

# City of Sacramento

## Legislation Text

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**File #:** 2020-00343, **Version:** 1

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**Title:**

**(Pass for Publication) Ordinance Amending City Code Section 15.148.965 Relating to Digital Billboards on City-Owned and City-Leased Lands (M19-014)**

File ID: 2020-00343

**Location:** Citywide

**Recommendation:**

1) Review an Ordinance amending Sacramento City Code section 15.148.965 to allow digital billboards on both city-owned and city-leased lands; and 2) pass for publication the ordinance title under Sacramento City Charter section 32(c), for City Council consideration on July 21, 2020.

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**Presenter:** None

**Attachments:**

- 1-Description/Analysis
- 2-Ordinance (Redline)
- 3-Ordinance (Clean)

**Description/Analysis**

**Issue Detail:** Staff is recommending revisions to City Code chapter 15.148 (signs) to permit digital billboards to be located on city-leased property. City Code section 15.148.965 (digital billboards on city land) currently allows for digital billboards only on city-owned property, which limits the ability to locate digital billboards to fund design and construction of major-league sports venues.

On April 9, 2019, the City Council approved the Sacramento Major League Soccer Stadium Preliminary Term Sheet (the Term Sheet) between the City and an investor group led by Ron Burkle (the Investor Group) for the development of a new MLS-caliber stadium in the Downtown

Sacramento Railyards. The Term Sheet calls for locating up to five digital billboards on city-owned properties. It also requires City staff to present to the City Council for consideration any amendments to the City's sign code that are required to allow for up to five digital-sign locations.

City Code section 15.148.965 (digital billboards on city land) currently only allows for digital billboards on city-owned property-that is, on land the City owns in fee-which limits the ability to locate digital billboards that will fund the design and construction of major-league sports venues. The proposed revision would (a) define the existing term "city-owned property" to mean real property the City owns in fee; and (b) add a new term, "city-leased property," defined to mean real property in which the City has a leasehold interest.

**Policy Considerations:** Sign regulations are used to preserve and improve the appearance of the City as a desirable place in which to live; to safeguard and enhance property values; to protect public and private investment in buildings and open spaces; and to promote the public health, safety, and general welfare. The City and its residents will benefit from funding agreements for new digital billboards, as the digital-billboard owners will contribute significantly to the construction of a facility capable of supporting a major-league sports team. In addition, limiting the construction of digital billboards to specific city-owned and city-leased lands selected by the City Council in consultation with City staff will prevent the uncontrolled proliferation of digital billboards throughout the City while also promoting new technology to increase economic vitality for businesses.

The proposed ordinance would also further the following goals in the City's 2035 General Plan:

**Goal ED 1.1 Business Climate.** Maintain a supportive business climate that increases the City's ability to retain and expand existing businesses and attract business.

**Policy ED 1.1.2 City Image.** The City shall continue to promote Sacramento among its citizens and the wider business community as a livable community and an excellent place to do business.

**Goal ED 3.1 Land, Sites, and Opportunity Areas.** Retain, attract, expand, and develop businesses by providing readily available and suitable sites with appropriate zoning and access.

**Policy ED 3.1.10 Civic Amenities.** The City shall support and encourage the development of civic amenities, entertainment venues, and convention opportunities that increase visitation, spending, and tourism in Sacramento.

**Economic Impacts:** The proposed amendment will allow an alternative option for locating new digital billboards on both city-owned and city-leased lands, resulting in significant financial contributions to the construction of new facilities for hosting major-league sports, including the MLS. Furthermore, the digital billboards are expected to display advertising geared to increase business

within the Sacramento region and to increase the region's economic vitality.

**Environmental Considerations:** The proposed action would amend City Code section 15.148.965 to allow digital billboards on sites in which the City has a leasehold interest. At the present time the City must own a site for the section to apply.

Section 15.148.965 currently does not itself authorize the construction of any digital billboards. It only sets forth the conditions and requirements, including California Environmental Quality Act (CEQA) review, under which the City Council may approve digital billboards that might be proposed for specific sites yet to be identified. The proposed amendment does not change this. Accordingly, the proposed action is not a "project" for purposes of CEQA, as meaningful environmental review is not yet possible. (14 Cal. Code Regs. § 15004, subd. (b); *Friends of the Sierra Railroad v. Tuolumne Park & Recreation Dist.* (2007) 147 Cal.App.4th 643, 653-659 [holding that a district's proposed sale of land to an Indian tribe interested in developing it was not a project because no concrete development plans had been proposed, and "CEQA review in the absence of a plan involving an identifiable impact would not be meaningful"].) Even if the proposed action were a "project," it would be exempt from CEQA because there is no possibility that it might have a significant effect on the environment (14 Cal. Code Regs. § 15061(b)(3)) and because it is an administrative action that will not result in direct or indirect physical changes in the environment (14 Cal. Code Regs. §§ 15060(c)(3) and 15378(b)(5)).

**Sustainability:** No sustainability considerations apply to the proposed ordinance.

**Commission/Committee Action:** On June 16, 2020, the Law and Legislation Committee reviewed the draft ordinance and forwarded it to the City Council for consideration.

**Rationale for Recommendation:** The Term Sheet acknowledged the strategic and economic importance of digital signage to the success of privately funded major-league sports facility and calls for the City to amend the City Code as necessary to facilitate future construction and operation of digital billboards. Consistent with the Term Sheet, the proposed ordinance allows for new digital billboards on both city-owned and city-leased lands.

**Financial Considerations:** The proposed amendment will authorize up to five new digital billboards on any combination of city-owned or city-leased lands. The proposed amendment will cause no negative impact to the General Fund; in particular, there will be no cost to the City for any new billboard.

**Local Business Enterprise (LBE):** No goods or services are being purchased under this report.