



CITY OF CARSON

Legislation Text

File #: 2018-666, Version: 1

Report to Mayor and City Council

Tuesday, September 04, 2018

Special Orders of the Day

SUBJECT:

PUBLIC HEARING ON THE ADOPTION OF AN UNCODIFIED ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, APPROVING DEVELOPMENT AGREEMENT NO. 14-17 BETWEEN THE CITY OF CARSON AND OUTFRONT MEDIA, LLC, TO INSTALL ONE 75-FOOT-HIGH OUTDOOR ADVERTISING SIGN ("DIGITAL BILLBOARD") WITHIN THE I-405 FREEWAY CORRIDOR, ZONED CA, AT 22022 RECREATION ROAD (CITY COUNCIL)

I. SUMMARY

On August 14, 2018, the Planning Commission with a 6-1 vote recommended to the City Council to approve DA 14-17 pursuant to Resolution No. 18-2638 and approved VAR No. 563-18 to exceed the Zoning Code's maximum height limit, Exhibit Nos. 1, 2, and 3. Outfront Media proposes to remove an existing static billboard and install one 75-foot high digital billboard approximately 298' to the south, closer to the southern corner of the Car Pros Kia of Carson property. The Development Agreement has a 20-year term and includes at least \$2,150,000 benefit to the City's General Fund during the term of the Agreement, Exhibit No. 4.

II. RECOMMENDATION

1. OPEN the public hearing, TAKE public testimony, and CLOSE the public hearing.
2. Waive further reading and INTRODUCE Ordinance No. 18-1813, entitled, **"AN UNCODIFIED ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, APPROVING DEVELOPMENT AGREEMENT NO. 14-17 BETWEEN THE CITY OF CARSON AND OUTFRONT MEDIA, LLC, TO INSTALL ONE 75-FOOT-HIGH OUTDOOR ADVERTISING SIGN ("DIGITAL BILLBOARD") WITHIN THE I-405 FREEWAY CORRIDOR, ZONED CA, AT 22022 RECREATION ROAD (APN: 7328-001-021)"**

III. ALTERNATIVES

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

IV. BACKGROUND

The City has four designated freeway oriented billboard corridors within the City: Alameda Street, I-405 Freeway, SR-91 Freeway and I-110 Freeway. Proposed billboards are permitted within these corridors subject to the Zoning Code development standards and with approval of Development Agreements by the City Council.

Removal of existing Static Billboard

The current static billboard is approximately 60 feet in height and is visible from the north and south bound I-405 Freeway. The applicant proposes to remove this static billboard and replace it with a new electronic billboard approximately 298 feet south of the existing static billboard location. This relocation is required by CMC Section 9146.7. A.4. to maintain a minimum distance of one thousand feet from the existing Kia Car Dealership sign to the proposed electronic billboard.

Variance

The new billboard will be located on a separate parcel from the existing static billboard as a result of this relocation. As a result of replacing the static billboard with an electronic billboard on a separate parcel, CMC Section 9146.7.A.2. limits the height of the proposed electronic billboard to 42 feet. The proposed electronic billboard is 75 feet in height to allow acceptable visibility along both sides the I-405; the applicant has requested a variance to exceed the maximum height. Variance No. 563-18 was approved by the Planning Commission on August 14, 2018.

Proposed Digital Billboard

The proposed billboard will 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

Fees

The Development Fee will be the greater of the Flat Fee or the Gross Receipts Fee, calculated as follows which would yield a minimum of \$2,150,000 to the City's General Fund:

- **Flat Fee:** An annual amount paid to the City equal to \$100,000.00 for the first five years of this Agreement. Starting with the sixth year, the Flat Fee will increase to \$110,000 through year 20.
- **Gross Receipts Fee:** This fee is calculated based on 6% of the annual gross advertising revenue from the billboard in any given year. Annual gross advertising revenue is defined as all revenue that Outfront receives relating to the new digital billboard, which includes but is not limited to, the sale of advertising space on the new digital billboard, grants, and contributions of any kind whatsoever, prior to any deductions whatsoever, including but not limited to taxes, costs, and fees.

Public Benefits

The digital billboard is expected to generate the following public benefits:

- *City's Display Time on New Digital Billboard.* Developer shall also 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. Per 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 shall 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.

- *Prohibited Use.* Developer shall not utilize any of the displays on the new digital billboard to advertise tobacco, marijuana, hashish, “gentlemen’s clubs,” or other related sexually explicit or overly sexually-suggestive messages, or as may be prohibited by any City ordinance existing as of the Effective Date of the DA.

In exchange for these benefits to City and the other public benefits described in the DA, the Developer shall have a vested right to develop the Project on the Developer Property in accordance with and to the full extent permitted by the Development Plan which shall exclusively control the development of the Project.

V. FISCAL IMPACT

At a minimum, the annual flat fee for the proposed billboard will generate \$2,150,000 during 20-year term of the Agreement. The annual flat fee will be \$100,000 for years 1-5 and \$110,000 for years 6-20. The Agreement includes a gross receipts fee which could be higher than the flat fee if 6% of the annual gross revenue for the billboard exceeds the flat fee for any given year.

VI. EXHIBITS

1. August 14, 2018 Planning Commission Staff Report (Pgs. 5-21)
2. August 14, 2018 Planning Commission Minutes (Pgs. 22-26)
3. Planning Commission Resolution No. 18-2638 (Pgs. 27-30)
4. Ordinance No. 18-1813 including the Development Agreement (Pgs. 31-72)

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