



## Legislation Text

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**File #:** 19-696, **Version:** 1

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Report recommending adoption of resolution approving a Relocation Agreement and Sign Permit to allow an existing double-faced, static billboard to be converted to a double-faced, digital billboard located at 150 Airport Boulevard, and determining that the 2015 IS/MND continues to serve as the applicable environmental review document pursuant to CEQA, and introduction and waiver of further reading of an ordinance approving a Development Agreement for the installation of the billboard. *(Billy Gross, Senior Planner)*

### **RECOMMENDATION**

**Staff recommends that the City Council take the following actions, based on the records presented to it and on the recommendation of the Planning Commission:**

- 1. Adopt a Resolution making findings and approving Planning Project P17-0037, including a Relocation Agreement and Sign Permit SIGNS19-0018, based on the draft findings and subject to the attached draft conditions of approval, and determine that the 2015 IS/MND continues to serve as the applicable environmental review document pursuant to CEQA.**
- 2. Waive reading and Introduce an Ordinance approving Development Agreement DA18-0001 for the installation of a double-faced digital billboard.**

### **BACKGROUND/DISCUSSION**

In general, existing policies prohibit new billboards to be installed within the City to protect residential zones and several other areas where there is a concern of establishing visual barriers. However, through a relocation agreement process, the City has remained open to allowing billboards in select commercial/industrial areas if certain design and land use concerns are addressed, and if there is an exchange that removes billboards from unwanted areas, including residential districts.

In 2015, the City Council approved a General Plan Amendment and Zoning Ordinance Text Amendment to allow a limited number of digital billboards along U.S. Highway 101 (US 101) to provide an additional source of revenue for the City, promote economic development and expand the communication of community services. Under current regulations, a maximum of three digital billboards could be located on the west and east sides of US 101 south of Sister Cities Blvd and north of the City's southern boundary (Section 20.360.006(Q)).

As discussed above, digital billboards are subject to relocation agreements under Section 20.360.002 of the Municipal Code. Section 20.360.002 further requires installation of a digital billboard to meet a "2:1 removal-to-construction ratio." That is, the installation of the digital billboard will result in a reduction of at least two billboard faces in the City. If a billboard applicant does not have sufficient existing billboard faces to remove within the City, the billboard applicant may request the City enter into a development agreement that will set forth the terms and conditions under which the billboard installation will be permitted to operate.

The terms and conditions of the development agreement may include, but are not limited to, fee payments, charges, mutually agreed-to contributions by the applicant, and other terms promoting public health, safety, and welfare in-lieu of the applicant satisfying the 2:1 removal-to-construction ratio in order to install the digital billboard. Development agreements are approved by the City Council and subject to the provisions findings of Chapter 19.60 of the Municipal Code.

Two digital billboard projects have been approved by the City: the first at 101 Terminal Court (by Clear Channel, constructed in 2016), and the second at 180 S Airport Blvd (by Outfront Media, constructed in Summer of 2019).

The Action Signs Billboard Project that is before the City Council currently seeks a relocation agreement, sign permit, and a development agreement for the installation of a digital billboard, as discussed below.

### **Action Signs Billboard Project**

Action Signs, Inc. (Action Signs) has submitted an application to convert their existing static billboard at 150 Airport into a digital billboard, which would be the third digital billboard currently allowed by the Zoning Ordinance.

In January 2017, the City approved a new seven-story residential project with a total of 157 multi-family residential units at 150, 178 and 190 Airport Blvd. One of the key provisions of the Purchase and Sale Agreement with 150 Airport SSF LLC was the relocation of Action Signs existing billboard. In June 2017, the City approved a relocation agreement with Action Signs allowing them to relocate the sign on the site, and to increase the overall height of the sign to 114 feet above grade, to allow for the construction of the approved residential development and the continued visibility of the static billboard sign to traffic on U.S. Highway 101. (See Attachment 1 to this staff report for the full June 14, 2017 City Council staff report related to these previous entitlements, with elevations showing the sign in context with the residential project.)

The Action Signs project would consist of a new, double-faced V-shaped outdoor advertising sign with digital message center displays of 14 feet in height and 48 feet in width; the sign would be the same size as the Outfront Media signage approved in 2018. The design proposes minimal frame around the signs. Light sensors would be installed to measure ambient light levels and to adjust light intensity of the sign to respond to any change in ambient light conditions. Lighting levels on the digital billboard would not exceed 0.3 foot candles over ambient levels, as measured using a foot candle meter at a pre-set distance (250 feet for the proposed 14 foot x 48 foot face size). The brightness of the LED display is subject to adjustment based on ambient conditions, so the display may be brighter in the daytime than at night.

### **Billboard Regulations**

The California Department of Transportation (“Caltrans”) is involved in the control of off-premise signage displays along state highways through enforcement of the California Outdoor Advertising Act. Caltrans is also responsible, through an agreement with the Federal Highway Administration, for controlling off-premise signage along interstate highways.

Some freeways are classified as “landscaped freeways”, and off-premise signage is not allowed along landscaped freeways except when approved as part of relocation agreements (Government Code §5412). All of US 101 within the City’s boundaries is classified as landscaped freeway.

### **Development Agreement**

The applicant and the City have negotiated a Development Agreement (“DA”) to clarify and obligate Project features and mitigation measures, including annual fees, community service message display time, and City branding.

### *Development Agreement Term*

The term of the DA would be 30 years.

#### *Fees and Taxes*

The DA includes provisions that obligate Action Signs to pay the City an annual amount of \$80,000 for the digital billboard (\$40,000 per face). In the event that the City adopts a gross receipts tax in the future, Action Signs' annual payment of such gross receipts tax would be deducted from Action Signs' annual payment obligation under the DA.

The DA also includes a provision for a one-time in-lieu fee payment of \$1,000,000 (\$500,000 per face) for the two billboard faces that are needed to satisfy the 2:1 removal-to-construction ratio requirement.

#### *City Gateway Signs*

Action Signs will reimburse the City up to \$140,000 for costs incurred with respect to design and construction of City gateway signs as set forth in the City's Gateway Master Plan.

#### *Community Service Messages*

Action Signs will provide the City with free display time on the digital billboard (one two-week advertising spot for each calendar quarter) for advertising the City, City-sponsored events, or other public service announcements.

The proposed DA is attached as Exhibit A to the accompanying ordinance to approve the DA.

### **Relocation Agreement**

The applicant and the City have negotiated a Relocation Agreement to allow the new digital billboard at 150 Airport Blvd. Subject to the adoption of the Development Agreement, the terms of the Relocation Agreement are in keeping with the zoning code standards, including the removal of at least two billboard faces in the City per every installed face or payment of an in-lieu fee.

### **General Plan Conformity and Zoning Consistency**

The Project site is designated Downtown Transit Core within the General Plan and is also located within the Downtown Transit Core Zoning District, which provides zoning for development to support the Caltrain station. Subject to approval of the Development Agreement and Relocation Agreement, the project would remain consistent with the intent and purpose of the General Plan and comply with the Zoning Ordinance standards related to signage.

### **Environmental Review**

In accordance with the provisions of California Environmental Quality Act (CEQA), an Initial Study/Mitigated Negative Declaration (IS/MND) was prepared by Lamphier-Gregory for the 101 Terminal Court Clear Channel Billboard Project and related zoning amendment. The IS/MND was circulated in June 2013 and adopted by the City Council in August 2015 (State Clearinghouse number 2013062062). This previously adopted IS/MND analyzed allowing up to three digital billboards in a section of South San Francisco west of US 101. The maximum height of a billboard analyzed within the IS/MND was 70 feet.

In 2017, in conjunction with the Action Signs entitlements to allow the relocation of the static billboard, Lamphier-Gregory assessed whether the maximum sign height of 114 feet was covered under the IS/MND or whether subsequent analysis was required. They determined that the only environmental topic area with the potential to be impacted was aesthetics, due to the change in height. It was determined that the change in height would change the exact locations from which views of Sign Hill could be blocked as vehicles travel along US

101, but would not substantially change the assessment or conclusions.

Based on this analysis, the IS/MND adopted in 2015 continues to serve as the applicable environmental review document pursuant to the requirements of CEQA, and the measures included in the IS/MND's Mitigation Monitoring and Reporting Program (MMRP) would fully apply. Environmental issues were identified related to Aesthetics, Air Quality, Cultural Resources, Hazards/Hazardous Materials and Transportation. Subject to the implementation of the mitigation measures discussed below, the stated impacts would be reduced to a less-than-significant impact:

- **Aesthetics** - The digital billboard will use LED technology to display messages on a lit screen, and therefore could have an impact related to light and glare. The Aesthetics related mitigation measure requires that the applicant perform periodic field testing to demonstrate compliance with a 0.3 foot-candle increase over ambient light at 350 feet. If increases in ambient light are above the allowed level, the dimming level shall be adjusted within 24 hours or the billboard shall not be operated until the lighting levels can be brought into compliance.
- **Air Quality** - Due to the non-attainment status of the air basin, the Bay Area Air Quality Management District (BAAQMD) recommends that projects implement a set of Basic Construction Mitigation Measures. The Air Quality related mitigation measure requires construction contractors to implement all of these BAAQMD construction mitigation measures.
- **Cultural Resources** - Given the site characteristics, coupled with the regional archaeological sensitivity, there is a moderate potential of unrecorded Native American resources. The mitigation measure requires that the applicant prepare and implement a cultural monitoring and mitigation plan by a qualified archaeologist.
- **Hazards and Hazardous Materials** - The site has not been assessed for the potential presence of hazardous materials. During the installation process of the billboard, holes would be drilled and the excavated soil would be transported offsite. The project will also include trenching to connect the electrical supply. The first Hazards related mitigation measure would require the site to be assessed for the presence of hazardous materials prior to construction activities, which, if present, would be handled appropriately to ensure the impact would remain less than significant. The second mitigation measure requires the applicant to properly dispose and/or recycle any materials considered electronic waste.
- **Traffic** - Significant effects could occur if the proposed digital billboard did not comply with restrictions regarding location, intensity of light, light trespass, or other restrictions or includes visual effects or driver interaction that would cause driver distraction. The first Traffic related mitigation measure requires the applicant to submit an annual report regarding compliance with operating standards. The second mitigation measure requires that the digital billboard comply with operational safety standards, including no moving or flashing lights, and no installation of technologies that would allow interaction with drivers, vehicles or any device located in vehicles.

The Planning Commission has determined that no further environmental analysis is required and recommends that the City Council determine that the 2015 IS/MND continues to serve as the applicable environmental review document pursuant to CEQA.

## **Planning Commission Meeting**

At the Planning Commission meeting on August 1, 2019, the Commission reviewed the proposed project. No members of the public spoke on the project. The Commission had the following general questions:

- Inquiry if the change from a static billboard to a digital billboard would have an impact to existing residents in the area. Staff verified that the lighting levels of the digital billboard would be no greater than those of the existing static billboard; the LED technology adjusts the sign lighting level to be no greater than a 0.3 foot-candle increase over ambient light at a distance of 250 feet from the sign.
- Inquiry if Action Signs controls who advertises on their billboard. The applicant confirmed that they did control advertising.
- Inquiry if this was the last billboard allowed under the current regulations. Staff stated that current regulations allowed only three billboards, and that any future digital billboard applications would require a Zoning Amendment to increase the number of digital billboards allowed. Such an amendment would require review by both the Planning Commission and City Council.

The Commission was supportive of the proposed digital billboard and recommended by a vote of 6-0 recommending the City Council approve the Development Agreement, Relocation Agreement and Sign Permit for this project, and also recommending that the City Council find the 2015 IS/MND is the appropriate environmental document for the Project and approve the project entitlements. The Planning Commission meeting minutes are attached to this staff report (Attachment 2).

#### FISCAL IMPACT

The applicant has funded the preparation of all applicable studies for the project and paid entitlement fees to process the application through the review process. Direct revenue associated with this project would include the fees indicated in the Development Agreement. The City does not expect to incur project specific costs.

#### RELATIONSHIP TO STRATEGIC PLAN

The proposed project is in keeping with the following goal/objective of the City's Strategic Plan:

- Initiative 3.1 - Pursue financial stability to support City operations.
- Initiative 6.10 - External Communications with the Community and Businesses

#### CONCLUSION

The proposed Action Signs digital billboard project will provide an additional source of revenue for the City, promote economic development and expand the communication of community services along the US 101 corridor, in keeping with the General Plan.

Based on the information included in the public record, it is recommended that the City Council make the required findings and adopt the attached resolution to approve the project, including the Relocation Agreement and Sign Permit, and determine that the 2015 IS/MND is the appropriate environmental document and approve the project entitlements for the Action Signs project.

Additionally, it is recommended that the City Council waive reading and introduce an Ordinance to approve the requested Development Agreement.

#### Attachments

1. June 14, 2017 City Council Staff Report regarding Relocation of Existing Billboard
2. Planning Commission Minutes of August 1, 2019

3. Planning Commission Entitlements Resolution 2844-2019
4. Power Point Presentation

Associations

1. Draft Entitlements Resolution (19-697)
  - a. Exhibit A - Conditions of Project Approval
  - b. Exhibit B - Project Plans
  - c. Exhibit C - Relocation Agreement
  - d. Exhibit D - CEQA Technical Memorandum
2. Draft Ordinance adopting a Development Agreement (19-698)
  - a. Exhibit A - Development Agreement