



COUNCIL AGENDA: 12/13/2022
ITEM: 8.2
FILE NO: 22-1868

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Toni J. Taber, CMC
City Clerk

SUBJECT: SEE BELOW

DATE: December 13, 2022

SUBJECT: Electronic Billboards on City-Owned Property Status Report

Recommendation

As recommended by the Community and Economic Development Committee on October 24, 2022:

- (a) Accept the status report on efforts to advance the placement of Electronic Billboards on City-owned property.
- (b) Direct staff to return to City Council to amend City Council Policy 6-4 Billboards on City-Owned Land to include the tree replacement ratio and 100% renewable San José Clean Energy requirements that were part of the Council-approved Project Plan for two Outdoor Advertising Digital Billboards under the Norman Y. Mineta San José International Airport City of San José Advertising Concession Agreement by and between the City of San José and Clear Channel Outdoors Inc.

CEQA: Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action. (Economic Development and Cultural Affairs/Planning, Building, and Code Enforcement) [Community and Economic Development Committee referral 10/24/22 - (d)4]



Memorandum

TO: COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE

FROM: Rosalynn Hughey

SUBJECT: SEE BELOW

DATE: October 17, 2022

Approved

Date

10/12/22

**SUBJECT: ELECTRONIC BILLBOARDS ON CITY-OWNED PROPERTY STATUS
REPORT**

RECOMMENDATION

Accept the status report on efforts to advance the placement of Electronic Billboards on City-owned property.

OUTCOME

Provide the Committee with a status report on the implementation of Electronic Billboards on City-owned property.

BACKGROUND

The placement of digital signage on City-owned property seeks to enhance the commercial vibrancy of downtown San José, remove blighted static billboards throughout the City, generate revenue opportunities for the City, and explore digital technologies that could allow real-time emergency notifications and City messaging to residents.

From 2016 to 2018, the Department of Planning, Building, and Code Enforcement and the Office of Economic Development and Cultural Affairs completed analyses and multiple rounds of engagement and discussion with community stakeholders, billboards/signage companies, and tenants in City-owned facilities around the placement of digital signage on City-owned property.

On September 25, 2018, the City Council approved new (replacement) [City Council Policy 6-4 \(Signs on City-Owned Land\)](#) allowing billboards, programmable electronic signs, and signs displaying offsite commercial speech. The Policy identifies 17 City-owned sites that could potentially accommodate up to 22 signs. A program-level California Environmental Quality Act (CEQA) analysis was completed for the 17 sites. Staff was directed to prepare and release

Request for Proposal (RFP) solicitations for building-mounted digital signs in downtown and free-standing freeway-facing signage on City-owned property. The work was divided into two separate RFP processes beginning in 2019. In March 2020, the COVID-19 pandemic redirected City staff priorities to managing emergency relief programs that prioritized human health and quality of life for San José's most vulnerable including providing critical assistance to the small business community in San José. These efforts delayed any significant progress of digital signage-related efforts for two years. With the addition of much need staff resources, efforts to advance and complete the Council-directed work on electronic signage on the City-owned property have resumed.

ANALYSIS

Implementation of digital signage on City-owned property was divided into two efforts: 1) the Select Sites process, and 2) the Alternative Sites process. The following provides the status of each process, the milestones that have been achieved, and the proposed next steps and timelines.

Large-format Digital Signage on Select Sites (Building-Mounted Signage)

In the Select Sites process, the City issued an RFP for signage at eight properties in the downtown core. The solicitation sought proposals for leases to install, operate, and manage building-mounted static and/or digital commercial advertising signs in these City locations. The eight properties included the Market/San Pedro Street Garage, the Third and San Carlos Street Garage, the Hammer Theatre, the Center for Performing Arts, the McEnery Convention Center, the Second Street Garage, the San José Museum of Art, and The Tech Interactive. The initial RFP solicitation was released in August 2019 with a Notice of Intended Award (NOIA) issued in December 2019. This RFP solicitation was subsequently re-issued due to a technical violation following the NOIA issuance.

The second Select Sites RFP solicitation was reduced to six sites, removing the San José Museum of Art and the Second Street Garage, and issued in May 2020. Proposals for this solicitation were received in July 2020 and have been reviewed by an evaluation panel. A NOIA for this solicitation has not yet been issued due to staff workload and adjusted work plan priorities in response to pandemic recovery efforts.

Large-Format Signage on Alternative Sites Process (Free-Standing Signage)

For the Alternative Sites process, the City solicited potential leases to install, operate, and manage new free-standing digital commercial advertising signs in two locations cleared in the 2018 program-level CEQA analysis. Staff was also directed by the City Council to allow potential proposers to put forward additional sites that would meet the siting criteria outlined in City Council Policy 6-4. The Alternative Sites RFP was issued in July 2019 and 20 proposals were received. A NOIA for one site was issued in July 2020. The NOIA was subsequently

rescinded in October 2020 for the City to re-examine its initial evaluation of the proposed sites. A new NOIA was issued in July 2021 for three potential sites.

Next Steps: Implementation Timeline

The anticipated implementation timeline for each process—Select Sites locations and Alternative Sites locations—varies based on environmental considerations and the applicable legal and policy requirements. For the Select Sites process, staff intends to issue the NOIA in fall 2022. Project-level CEQA analysis would then be completed. Staff estimates six to nine months for this process. Staff would then finalize the contract terms and bring a recommendation to the City Council in fall 2023.

For the Alternative Sites process, project-level CEQA analysis is also required and expected to be completed within six to nine months once the environmental consultant is contracted. Staff anticipates finalizing the contract terms and bringing a recommendation to the City Council in early fall 2023.

Pursuant to City Council direction in February 2022 and as shared on August 30, 2022, Information Memorandum regarding the requirements for outdoor digital billboards at the Norman Y. Mineta San José International Airport, by Q2 2023, staff will bring to City Council the amendment to City Council Policy 6-4 changing the takedown ratio from 4:1 to 6:1. This amendment will require that for every new billboard that is installed, six existing billboards in the City would be required to be taken down. The timeframe for the Policy amendment will be aligned so that any future RFP under the Policy would be subject to the new takedown ratio.

CONCLUSION

Though staff work on digital signage on City-owned property has been significantly delayed due to the redirection of staff priorities to managing emergency relief and recovery programs, staff continues advancing the completion of the Select Sites and Alternative Sites processes. The timeline to complete both processes is fall 2023.

EVALUATION AND FOLLOW-UP

Staff will bring forward recommendations to the City Council for the Select Sites and Alternative Sites in fall 2023.

PUBLIC OUTREACH

This memorandum will be posted for the October 24, 2022, CED Committee meeting.

October 17, 2022

Subject: Electronic Billboards on City-Owned Property Status Report

Page 4

COORDINATION

This memorandum has been coordinated with the Office of Economic Development and Cultural Affairs; the Department of Planning, Building, and Code Enforcement; and the City Attorney's Office.

CEQA

Not a Project, File No. PP17-009, Staff Reports, assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.

/s/

ROSALYNN HUGHEY
Deputy City Manager

For questions, please contact Nora Chin, Assistant to the City Manager, at nora.chin@sanjoseca.gov, or Blage Zelalich, Deputy Director, Office of Economic Development and Cultural Affairs at blage.zelalich@sanjoseca.gov.