



CITY OF CARSON

Legislation Text

File #: 2018-491, Version: 1

Report to Mayor and City Council

Tuesday, July 03, 2018
Special Orders of the Day

SUBJECT:

PUBLIC HEARING TO CONSIDER ADOPTION OF AN UNCODIFIED ORDINANCE NO. 18-1811 OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, APPROVING DEVELOPMENT AGREEMENT NO. 7-18 BETWEEN THE CITY OF CARSON AND CLEAR CHANNEL OUTDOOR, INC. TO REMOVE A STATIC BILLBOARD AND INSTALL AND OPERATE A 65-FOOT HIGH OUTDOOR ADVERTISING SIGN ("DIGITAL BILLBOARD") ALONG THE PORTION OF THE I-110 FREEWAY CORRIDOR, ZONED MH, LOCATED ALONG THE EAST SIDE OF THE I-110 FREEWAY AT FIGUEROA STREET AT APN 7406-026-915 (CITY COUNCIL)

I. SUMMARY

On June 12, 2018, the Planning Commission, recommended approval of a Development Agreement ("Agreement") between the City and Clear Channel Outdoor, Inc., to install one 65-foot high digital billboard along I-110. Staff is requesting the City Council to consider Planning Commission's recommendation to approve this Agreement which allows Clear Channel to remove a static billboard and install and operate a digital billboard, Exhibit Nos. 1 and 2. The Agreement term is for 30 years and would obligate Clear Channel to pay the City a total of \$3,525,000.00 during the term of the Agreement. In addition, Clear Channel will remove two existing billboards in the City. In exchange for these City benefits, Clear Channel will have a vested right to develop and operate the digital billboard for 30 years as specified in the Agreement.

II. RECOMMENDATION

TAKE the following actions:

1. OPEN the Public Hearing; TAKE public testimony then CLOSE the Public Hearing.
2. WAIVE further reading and INTRODUCE AN UNCODIFIED Ordinance No. 18-1811, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, APPROVING DEVELOPMENT AGREEMENT NO. 7-18 BETWEEN THE CITY OF CARSON AND CLEAR CHANNEL OUTDOOR, INC. TO REMOVE A STATIC BILLBOARD AND INSTALL AND OPERATE ONE 65-FOOT-HIGH OUTDOOR

ADVERTISING SIGN ("DIGITAL BILLBOARD") ALONG THE PORTION OF THE I-110
FREEWAY CORRIDOR.

III. ALTERNATIVES

TAKE such other action as the City Council deems appropriate, consistent with the requirements of the law.

IV. BACKGROUND

Planning Commission Action

On June 12, 2018, the Planning Commission, after giving notice pursuant to Government Code §§ 65090, 65091, 65092 and 65094, (i) held a public hearing for a Development Agreement between the City and Clear Channel Outdoor, Inc., to install one 65-foot high digital billboard on a portion of a property currently owned by the Los Angeles County Metropolitan Transportation Authority along I-110, (ii) recommended to the City Council to approve DA 7-18 pursuant to Resolution No. 18-090, Exhibit Nos. 3 and 4.

Zoning Consistency

The City's Zoning Code identifies four designated freeway oriented billboard corridors within the City: Alameda Street, I-405 Freeway, SR-91 Freeway and I-110 Freeway. The proposed billboard is within the I-110 corridor. Therefore, it is permitted subject to the Zoning Code development standards and with approval of a Development Agreements.

Existing Static Billboard

The existing static billboard is approximately 60 feet in height and is visible from the north and south bound I-110. The elevation of the new electronic billboard is five (5) feet lower than the elevation of the existing static billboard due to the slope at this location. In order to maintain the same height above freeway grade as the existing billboard, the proposed height for the new electronic billboard is sixty-five feet.

Proposed Digital Billboard

The new electronic billboard will be double-faced and visible from both north and south bound I-110 lanes. The new billboard's size, design, lighting, messages and timing of messages will be consistent with the parameters described in Development Agreement 7-18. The developer is required to comply with State law regarding the limitation of light or glare or such other standards as adopted by the Outdoor Advertising Association of America, Inc. (OAAA). Some of these standards include (but not limited to) the 0.3 foot-candles limitation over ambient light levels, and ensuring additional flexibility in reducing such maximum light level standard given existing conditions, and the obligation to have automatic dimming capabilities. Each message on the new digital billboard display shall be displayed for at least eight (8) seconds.

Development Agreement Deal Points

The most important parts of DAs are the financial and non-financial deal points that are agreed upon between the City and the applicant. There are no established rules or policies when negotiating these deal points as each proposal is unique and should be considered on its own merits. The following provides a brief discussion of each of the deal points:

Fees

Developer and City have agreed on an annual development fee paid by Developer to the City that is summarized below:

- Years 1-5 \$100,000
- Years 6-10 \$105,000
- Years 11-15 \$110,000
- Years 16-20 \$120,000
- Years 21-25 \$130,000
- Years 26-30 \$140,000
- **TOTAL \$3,525,000**

Other Public Benefits

In addition to the payment of fees outlined above, the Development Agreement includes the following public benefits:

- *City's Display Time on New Digital Billboard.* Developer is required to provide advertising space free of charge to City on a space-available basis for public service announcements of noncommercial city sponsored civic events ("City Messages"). City will be responsible for appropriate artwork for the digital displays pursuant to art specifications as specified by Developer from time to time. The City shall notify Developer 45 days prior to the requested display date and the display of City advertising copy is subject to the following conditions and parameters: all advertising copy must be submitted to Developer at least five (5) business days before the Developer proposed display date and will be subject to Developer's standard advertising policies, which allow Developer, in its sole discretion, to approve or disapprove copy and remove copy once posted or displayed, provided such policies are consistent with the display of public service messages as well as those restrictions described in Section 2.8 of the DA. It is expressly understood and agreed that City Messages may only display third-party names or logos of City event sponsors when those logos are part of the City Message, and that such logos may not be prominently displayed. Advertising space for City Messages may not be sold or exchanged for consideration of any kind to a non-governmental third party. There is no limit to the amount of City Messages requests subject to space availability. Pursuant to Section 5.1 of the Development Agreement, Annual Review, the developer will provide a description of all City Messages that have been displayed during the preceding year of the Term and a description of the duration of such displays.

- *Discount Advertising.* Developer is required to offer a ten percent (10%) discount off of its applicable rate card fees for the display of advertising on the new digital billboard to any business that has its principal place of business in the City of Carson and is a member in good standing of the Carson Chamber of Commerce.
- *Removal of Two Existing Billboards.* Developer has agreed to completely remove of the two existing billboards. The developer has further agreed to relinquish further rights to utilize these billboards in the future. These billboards are located at:
 - 20846 South Main Street, a 42 foot high, double-sided, 12x24 foot printed display that is not visible from any freeway; and
 - 21550-21576 South Main Street, a 36 foot high, double-sided, 12x24 foot printed display that is not visible from any freeway.

V. FISCAL IMPACT

The Project will generate an annual fee of One Hundred Thousand Dollars (\$100,000) for years 1-5, and increase by five thousand dollars (\$5,000) or ten thousand dollars (\$10,000) every five years, finally topping out at one hundred forty thousand dollars (\$140,000) for years 25-30. During the 30 year term, the Clear Channel will pay the City General a total of \$3,525,000.00. These funds will be deposited to the General Fund.

VI. EXHIBITS

1. Ordinance No. 18-1811. (pgs. 5-7)
2. Development Agreement No. 7-18. (pgs. 8-55)
3. Planning Commission Staff Report, June 12, 2018. (pgs. 56-65)
4. Planning Commission Resolution No. 18-090. (pgs. 66-71)

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