



Staff Report

File #: 21-0508

REQUEST FOR CITY COUNCIL ACTION

DATE: 06/02/2021

TO: Honorable Mayor and City Council Members

FROM: Community Development Department

SUBJECT:
Billboard Relocation Agreement between the City of Corona and Outfront Media LLC.

EXECUTIVE SUMMARY:

The City of Corona prohibits the construction of new billboards unless the construction of a new billboard is considered as part of a billboard relocation agreement. Corona Municipal Code [Chapter 17.74](#) establishes the City's signage regulations including provisions related to the relocation of existing billboards within the City. The proposed Billboard Relocation Agreement between the City and Outfront Media includes relocating three older existing billboards within the City in exchange for the reconstruction of one new double-sided digital billboard relocated to 3125 Palisades Drive, Corona.

RECOMMENDED ACTION:

That the City Council authorize the Mayor to execute the Billboard Relocation Agreement with Outfront Media LLC.

BACKGROUND & HISTORY:

The Zoning Code includes adopted regulations for signage within the City of Corona. The City's signage regulations are governed by Corona Municipal Code (CMC) Chapter 17.74, Signs. Section 17.74.070 of the CMC refers to prohibited signs in the City, which includes outdoor advertising signs, commonly referred to as billboards. However, Section 17.74.070 (H), allows new billboards, including electronic message centers, electronic message boards, and changeable message boards, to be constructed as part of a relocation agreement that involves the relocation of existing billboards within the City. Billboard relocation agreements may be approved by the City Council within its sole and absolute discretion and upon terms that are acceptable to the City Council. Additionally, Section 17.74.070(H) establishes the minimum criteria for the City to follow when it comes to relocating billboards from City (surface) streets to a freeway frontage, from one surface street location to another surface street location, and from one freeway frontage location to another freeway frontage

location.

The billboards that currently exist along the City's streets, which include Sixth Street and Magnolia Avenue are older billboards. Over time these billboards no longer fit within the context of the surrounding area and would be better located along the freeway where there is greater visibility. City staff did a field survey and found four active billboards that exist along City streets. The following table identifies the location of the existing billboards.

Existing Surface Street Billboards

No.	General Location	APN	No. of Advertising Panels	Operator	ID#	Notes
1	Magnolia Avenue, south side & east of I-15 Freeway	107-020-006	Double Sided Panels	Outfront	2844	Within railroad rights-of-way. Active advertisement.
2	Sixth Street, south side & east of I-15 Freeway	107-020-016	Single Sided Panel	Outfront	2811	Within railroad rights-of-way. Active advertisement.
3	Sixth Street, south side & west of Lincoln Ave.	110-030-035	Double Sided Panels	Outfront	2804/2847	Active advertisement.
4	Sixth Street, south side & west of I-15 Freeway	117-320-001	Single Sided Panel	Clear Channel	005265	Across from City Park. Active advertisement.

Per CMC Section 17.74.070(H)(1), billboard relocation agreements that involve the relocation of surface street billboards to a freeway frontage require: a) at least three billboards are removed in exchange for the one relocated billboard, and b) the total combined square footage of the relocated billboard is less than the total combined square footage of the three removed billboards, with each panel or billboard face being counted toward the total square footage.

Existing Billboard Relocation Agreements

For informational purposes, the City has current billboard relocation agreements with Lamar Central Outdoor and General Outdoor Advertising. The existing agreements do not expire and will remain in effect during the existence of the billboards and the operators' compliance with the terms negotiated

in the agreement.

ANALYSIS:

Outfront Media, LLC is proposing to relocate three of its existing surface street billboards and establish one relocated billboard near the State Route 91 freeway. The three existing billboards are identified in the above Existing Surface Street Billboard Table. The following table summarizes the existing billboards and the proposed relocated billboard. The locations of these billboards are also shown in Attachment 2.

Existing Surface Street Billboards Owned by Outfront Media

Street	APN	Billboard ID #	Size	Electronic Changeable Message Boards
Magnolia Avenue	107-020-006	2812/2844	Double Sided 12' x 24' = 576 sq. ft.	No
East 6 th Street	107-020-016	2811	Single Sided 12' x 24' = 288 sq. ft.	No
West 6 th Street	110-030-035	2804/2847	Double Sided 12' x 24' = 576 sq. ft.	No

The total combined square footage of all three billboards is 1,440 square feet.

Proposed Relocated Billboard

Street	APN	Size	Electronic Changeable Message Boards
3125 Palisades Drive	101-430-005	Double Sided 14' x 48' = 1,334 sq. ft. (672 sq. ft per panel)	Yes

Per CMC Section 17.74.070 (H)(1), Outfront Media complies with the billboard relocation criteria as three surface street billboards will be replaced with one freeway facing billboard, and the overall size of the relocated billboard does not exceed the combined total square footage of the three existing billboards.

Terms associated with the Billboard Relocation Agreement

The following is a summary of the most notable terms associated with the agreement.

- Section 4.3. Changeable Message Boards. The relocated billboard is allowed to have two

electronic changeable message boards (double sided) with each message board not exceeding 672 square feet.

- Section 4.4. Public Service Announcements; Annual Monetary Value. The City shall have the right to place public service announcements on any of the changeable message boards, provided that the public service announcement is limited to one showing every minute (not to exceed 43,200 showings in any given year) on each board. The monetary value of the City's right to use each changeable message board for City announcements shall be equal to:
 - \$50,000 per year, per changeable message board for the first three years following the construction of the relocated billboard.
 - Starting July 1 after the third year, the annual monetary value shall be adjusted by an amount equal to the change in the consumer price index for the Riverside San Bernardino Ontario area; however, in no event shall the percentage change be less than 2.5% or more than 4.5%.
 - Section 4.4.1. Payment for the First Three Years. The City elects not to exercise its right to place City public service announcements on the changeable message boards during the first three years of operation. Instead, the operator shall pay the City within 30 days of completion of construction of the relocated billboard the first three years of the annual monetary value for the two changeable message boards, which is an amount equal to \$300,000.
 - Section 4.4.2. Pro-Rata Exercise of Public Service Announcements; City Election. Starting Year 4 after the construction of the relocated billboard, the City shall have the right to a pro-rata share of the City announcements on any of the changeable message boards (example: all or some of the maximum 43,200 showings in any given year on each changeable message board). The annual monetary value shall be reduced for that changeable message board the following fiscal year by the percentage amount used by the City. For example, if the City elected to use 4,320 of its maximum 43,200 minutes (showings) for a particular changeable message board during a given fiscal year, the annual monetary value for that changeable message board would be reduced by 10%.
 - Section 4.4.3. Payment After First Three Years. On June 30th following the end of the third year after the construction of the relocated billboard, the operator shall pay the City a pro-rata share of the annual monetary value (\$50,000 per changeable message board), which is equal to $1/12^{\text{th}}$ of the annual monetary value multiplied by the number of months from the end of the third year to June 30th (example: $\$50,000 \text{ per panel} / 12 = \$4,166.66 \text{ per month}$). Beginning July 1 and each fiscal year thereafter, the operator shall pay the City on the first day of each month, $1/12^{\text{th}}$ of the annual monetary value, minus the percentage amount of City announcements used by the City in the prior fiscal year.
- Section 4.8. Assignment without Consent Prohibited. The agreement may not be assigned by any Party without the express written consent of the other Party, which consent shall not be unreasonably withheld. The City shall not withhold its consent to any assignment by Company to a related or affiliated entity or any entity which is controlled, controlled by or under common control with Company.

Exhibit A of the Billboard Relocation Agreement describes the conditions of a billboard relocation, which includes but not limited to, the timing of messages shall be no greater than one message every six seconds, no message shall simulate motion or be animated, automatic dimmers shall operate

from dusk to sunrise and voluntary advertising restrictions which restrict the Company/Operator from advertising adult entertainment described in Exhibit A, and alcohol (except for beer and wine) or tobacco products.

COMMITTEE ACTION:

The Infrastructure Committee at its meeting on June 3, 2020, discussed the relocation of the existing surface street billboards to frontage along State Route 91.

FINANCIAL IMPACT:

The Billboard Relocation Agreement will result in revenue to the City's General Fund. The City for the first 3 years after the construction of the relocated billboard will receive a lump sum monetary value of \$300,000. Starting in Year 4, the City will receive an annual monetary value of \$50,000 per changeable message board, which equals \$100,000 per year.

ENVIRONMENTAL ANALYSIS:

No environmental review is required because the proposed action is not a project governed by the California Environmental Quality Act.

PREPARED BY: JOANNE COLETTA, COMMUNITY DEVELOPMENT DEPARTMENT

Attachments:

1. Exhibit 1 - Billboard Relocation Agreement dated June 2, 2021
2. Exhibit 2 - Location of Relocated Billboards