule.

The master lease to be negotiated between the City and the selected proposer(s) will require the proposer to do the following:

• Promptly take all action necessary to investigate and remedy the release of any "hazardous substances" (to be further defined within the lease) caused by the proposer's activities on the City's property.
• Indemnify, defend (with attorneys reasonably acceptable to the City), protect, and hold the City harmless from and against all liabilities, claims, demands, damages, fines, penalties, judgments, settlements, and costs (including reasonable attorneys' fees and litigation costs through final resolution on appeal) that arise directly or indirectly from the proposer's possession and use of the site, except to the extent caused by the negligence or willful misconduct of the City or the City's elected officials, officers, employees, contractors, or agents.
• Maintain, at no cost to the City, and in amounts acceptable to the City, both public liability insurance and fire-and-casualty insurance covering improvements placed onsite.

Submission Requirements

To be considered, a proposal must include the following information:

A. Proposer Identification and Experience

• The name, address, and telephone numbers of the proposer's team, along with resumes and a description of background experience of each team member.
• The type of legal entity with which the City would contract (e.g., individual, corporation, partnership, joint venture, limited-liability company).
• A description of any relationship the development team may have with subsidiaries, joint venture partners, or others significant to the project development.
• Documentation demonstrating that the development team is qualified to undertake the proposed project, including but not limited to the following:
  o Overall experience with large, multi-site, digital-billboard development
  o Experience with public/private development, including references of public partners
  o Access to financial resources consistent with project requirements
  o A track record of superior design
  o The track record of the team assigned to the Stockton project
  o The identity of the principal person within the development team who is authorized to negotiate on its behalf (the "Key Negotiator") and the authority the Key Negotiator possesses. If the Key Negotiator has
limited authority, describe the process required to obtain authorization. The Key Negotiator's resume must indicate that he or she is qualified to serve as Key Negotiator, with success in negotiating public/private partnerships and developing the type of development being proposed (include references that can validate the Key Negotiator's role in the prior projects).

A. Development Proposal

- Submit one proposal per proposed digital-billboard site, with a maximum of two proposals per company. Do not submit one proposal for multiple sites.
- A description of the proposed digital-billboard project, including identification of sites and anticipated installation schedule.
- The individual digital billboard designs, with sufficient detail to illustrate the scale, size, and mix of design elements. Include, at a minimum, the following design information in schematic form:
  - Site Plan
  - Elevations
- Information pertaining to each proposed digital billboard in sufficient detail to verify conformance with the specifications outlined in this RFP.

B. Proposed Development Schedule

A preliminary schedule for development of the proposed digital billboards that addresses, at a minimum, preparation of design plans, projected approval dates, commencement and completion of construction, and operation of the digital billboards. The City will expect that construction of the digital billboard(s) will commence within twelve months of execution of any lease agreements.

C. Business Proposal and Financing Plan

The terms of an offer to lease the City-owned sites in accordance with the requirements specified herein, including but not limited to a detailed description of the proposed remuneration to the City, i.e., proposed monthly lease payments, scheduled automatic adjustment, periodic review and renegotiation, "signing bonuses," and payments due upon completion of each digital billboard.

Proposal shall also identify the location and square footage of existing billboards to be removed. Square footage of billboards to be removed shall be at a minimum replacement ratio of nine to one.

D. Statement of Financial Capability

Proposal shall include copies of any annual reports, financial-rating reports, or
other documents indicating the financial condition of the proposer and its members. In addition, City staff may request, as a condition for presenting a proposal to the City Council, that the proposer provide copies of its audited financial statements and copies of the audited financial statements of its team members. All such financial statements must be prepared by an independent licensed certified public accountant in accordance with generally accepted accounting principles. A qualified City staff member, or a third-party financial consultant retained by the City, will review the financial statements to determine the proposer’s capability to perform, if selected. All financial documents will be returned to the proposer once staff has completed their review.

Submittals

One (1) unbound original and seven (7) copies of the proposal must be submitted. Enclose three (3) copies of any confidential financial information in a separate envelope marked "Confidential Financial Documents." Proposals must be complete to be considered. The "Confidential Financial Documents" will be returned to the proposer once staff has completed their review. Facsimile and electronic-mail copies of proposals will not be accepted.

Proposals must be submitted to:

City of Stockton
Economic Development Department
425 N. El Dorado Street, 3rd floor
Stockton, CA 95202

Proposals should be received no later than 5:00 PM on Thursday, June 14, 2012. The City will not consider proposals received after this deadline. If you have any questions, please call (209) 937-8539.

Proposal Evaluation

Responses to the RFP will be evaluated based upon the financial offer and the project proposal, in accordance with the following criteria:

Financial Offer:
- Business offer - financial benefits to the City
- Financial resources consistent with business offer and project requirements

Project Proposal:
- Square footage of billboard area removed through relocation agreement
- Elimination of billboards in blighted areas
- Elimination of billboards in currently prohibited areas
• Quality of design elements proposed
• Experience with development and operation of digital billboards in urban areas
• Track record of proposer(s)’s team
• Experience in public/private development partnerships
• Compatibility of proposals to meet the objectives identified for the City-owned sites and all other factors and criteria set out in this RFP.

Review and Selection Process

Responses to the RFP will be reviewed by a committee composed of staff from the following City departments and offices: Community Development, Economic Development and City Manager’s Office. Following initial review of the proposals, the committee will select finalists for further consideration. The committee may interview some or all of the proposers or may seek clarification or amplification of the material submitted, such as more detailed graphic presentations of the proposed digital billboards; additional financial analysis of the proposer and their affiliates; and any additional proposal information as needed.

Upon completion of the review, the committee will make its recommendation for the proposed project to the Stockton City Council and seek authority to enter into exclusive negotiations with the recommended proposer(s). Alternatively, the committee may reject all of the proposals.

The City Council, by this RFP, authorizes City staff to negotiate with one or more proposers, whereby those proposers will be expected to enter into a master lease with the City, per site.

The developer will be required to give the City a non-refundable deposit in an amount equal to the City’s estimate of its costs to process project approvals and prepare the required master lease and relocation agreement.

Evaluation Schedule

The anticipated evaluation schedule for this RFP is as follows:

<table>
<thead>
<tr>
<th>Task</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue RFP</td>
<td>May 10, 2012</td>
</tr>
<tr>
<td>Pre-Submittal Information Meeting</td>
<td>May 24, 2012</td>
</tr>
<tr>
<td>Responses Due</td>
<td>June 14, 2012</td>
</tr>
<tr>
<td>Interviews/Supplemental Information Requests Due</td>
<td>June 28, 2012</td>
</tr>
<tr>
<td>Proposer(s) Selection</td>
<td>July 12, 2012</td>
</tr>
<tr>
<td>City Council Consideration of Proposal(s)</td>
<td>August 28, 2012</td>
</tr>
</tbody>
</table>
Pre-Submittal Meeting

A Pre-Submittal Meeting is tentatively scheduled for 10:00 AM on Thursday, May 24, 2012 at the City Council Chambers, 425 N. El Dorado Street, Stockton. City staff will be available then to answer questions. This meeting is not mandatory. If you do not attend, but plan to submit a proposal, you must notify the Economic Development Department at (209) 937-8539. This will ensure that you receive any RFP addenda that may be issued.

Right to Reject All Proposals

The City reserves the right to reject all proposals and to waive minor irregularities in any proposal. The proposers must bear their costs of preparing and submitting their proposals, and the City will not reimburse those costs.

Non Discrimination Requirement

By submitting a proposal, the proposer represents that it and its subsidiaries do not and will not discriminate against any employee or applicant for employment on the basis of race, religion, sex, color, national origin, sexual orientation, ancestry, marital status, physical condition, pregnancy or pregnancy-related conditions, political affiliation or opinion, age, or medical condition.

List of Attachments:

Exhibit A – Digital/Electronic/Moving Off-Premises Displays/Signs Ordinance
Exhibit B – Suggested City-owned Sites

::ODMA|GRPWISE|COS.HRD_HRD_Library:107547.1
Exhibit A
Digital/Electronic/Moving Off-Premises Displays/Signs Ordinance
Exhibit B

Suggested City-owned Sites:

I-5 Corridor

- Van Buskirk Park (west side at Lever Blvd.) LF
- City Corporation Yard (east side south of Charter Wy.) LF
- Ryde Ave Pumping Plant (west side immediately north of Smiths Canal) LF
- Calaveras River Pump Station (west side immediately north of the Calaveras River)* LF
- Dog Park/Water tanks (west side immediately south of 14 Mile Slough) LF
- Swenson Park Golf Course (east side 300 feet removed at Ben Holt/Plymouth intersection)* LF
- Water tanks at Spanos Park West (west side immediately north of Bear Creek)
- Garrigan Park (east side 300 feet removed immediately north of Bear Creek)*

SR-99 Corridor

- W. SR-99 Frontage Road (west side north of Arch-Airport Rd. – abandoned part of frontage road)* LF
- W. SR-99 Frontage Road Lift Station (west side north of Transworld Dr. opposite Imperial Wy.)*
- W. SR-99 Frontage Road (west side north of Togninali Ln. [has existing billboard])*
- Vacant site (west side – corner of Garden and Horner)* LF
- System 9 Lift Station site (west side 2400 feet north of the Calaveras River – Unincorporated territory)*
- Well site (west side South of Morada and opposite Green Oak Way)*

SR-4 (Crosstown) Corridor

- Washington Street (abandoned ROW between Union St. and UPRR)
- Independence Park (north side at Grant Street)
- Police Department (north side between Center and El Dorado) LF
- Northeast corner of Center and Washington (north side) LF
- Lincoln at Crosstown (Northwest corner) *

* Constrained site (Residential proximity, size, conflicting utilities etc.)
LF = Landscaped Freeway
Suggested City-owned Sites:

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- City Corporation Yard (east side south of Charter Wy.) LF
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LF = Landscaped Freeway
Item 5.01: PUBLIC HEARING – Municipal Code Amendment Case No. P12-033, City of Stockton

Data: The City Council has initiated an Amendment to Title 16 of the Stockton Municipal Code (SMC) that would modify Section 16.20.020, Table 2-2 Allowable Land Uses and Permit Requirements, Sections 16.76.110.B, through F, “Standards for off-premises signs,” in order to allow the limited use of digital display signage and Section 16.240.020 to incorporate a definition of digital display signage.

General Plan: The proposed code amendment is consistent with and supportive of the Goals and Policies contained in the General Plan.

Environmental Clearance: The project has been determined to be exempt from the environmental assessment requirements of the California Environmental Quality Act (CEQA) under the “general rule” that CEQA applies only to projects which have the potential for causing significant adverse environmental effects, as specified in CEQA Section 15061 (b) (3).

Discussion:

Background

The City's current off-premise sign ordinance (SMC 16.76.110; Attachment A) provides standards for the construction, location, and maintenance of off-premise signs, but does not specifically address digital off-premises signs (digital billboards). In 2001, a few years after the repeal of the unsuccessful off-premise sign amortization language which was targeted at nonconforming off-premise signs, an amendment of the ordinance established the “cap and replace” provisions that remain in place today. Among other requirements, these provisions limit the total number of off-premise signs in the City to 306 and prescribe zoning district specific allowances and constraints for the construction of new off-premise signs (within the 306 cap). New off-premise signs are only allowed within the IL (Industrial, Limited) and IG (Industrial, General) zoning districts. In addition, an existing off-premise sign may be relocated, subject to a City Council approved relocation agreement, to the CD (Commercial, Downtown), CG (Commercial, General), or CL (Commercial, Large-Scale) zoning districts based on a sign face square footage replacement ratio of three to one (i.e. at least three (3) sq. ft.
of static sign must be removed for each sq. ft. of "relocated" static sign inns talled). The Development Code, further expands on the State limitations prescribed by the Outdoor Advertising Act, and completely prohibits off-premise signs on any property adjacent to and oriented toward a “landscaped freeway” if the sign is primarily oriented toward persons traveling the freeway and is within 660 feet of the freeway's outer limits.

Since Spring of 2011, the City has been in contact with representatives of the 3 major off-premise advertising companies with signs in the City; Primero Outdoor Media, Clear Channel Outdoor and CBS Outdoor, all of whom have expressed an interest in being able to install digital billboards (digital off-premises signs) within the City, generally along freeway corridors. Additionally, at least one of these companies had indicated that they may consider requesting a Development Code amendment to allow this type of land use.

Over the past several months, staff engaged in an ongoing dialogue with these outdoor advertising companies, each of which maintains a number of existing off-premise sign structures within the City. Considering the level of outside interest and to avoid grappling with one or more privately initiated and potentially competing code amendments that could unfairly benefit one company; staff contacted several other cities which currently have digital off-premises signs, including the City of Sacramento, to determine how these cities dealt with the issue of digital billboards. Based on this research, it appeared that there was an opportunity for the City to effectively limit the number and location of digital billboards within the City, giving the City an appropriate and legal range of control on the content, as well as provide a revenue opportunity for the City.

Beginning in September, 2011, at City management’s direction, a team from Community Development, Economic Development and the City Attorney’s Office met to refine the original Development Code language to take advantage of the experience of other cities and to develop a conceptual request for proposals to lease and install digital billboards at City owned locations, subject to specific criteria. As a result of those meetings, on January 31, 2012, the City Council at a formal Study Session discussed the potential for allowing digital off-premises signs in Stockton subject to the concepts presented by staff and directed a Development Code amendment be initiated to allow the installation of digital off-premises signs on City owned property. For reference, Attachments D and E are examples of digital off-premises signs recently installed in the City of Sacramento.

Current Process

Based on the Council’s direction and the processes identified by staff, representatives of the outdoor advertising industry with sign ownership in the City and adjacent areas (5 companies) were invited to meet with staff to provide their input on the concepts and specifics of the proposed Development Code amendment. Staff met with and had follow-up conversations with all of the responding companies, which consisted of the three (3) major outdoor advertising companies doing business in the City. The industry representatives raised several issues related to the proposed Development Code amendment ordinance including:
• Reducing the proposed 9 to 1 sq. ft. replacement ratio (at least 9 sq. ft. of static sign must be removed for each sq. ft. of new digital sign installed). The industry representatives stated that this ratio is unprecedented anywhere within the industry and may significantly reduce the revenues that the City may realize. Staff does not support any change to this ratio.

• Eliminate the building permit reference for the replacement/relocated sign due to a potential timing issue with required Caltrans process/approvals. This change has been incorporated in the proposed Development Code amendment.

• Provide for a maximum height above the freeway/sound wall of 40 feet rather than the staff suggested 20 feet. The proposed Development Code amendment had been adjusted to reflect a maximum 35 foot height above the freeway/sound wall to address the industry concerns.

• Provide reduced spacing between digital billboards and existing static billboards to make the best use of the limited number of City owned sites. The proposed Development Code amendment reflects a reduced digital to static off-premises separation of 500 feet (Caltrans standard) as suggested by the industry representatives.

• Allow digital billboards on selected arterial streets within the City. Staff does support this suggestion at this time, though it may be a future consideration once the City has significantly more experience with digital billboards.

The proposed Development Code amendment provisions take into consideration the issues raised by the industry representatives in their meetings and discussions with staff and the City Council's direction from the January 31, 2012 Study Session. The proposed Development Code amendment (Attachment B) is presented for the Commission's consideration and highlights of this Development Code amendment are as follows:

Specific Requirements for Digital Billboards

• Limited to sites owned by the City that are adjacent a freeway and located in the IG, IL, CD, CG and PF zoning districts. Sites meeting these criteria may also be in a Redevelopment Area or along a landscaped freeway.

• Limited to within 660 feet of Interstate 5, State Route 99 and the Crosstown Freeway segment of State Route 4

• A maximum of 2 sites may be used per freeway

• Signs are subject to Planning Commission Use Permit

• One double faced sign will be allowable at each location, for a potential maximum of 12 digital sign faces in the City

• A minimum replacement ratio of 9 to 1 or greater with required Relocation Agreement. i.e. at least 9 sq. ft. of static sign must be removed for each sq. ft. of new digital sign installed
- Sign height will be a maximum of 35 feet above the freeway surface or associated sound attenuation structure which ever is greater to a maximum of 90 feet
- Minimum 5,000 foot separation between digital signs and a 500 foot separation from static signs
- Signs removed to install digital billboard(s) also reduce the current 306 citywide sign cap
- Definitions expanded and clarified to include digital signs

In addition to the above changes specifically related to digital billboards, the following changes are also included in this Development Code amendment:

- All new/relocated static signs are subject to an Administrative Use Permit
- Sign height (for static signs oriented to the freeway) will be a maximum of 35 feet above the freeway surface or associated sound attenuation structure which ever is greater to a maximum of 90 feet
- Re-defined “freeway oriented signs” consistent with State Outdoor Advertising Act - i.e. within 660 feet of freeway right-of-way
- Amend Table 2-2 to reflect current code provisions for off-premises signs in the Commercial Large-Scale (CL) Zoning District

Some of the many of the goals that went into the development of this Development Code amendment included:

- Providing minimum standards to safeguard life, health, property and public welfare in the City
- Maintaining and improving the character of the City, by providing further regulation and controls on the construction, location, maintenance and operation of static and digital off-premises signs
- Reducing visual pollution or blight while advancing traffic safety and aesthetics.

These goals are achieved, in part, by the removal of a number of existing off-premises signs and the reduction in the cap, thereby resulting in a permanent reduction of the number of signs that may be permitted in the City. Further the proposed minimum nine to one replacement ratio with the associated cap reduction is intended to encourage a more desirable urban character which has a minimum of visual clutter and/or blight as there would be fewer billboards and the new digital billboards would be of a more aesthetically pleasing design.

Consistent with the proposed Development Code amendment and attached for the Commission’s information, as Attachment C, is a map identifying the City owned sites where digital off-premises signs might possibly be located, however, not all of these sites may be physically able to accommodate a sign due to size limitations or the existence of underground facilities that preclude the construction of the large and deep
foundation required for a sign. (Redevelopment Agency owned sites are not available for digital billboards due to current redevelopment law changes.) This map also identifies the segments that are designated by the State Department of Transportation (Caltrans) as “Landscaped Freeways” and therefore also must comply with additional provisions of the State’s Outdoor Advertising Act. This act grants Caltrans review and approval authority for off-premises signs within 600 feet of State/Interstate Highways and provides for additional review and requirements to place off-premises signs along “Landscaped Freeways.” Caltrans is routinely included in the City’s review and permitting process for off-premise signs.

Though the proposed Development Code amendment recommends up to six (6) sign locations with a total of twelve (12) sign faces, staff is suggesting, through a Request for Proposal process as required by the City Charter for leasing of City owned property, a more incremental approach to the actual installation of digital billboards in the City. Staff is recommending, initially, only two (2) sites/locations, with a total of up to four (4) sign faces, be authorized with the first Request for Proposal. Following this approach will provide an opportunity to evaluate the actual effects of the newly installed digital billboards before potentially authorizing more sites/locations for the installation of additional digital billboards, but not to exceed the code established maximum. In addition to limiting the number of sites initially released for digital off-premises signage, the Request for Proposal will also address remuneration to the City, aesthetics of the digital sign(s), location of signs to be removed and number of billboards, over the code established minimum, proposed for removal.

The City Attorney's Office has been extensively involved in the formulation of the proposed Development Code amendment. Specifically, as it relates to the ordinance provision limiting digital billboards to City owned property, the 2009 United States Court of Appeals, District 9 published decision - Metro Lights LLC vs. City of Los Angeles, held that a city may prohibit advertisers in general but may permit them to bid for the right to advertise on city owned property. Based on this decision, the City Attorney has determined that this limitation contained in the City's proposed Development Code amendment is appropriate and legally supported. The City Attorney’s office also determined this Development Code amendment is within the bounds of legal propriety and an appropriate use of the City’s land use regulation and police powers.

The proposed Code Amendment has been circulated for review to City departments and public notice, in the form of a legal ad, has been given in accordance with applicable provisions of Stockton Municipal Code Section 16.88.030, "Public Hearing Notices." To date, no objections have been received regarding the proposed Code Amendment application.

**Recommendation:** Approval of a recommendation that the City Council approve a CEQA Exemption and the proposed Municipal Code Amendment to allow digital off-premises signs based on the following findings:
Recommended Findings for the Municipal Code Amendment: Consideration and approval of the proposed Municipal Code Amendment (P12-033), based upon the following findings:

1. The proposed Code Amendment complies with applicable provisions of the California Environmental Quality Act (CEQA) and the City’s CEQA Guidelines. The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. It has been determined that there is no potential for significant adverse environmental impacts to occur as a result of implementation of this ordinance. Therefore, this amendment is exempt from CEQA pursuant to Section 15061 (b) (3) of the State CEQA Guidelines.

2. The subject code amendment ensures and maintains internal consistency with general land uses, objectives, policies, programs and actions of all elements of the General Plan on balance and would not create any inconsistencies within the Development Code; and

3. The subject code amendment will not endanger, jeopardize or otherwise constitute a hazard to the public convenience, health, interest, safety or general welfare of persons residing or working in the City; and

4. The subject code amendment would be internally consistent with other applicable provisions of the Development Code; and

5. The subject code amendment is supportive of and provides a vehicle to implement the City’s General Plan - Community Design Policies “to improve the overall visual quality of the urban environment and “to improve the image of Stockton’s existing strip districts and corridors”. (CD-1 & CD-3)

March 8, 2012

Note: Staff reports are prepared well in advance of the Planning Commission consideration of the proposal and reflect the staff’s view based on the best available information at the time the report was formulated. Evidence submitted during the course of the public hearing may require a re-evaluation of the staff’s position.

The staff report was prepared by Program Specialist Gregg Meissner
16.76.110 Standards for off-premises signs.

A. Purpose.

1. The provisions of this section are intended to provide minimum standards to safeguard life, health, property and public welfare in the City, and in keeping with the character of the City, by regulating and controlling the construction, location, and the maintenance of off-premises signs, and to:
   a. Protect and enhance the character of neighborhoods and property values by prohibiting obtrusive and incompatible off-premises signs;
   b. Provide a reasonable and comprehensive system of control of off-premises signs to promote traffic safety;
   c. Encourage a desirable urban character which has a minimum of visual clutter and/or blight; and
   d. Enhance the value of the overall community and each of its areas through regulation of off-premises signs.

2. This section shall not be interpreted or applied in a way that would give a preference or a greater degree of protection to a sign conveying a commercial message than would be given a similar sign that conveys a noncommercial message. In the event of any ambiguity, it shall be resolved in favor of allowing noncommercial signs the same benefits, exemptions, and other protects as may be given to a similar commercial sign.

B. Cap and Replace. The total number of off-premises signs shall never exceed 306 signs. The only zoning districts where off-premises signs are allowed to be erected and maintained are the IL and IG zoning districts, unless the City and the sign company have entered into a relocation agreement. Pursuant to the relocation agreement, and subject to the cap of 306 and subject to all the other standards of this section, an off-premises sign may be relocated to the CD, CG, or CL zoning districts based on a sign face square footage replacement ratio of three (3) to one (1). This means that for every new sign allowed, existing signs equal to three (3) times the sign face square footage of the new sign shall be removed.

C. Off-Premises Signs Prohibited.

1. Notwithstanding subsection B of this section (Cap and replace), off-premises signs shall be prohibited in the following areas:
   a. The Miracle Mile area along Pacific Avenue between Harding Way and Alpine Avenue;
   b. The Stockton Channel area as defined in Division 8 of this Development Code;
   c. Any project area established by the Redevelopment Agency;
   d. Any historic preservation district established by the Council; and