



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Christopher Burton
Nanci Klein

SUBJECT: SEE BELOW

DATE: December 2, 2022

Approved

Date

12/6/2022

SUPPLEMENTAL

SUBJECT: ELECTRONIC BILLBOARDS ON CITY-OWNED PROPERTY

REASON FOR SUPPLEMENTAL

This memorandum transmits the recommendation by the Community and Economic Development (CED) Committee on October 24, 2022, to: 1) accept the status report on efforts to advance the placement of Electronic Billboards on City-owned property, and 2) 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.

BACKGROUND

Electronic Billboards on City-Owned Property

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.

Outdoor Digital Billboards at the Norman Y. Mineta San José International Airport

The 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. is a separate project from the Electronic Billboards on City-owned Property work plan. On February 15, 2022, the City Council voted to:

- (a) Adopt a resolution approving the Addendum to the Amendment to the Norman Y. Mineta San José International Airport Master Plan Environmental Impact Report (EIR) (SCH# 2018102020), certified by the San José City Council on April 18, 2020 (Resolution No. 79497), in accordance with the California Environmental Quality Act; and
- (b) Conduct a Public Hearing regarding the 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. with estimated annual revenue to the Airport of \$490,000 and reaffirm the project plan."

In its motion to reaffirm the project plan, which allows Clear Channel Outdoors Inc. (concessionaire) to build two digital billboards adjacent to U.S. Highway 101, the City Council also included the following requirements and direction:

1. That the concessionaire take down 12 billboards (16 faces) in the City of San José. The majority of the billboards that are taken down are to be from communities that are below the 80% area median income level or communities with crime rates higher than 20% of the norm;
2. The two new billboards are to use 100% renewable San José Clean Energy;
3. A 5:1 tree replacement ratio, which is 215 new trees. These trees must be planted in prioritized San José neighborhoods that lack adequate tree canopies, such as those in District 5 and District 7. These trees must be maintained for three years;

4. Direction to staff to amend City Council Policy 6-4 Billboards on City-Owned Land to require a 6:1 take down ratio for new digital billboards; and
5. Direction to staff to issue an information memorandum on the terms accepted by the concessionaire.

City staff issued two Information Memoranda (March 17, 2022, and August 30, 2022) providing details on the terms to which the concessionaire agreed and indicating that City staff would bring the City Council Policy 6-4 amendment to change the take down ratio from 4:1 to 6:1 (i.e., for every new billboard that is installed, six existing billboards in the City would be required to be taken down) to City Council in Q2 2023 to align with any future Request for Proposals under the Policy.

ANALYSIS

On October 24, 2022, staff provided a status report on the implementation of Electronic Billboards on City-owned property to the CED Committee. The implementation work plan is divided into two efforts: 1) the Select Sites process, and 2) the Alternative Sites process. The Select Sites are for large-format digital, building-mounted signage; this signage provides the opportunity for digital art. The Alternative Sites are for large-format, free-standing signage. Staff provided the status of each process, the milestones that have been achieved, and the proposed next steps and timelines.

The CED Committee discussed the desire to further amend City Council Policy 6-4 Billboards on City-Owned Land so that future Requests for Proposals would be held to the same requirements as the Clear Channel billboards at the Airport. Staff shared that two requirements would need to be added: 1) to use 100% renewable San José Clean Energy, and 2) to use the existing tree replacement policy pursuant to the California Environmental Quality Act.

The CED Committee accepted the status report and voted to agendize for City Council action to direct staff to further amend Council Policy 6-4 Billboards on City-Owned Land, requiring future billboard sites to adhere to the same requirements as the Clear Channel billboards at the Airport.

/s/

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/s/

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