



Agenda Report

21-1621

Agenda Date: 12/7/2021

REPORT TO COUNCIL

SUBJECT

Action on Amendment No. 2 to the Billboard Banking Agreement with Outfront Media, LLC to Allow a Banked Credit for the Removal of a Two-Sided Static Billboard Located at 4545 Stevens Creek Boulevard Until June 30, 2022

COUNCIL PILLAR

Promote and Enhance Economic, Housing and Transportation Development

BACKGROUND

In April 2011, the Council revised the City Council Policy Statement for Billboard Relocation Agreements (Relocation Policy) (Attachment 1) providing that relocation or construction of a billboard may only occur with the removal of billboards from the City's existing inventory. More specifically, billboard relocation could only occur based upon removal of a sign face or panel at a ratio of 3:1 (three billboard faces removed for each relocated, new or reconstructed face). The policy was aimed at the overall net reduction of sign faces.

In 2017, Outfront Media, LLC (Outfront) expressed interest in constructing a new two-sided digital billboard within the City at a future date. In accordance with the Relocation Policy, Outfront would be required to remove a total of six existing billboard faces. Outfront removed a two-sided billboard structure located at 4545 Stevens Creek Boulevard to accommodate redevelopment of the site and requested City approval to bank two billboard faces as a credit on a future billboard site.

On May 9, 2017, City Council approved the Billboard Banking Agreement (Agreement) with Outfront to allow credit for the removal of the two-sided static billboard located at 4545 Stevens Creek Boulevard. The Agreement allowed credits to be banked until December 31, 2020. As consideration, Outfront agreed to remove an additional non-banked billboard face at 2550 Lafayette Street by December 31, 2020 (Attachment 2).

In December 2019, Outfront approached the City with a request to amend the Agreement, to extend the termination date from December 31, 2020 to December 31, 2024. After discussions with staff, Outfront determined that they would pursue approvals of a single faced billboard at 630 Laurelwood Road and therefore not need an extension to the Banking Agreement beyond December 31, 2020.

Due to unforeseen delays as a result of the COVID-19 pandemic, Outfront submitted a formal application on September 16, 2020 to construct a new single face digital display at 630 Laurelwood Road. On December 16, 2020, Council approved Amendment no. 1 to the Agreement to extend the term to December 31, 2021 (Attachment 3).

On December 18, 2020, Outfront removed the billboard sign at 2550 Lafayette Street as required by

the original Agreement.

DISCUSSION

Staff have worked diligently with Outfront on a timeline for the approval processes for a new billboard sign and approval of a relocation agreement before December 2021. However, there have been significant delays with the application process, specifically with CEQA documentation needed prior to seeking entitlements for the new billboard sign. Therefore, staff is recommending a second amendment (Attachment 4) to the Agreement to extend the term to June 30, 2022 which would allow for sufficient time to process approvals and for Outfront to maintain the banked credits in accordance with the Banking Agreement.

As discussed earlier, the Banking Agreement preserves credits for the removal of billboard faces under the Relocation Policy that would be applied to future billboard requests. **The requested amendment does not provide for any approvals of a new billboard.** As of the preparation of this report, CEQA environmental documentation for 630 Laurelwood has been prepared and will be circulated for review and comment. Subsequently, staff will bring forth the item to Planning Commission and Council for consideration of the sign project and corresponding Relocation Agreement.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

There is no fiscal impact associated with this action.

COORDINATION

This report has been coordinated with the Community Development Department and the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>>.

RECOMMENDATION

Approve and authorize the City Manager to execute Amendment No. 2 to the Billboard Banking Agreement with Outfront Media, LLC to extend the termination date from December 31, 2021 to June 30, 2022.

Reviewed by: Ruth Shikada, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Policy Statement for Billboard Relocation Agreements
2. Billboard Banking Agreement
3. Amendment 1 to Billboard Banking Agreement
4. Amendment 2 to Billboard Banking Agreement