

**Meeting Date:** 5/20/2014

**Report Type:** Public Hearing

**Report ID:** 2014-00294

**Title:** Amendment to Sacramento City Code Section 15.148.815 and Adding Section 15.148.965, Relating to Digital Billboards on City-Owned Lands (M14-003) [Passed for Publication 04/29/2014; Notice Not Required; Published 05/01/2014; Continued from 05/13/2014]

**Location:** Citywide

**Recommendation:** Pass an Ordinance amending Sacramento City Code Section 15.148.815 and adding section 15.148.965, relating to digital billboards on City-owned lands.

**Contact:** Sandra Yope, Senior Planner, (916) 808-7158; Joy Patterson, Principal Planner, (916) 808-5607, Community Development Department

**Presenter:** Sandra Yope, Senior Planner, (916) 808-7158, Community Development Department

**Department:** Community Development Dept

**Division:** Planning

**Dept ID:**

**Attachments:**

- 1-Description/Analysis
- 2-Background
- 3-Sign CEQA Resolution
- 4-ESC Digital Billboard Ordinance-Redlined
- 5-ESC Digital Billboard Ordinance

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### **City Attorney Review**

Approved as to Form  
Joseph Cerullo  
5/13/2014 6:25:05 PM

### **Approvals/Acknowledgements**

Department Director or Designee: Ryan Devore - 4/30/2014 10:12:02 AM

## Description/Analysis

**Issue Detail:** On March 26, 2013, the City Council approved a preliminary term sheet between the City and an investor group, Sacramento Basketball Holdings, LLC, for the development of an Entertainment and Sports Center (ESC) in downtown Sacramento. Among other things, the term sheet calls for locating up to six digital billboards on City-owned land.

Currently, there is a citywide prohibition on any new billboards. The prohibition does not apply, however, to new billboards constructed under relocation agreements that require the removal of existing billboards, so that the total number of billboards in the City is reduced. Relocation agreements are authorized by City Code Section 15.148.815.

In 2010, the City Council amended Section 15.148.815 to authorize the use of relocation agreements for new *digital* billboards located on certain City-owned land.

Staff is now proposing an amendment to the sign code that would authorize an alternative to relocation agreements for digital billboards on City lands. Under this alternative, digital billboards may be located on certain City-owned lands if the billboard owners enter into “funding agreements” obligating them to contribute at least 40% of the costs to design and construct a City-owned facility that is capable of hosting professional major-league sports and has permanent seating for at least 15,000 persons. Up to six digital billboards could be authorized for each such facility.

**Policy Considerations:** Just as the City and its residents benefit from relocation agreements that eliminate existing billboards, thereby reducing the total number of billboards and the total sign-display area within the City, so too 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 City-owned facility capable of supporting a professional major-league sports team. In addition, limiting the construction of digital billboards to specific City-owned lands selected by the City Council in consultation with City staff will prevent the uncontrolled proliferation of digital billboards throughout the City.

**Economic Impacts:** The proposed amendment will allow an alternative method for locating new digital billboards on City-owned lands, resulting in significant financial contributions to the construction of new facilities for hosting professional major-league sports, including the ESC. Furthermore, the digital billboards are expected to display advertising geared to increase business within Sacramento and the region and to increase the economic vitality of the area.

**Environmental Considerations:** The elimination of relocation requirements for new digital billboards was considered in the ESC EIR, and no significant effects were identified. CEQA Guidelines section 15162 provides that if a discretionary permit is required to implement a project for which an EIR has been prepared and certified, then no additional environmental review need be conducted unless at least one of the conditions set forth in section 15162(a) is present. Staff has reviewed the circumstances of the project and concluded that none of the conditions are present. The attached resolution includes findings so stating.

**Sustainability:** No sustainability considerations apply to the proposed changes for City Code Chapter 15.148 (Signs).

**Commission/Committee Action:** The proposed code amendments were presented to the Law and Legislation Committee on May 13, 2014. The Committee recommended approval by a vote of three ayes and one no. The ordinance was passed for publication by the City Council on April 29, 2014.

**Rationale for Recommendation:** The City Council approved a preliminary term sheet with Sacramento Basketball Holdings, LLC that calls for the City to amend the Sign Code as necessary to facilitate future construction and operation of digital billboards on City-owned lands. The proposed amendments will allow for such digital billboards through either a relocation agreement requiring the permanent removal of existing billboards or a funding agreement requiring substantial cash funding for City-owned facilities capable of hosting professional major-league sports. Either process for locating new digital billboards on City-owned lands will provide a public benefit.

**Financial Considerations:** The proposed amendment will authorize new digital billboards (up to six billboards) on City-owned lands if the billboard developer contributes at least 40% of the costs to design and construct a City-owned facility that is capable of hosting professional major-league sports and has a permanent seating capacity of at least 15,000. 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 on City-owned land or its removal when the funding agreement expires.

**Local Business Enterprise (LBE):** Not Applicable

## **Attachment 02 – Background**

On March 26, 2013, the City Council [approved](#) a term sheet between the City and Sacramento Basketball Holdings LLC (SBH), the owners of the Kings, for the development of an Entertainment and Sports Center (ESC) in downtown Sacramento. The term sheet provides for up to six digital billboards (signs that use digital-display technology such as light-emitting diodes, or LEDs) to be located on City land and operated by SBH or one of its affiliates. Each digital billboard will display off-site advertising, i.e., advertising for goods and services sold elsewhere than the billboard's location. The term sheet also provides that City staff will process any sign-code amendments needed to implement the proposed digital-sign program.

On October 16, 2007, the City Council adopted Ordinance No. 2007-079, which prohibits the construction of new billboards. In support of the prohibition, the City Council found that billboards can cause long-lasting aesthetic harm and produce visual clutter that distracts from the attractiveness of the City. The prohibition has no automatic expiration date and remains in effect until repealed or superseded. Importantly, the prohibition does not extend to new billboards erected under relocation agreements that comply with City Code Section 15.148.815. Under such an agreement, the installation of a new billboard is allowed if the billboard owner permanently removes existing billboards and if, after the new billboard is up and the existing billboards are down, there are fewer billboards in the City, with less aggregate display area, than was previously the case.

On May 11, 2010, the City Council amended Section 15.148.815 to authorize the limited use of relocation agreements for the construction of digital billboards on certain City-owned lands.

SBH does not own or operate billboards within the City that it could remove in return for the right to construct new digital billboards on City property per the term sheet. The proposed amendment will establish an alternative to relocation agreements for locating digital billboards on City-owned property: digital billboards may be located on certain City-owned lands if the billboard owners enter into "funding agreements" obligating them to contribute at least 40% of the costs to design and construct a City-owned facility that is capable of hosting professional major-league sports and has permanent seating for at least 15,000 persons. Up to six digital billboards could be authorized for each such facility. The owner of the digital billboard must also agree to remove the digital billboard at the expiration of the agreement's term at no cost to the City.

The proposed ordinance will remove from Section 15.148.815 the provision that authorizes digital billboards on City-owned property and move it into new Section 15.148.965, which will authorize the new funding agreements as well. All other elements of Section 15.148.815 remain unchanged.

## EIR– Findings – City Council Resolution

### RESOLUTION NO. 2014-

Adopted by the Sacramento City Council

#### **RE-ADOPTING THE FINDINGS OF FACT AND STATEMENT OF OVERRIDING CONSIDERATIONS AND MITIGATION MONITORING PLAN FOR THE AMENDMENT TO THE SACRAMENTO CITY CODE AMENDING SECTION 15.148.815 AND ADDING SECTION 15.148.965, RELATING TO DIGITAL BILLBOARDS ON CITY-OWNED LANDS (M14-003)**

#### **BACKGROUND**

On April 1, 2010, the City Council conducted a public hearing, for which notice was given pursuant Sacramento City Code Section 17.812.010(2)(b), and during which it received and considered evidence concerning the amendment to the Sacramento City Code amending Section 15.148.815 and adding Section 15.148.965, Relating to Digital Billboards on City-Owned Lands (the “**Code Amendment**”).

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

Section 1. The City Council finds as follows:

A. On May 20, 2014, pursuant to the California Environmental Quality Act (Public Resources Code §21000 et seq.) (“**CEQA**”), the CEQA Guidelines (14 California Code of Regulations §15000 et seq.), and the City of Sacramento environmental guidelines, the City Council (1) certified an environmental impact report (“**EIR**”), having reviewed and considered the information contained in the EIR; (2) adopted findings of fact and findings of overriding consideration with respect to certain significant impacts identified in the EIR; (3) adopted a mitigation-monitoring plan; and (4) approved the Sacramento Entertainment and Sports Center & Related Development Project (P13-05; SCH No. 2013042031) (the “**Project**”).

B. The Code Amendment will implement the previously approved Project by modifying the existing sign regulations to allow additional digital billboards on City-owned real property. The Code Amendment will not result in any new significant effects that were not identified and evaluated in the original EIR and thus requires no new additional environmental review. The mitigation-

monitoring plan for the Project remains in effect and would be implemented as part of the Code Amendment.

C. Staff has determined that the proposed changes to the Project did not require the preparation of a subsequent EIR and that the original EIR is adequate for purposes of environmental review.

Section 2. The City Council has reviewed and considered the information contained in the previously certified EIR for the Project, the previously adopted findings of fact and findings of overriding consideration, and all oral and documentary evidence received during the hearing on the Code Amendment. The City Council finds that the previously certified EIR constitutes an adequate, accurate, objective, and complete review of the Code Amendment and finds that no additional environmental review is required based on the reasons set forth below:

A. No substantial changes are proposed by the Code Amendment that will require major revisions of the previously certified EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

B. No substantial changes have occurred with respect to the circumstances under which the Code Amendment will be undertaken which will require major revisions to the previously certified EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

C. No new information of substantial importance has been found that shows any of the following:

1. the Code Amendment will have one or more significant effects not discussed in the previously certified EIR;
2. significant effects previously examined will be substantially more severe than shown in the previously certified EIR;
3. mitigation measures previously found to be infeasible would in fact be feasible and would substantially reduce one or more significant effects of the Code Amendment; or
4. mitigation measures that are considerably different from those analyzed in the previously certified EIR would substantially reduce one or more significant effects on the environment.

Section 3. Based on its review of the previously certified EIR for the Project, the previously adopted findings of fact and findings of overriding consideration,

and all oral and documentary evidence received during the hearing on the Code Amendment, the City Council finds that the EIR reflects the City Council's independent judgment and analysis, and re-adopts the findings of fact and statement of overriding considerations.

Section 4. The mitigation monitoring plan for the Project remains in effect and will be applied to the Code Amendment. The mitigation monitoring plan meets the requirements of CEQA section 21081.6 and CEQA Guidelines section 15091.

Section 5. Upon approval of the Code Amendment, the City Manager shall file or cause to be filed a Notice of Determination with the Sacramento County Clerk and, if the project requires a discretionary approval from any state agency, with the State Office of Planning and Research, pursuant to section 21152(a) of the Public Resources Code and the State EIR Guidelines adopted pursuant thereto.

Section 6. Pursuant to Guidelines section 15091(e), the documents and other materials that constitute the record of proceedings upon which the City Council has based its decision are located in and may be obtained from, the Office of the City Clerk at 915 I Street, Sacramento, California. The City Clerk is the custodian of records for all matters before the City Council.

## ORDINANCE NO. 2014-\_\_\_

Adopted by the City of Sacramento

\_\_\_\_\_, 2014

### AMENDING THE SACRAMENTO CITY CODE BY AMENDING SECTION 15.148.815 AND ADDING SECTION 15.148.965, RELATING TO DIGITAL BILLBOARDS ON CITY-OWNED LANDS

#### BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

#### SECTION 1. The City Council finds as follows:

- A. On October 16, 2007, the City Council adopted Ordinance No. 2007-079, which prohibits the construction of new billboards. In support of the prohibition, the City Council found that billboards can cause long-lasting aesthetic harm and produce visual clutter that distracts from the attractiveness of the City. The prohibition has no automatic expiration date and remains in effect until repealed or superseded.
- B. Ordinance No. 2007-079 provides a limited exception to the prohibition, as it retains the City's ability to enter into relocation agreements under which new billboards may be constructed in exchange for the permanent removal of legal, nonconforming billboards. Section 15.148.815 of the Sacramento City Code prescribes when and how the City may enter into a relocation agreement.
- C. On May 11, 2010, the City Council adopted Ordinance No. 2010-011, thereby amending Section 15.148.815 to authorize the limited use of relocation agreements for the construction on certain City-owned lands of digital billboards, i.e., billboards that use digital-display technology such as light-emitting diodes, or LEDs.
- D. The City Council desires to amend the Sacramento City Code by amending Section 15.148.815 and adding Section 15.148.965, thereby authorizing the construction and operation of digital billboards on certain City-owned lands under agreements that require either (1) the permanent removal of legal conforming or legal nonconforming billboards or (2) the contribution of funding for the design and construction of a City-owned facility capable of hosting professional major-league sports.
- E. Limiting the construction of digital billboards to specific City-owned properties selected by the City Council in consultation with City staff will avoid the uncontrolled and incoherent proliferation of digital billboards throughout the City. Because the City will own the property on which digital billboards are constructed and operated, and because the digital billboards will be subject to leases and other agreements between the City and the billboard owners, the City will be able to control the number, location, design, and operation of digital billboards as well as the content

and appearance of the messages displayed. This control will enable the City to (1) minimize or avoid potentially dangerous distractions to motorists and pedestrians that could result from the unsupervised proliferation of digital billboards; (2) ensure that the design and operation of each digital billboard is harmonious with the surrounding area; (3) avoid the visual clutter that would result from an excessive number of digital billboards (as well as to reduce the total number of billboards in the City, if relocation of existing billboards is required); and (4) maintain or improve the overall appearance of the City. In addition, by authorizing the siting of digital billboards on City-owned property, the City will be able to generate additional revenue for municipal purposes.

**SECTION 2.** Section 15.148.815 of the Sacramento City Code is amended as follows:

- A. Subsection F.6 is deleted in its entirety.
- B. Subsection F.7 is renumbered as subsection F.6.

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***So amended, Section 15.148.815 reads as follows:***

**15.148.815 Relocation of off-site signs pursuant to relocation agreements.**

- A. Purpose. The purpose of relocation agreements approved pursuant to this section is to allow for the removal and relocation of existing, nonconforming, off-site signs to new and different locations, and to enable the substitute of off-site signs meeting modern standards for such existing, nonconforming, off-site signs. For purposes of this section, relocation includes the removal of existing nonconforming, off-site signage and the construction of new replacement off-site signage or alteration of existing off-site signage, subject to compliance with the requirements of this section.
- B. Off-site Signs Pursuant to Relocation Agreement. Notwithstanding provisions of this chapter to the contrary, a new or relocated off-site sign that does not comply with all of the requirements of this chapter may be allowed pursuant to a relocation agreement approved by the city council pursuant to this section, subject to the requirements and procedures set forth below.
- C. Applicability. Any legal, nonconforming off-site sign may be considered as a candidate for relocation pursuant to a relocation agreement as provided in this section. Such off-site signs may be relocated to a new site or relocated on the present site only in accordance with this section.
- D. Procedure. Relocation agreements shall be approved by the city council. Applications for relocation agreements shall be noticed and heard before the planning and design commission and city council in the same manner as applications for city council approved conditional use permits are noticed and heard pursuant to the Planning and Development Code.

- E. Application—Property Owner’s Consent or Indemnity. To the extent the applicant is not the owner of the property on which the nonconforming, off-site sign proposed for relocation is located, or is not the owner of the property to which the nonconforming, off-site sign will be relocated, the applicant shall, either at the time of application, either provide documentation of the consent of the owner(s) to the application or, agree to indemnify the city against any and all claims from owner(s) concerning the processing and approval, should approval occur, of the relocation agreement application.
- F. Requirements for Relocated Off-site Signs. The off-site sign(s) approved for relocation pursuant to a relocation agreement under this section shall comply with the requirements of this chapter for off-site signs, except as specifically provided below:
1. Size. The maximum size of an individual off-site sign relocated pursuant to a relocation agreement shall not exceed seven hundred (700) square feet;
  2. Distance Between Off-site Signs. Except as prohibited by the California Outdoor Advertising Act, and notwithstanding Section 15.148.160(B), off-site signs may be located at or greater than two hundred and fifty (250) feet from another off-site sign on the same side of the street; and to the extent an off-site sign is located on one street but is oriented to be viewed from another street, no such sign shall be located nearer than two hundred and fifty (250) feet to any other off-site sign on the same side of the street on which it is located or any other off-site sign located on the nearest side of the street to which said sign is oriented.
  3. Zoning. Relocated off-site signs shall be allowed in the C-4, M-1 and M-2 zones; provided that lawfully existing, nonconforming off-site signs located in other zones may be altered, modified or replaced in the same location pursuant to a relocation agreement, provided that all of the other provisions of this section are satisfied.
  4. Reduction in Number of Signs and Square Footage. No relocation agreement shall be approved unless the relocation agreement results in: i) a net reduction in the number of off-site signs lawfully permitted; and ii) a net reduction in the total square footage of off-site signage lawfully permitted.
  5. Signs Within Six Hundred and Sixty (660) Feet of a Freeway. Notwithstanding Section 15.148.850, a relocation agreement may be approved even though it would result in the relocation of a sign or signs to a location within six hundred and sixty (660) feet of a freeway where the copy of such off-site sign would be visible by persons traveling on that freeway.

- ~~6. Digital Billboards on City Land. Notwithstanding Section 15.148.640, the city council may approve one or more relocation agreements that authorize the construction of digital billboards on city-owned property adjacent to a freeway, subject to the following additional provisions:~~
- ~~a. Notwithstanding subsection (F)(3) of this section, the city-owned property may be located in any commercial or industrial zone.~~
  - ~~b. All digital display faces must be oriented primarily for viewing from the adjacent freeway.~~
  - ~~c. Notwithstanding any provision to the contrary in this chapter, the maximum height of a digital billboard, measured from grade to the top of the digital display face, is eighty-five (85) feet; and the overall maximum height, measured from grade to the top of the billboard structure, is ninety (90) feet.~~
  - ~~d. Notwithstanding any provision to the contrary in this chapter, a digital billboard may have either one or two display faces, and the maximum area of a display face is seven hundred (700) square feet.~~
  - ~~e. Notwithstanding any provision to the contrary in this section, an existing off-site sign that is removed and relocated under a relocation agreement that authorizes the construction of a digital billboard may be either a legal conforming sign or a legal nonconforming sign.~~
  - ~~f. A digital billboard may display only a series of still images, each of which is displayed for at least eight seconds. The still images may not move or present the appearance of motion and may not use flashing, scintillating, blinking, or traveling lights or any other means not providing constant illumination. Transition or blank screen time between one still image and the next may not exceed one second.~~
  - ~~g. The city must comply with the California Environmental Quality Act before approving a relocation agreement that authorizes a digital billboard.~~
67. Consistency with Outdoor Advertising Act. In addition to complying with the other requirements set forth in this section, the relocated off-site sign must also comply with the requirements of the Outdoor Advertising Act, Chapter 2 in Division 3 of the California Business and Professions Code, including, but not limited to, the restrictions on size, height, proximity to interstate and primary highways and landscaped freeways, and other

regulations set forth in Articles 7 and 8 of the Act. To the extent any conflict arises between this section and the Outdoor Advertising Act, the Outdoor Advertising Act will prevail.

- G. Findings. A relocation agreement may be approved if the council makes the following findings concerning the signage proposed for relocation pursuant to the relocation agreement; [sic]
1. The relocated signage complies with the purpose and requirements of this section and this chapter;
  2. The relocated signage is compatible with the uses and structures on the site and in the surrounding area, including parks, trails and other public facilities and amenities;
  3. The relocated signage will not interfere with on-site access, circulation or visibility;
  4. The relocated signage will not create a traffic or safety hazard;
  5. The relocated signage will not result in any undue or significant increase in visual clutter in the area surrounding the new site.
- H. Removal of Existing Off-site Sign. The off-site sign(s) approved for relocation must be removed from the original site(s) prior to construction or installation of the off-site sign(s) authorized by the relocation agreement.

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**SECTION 3.** Section 15.148.965 is added to the Sacramento City Code, to read as follows:

**15.148.965 Digital Billboards on City Land.**

A. Relocation Agreements. Notwithstanding anything to the contrary in this chapter (including Section 15.148.640) or in any ordinance not codified in this chapter (including Ordinance No. 2007-079), the city council may approve relocation agreements under Section 15.148.815 that authorize the construction and operation of digital billboards on city-owned property adjacent to a freeway, subject to the common provisions in subsection C of this section and the following additional provisions:

1. Notwithstanding subsection F.3 of Section 15.148.815, the city-owned property may be located in any commercial zoning district or industrial zoning district.
2. Notwithstanding any provision to the contrary in Section 15.148.815, an existing offsite sign that is removed and relocated under a relocation

agreement that authorizes the construction and operation of a digital billboard may be either a legal conforming sign or a legal nonconforming sign.

B. Funding Agreements. Notwithstanding anything to the contrary in this chapter (including Section 15.148.640) or in any ordinance not codified in this chapter (including Ordinance No. 2007-079), the city council may approve agreements that authorize the construction of digital billboards on city-owned property adjacent to a freeway, subject to the common provisions in subsection C of this section and the following additional provisions:

1. The agreement may authorize the construction and operation of up to six digital billboards.
2. The owner of the digital billboard or billboards authorized by the agreement (or an affiliate of the owner) must agree, among other things, to the following:
  - a. To fund at least 40% of the costs to design and construct a city-owned indoor arena or outdoor stadium that is capable of hosting professional major-league sports and has permanent seating for at least 15,000 persons.
  - b. At no cost to the city, to remove the digital billboard or billboards from the city-owned property at the expiration of the agreement's term, which may not exceed 35 years, and to restore the property to its pre-agreement condition.
3. No more than six digital billboards may be authorized for each city-owned facility to which contributions are made under subsection B.2.a of this section.
4. The city council must find that the agreement will confer a substantial public benefit to the city and to the general public, identifying the benefit with reasonable specificity. In addition, the city council must find that each digital billboard identified in the agreement—
  - a. complies with the purpose and requirements of this section and this chapter;
  - b. is compatible with the uses and structures on the city-owned property and in the surrounding area, including parks, trails, and other public facilities and amenities;
  - c. will not interfere with on-site access, circulation, or visibility;



## ORDINANCE NO. 2014-\_\_

Adopted by the City of Sacramento

\_\_\_\_\_, 2014

### AMENDING THE SACRAMENTO CITY CODE BY AMENDING SECTION 15.148.815 AND ADDING SECTION 15.148.965, RELATING TO DIGITAL BILLBOARDS ON CITY-OWNED LANDS

#### BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

#### SECTION 1. The City Council finds as follows:

- A. On October 16, 2007, the City Council adopted Ordinance No. 2007-079, which prohibits the construction of new billboards. In support of the prohibition, the City Council found that billboards can cause long-lasting aesthetic harm and produce visual clutter that distracts from the attractiveness of the City. The prohibition has no automatic expiration date and remains in effect until repealed or superseded.
- B. Ordinance No. 2007-079 provides a limited exception to the prohibition, as it retains the City's ability to enter into relocation agreements under which new billboards may be constructed in exchange for the permanent removal of legal, nonconforming billboards. Section 15.148.815 of the Sacramento City Code prescribes when and how the City may enter into a relocation agreement.
- C. On May 11, 2010, the City Council adopted Ordinance No. 2010-011, thereby amending Section 15.148.815 to authorize the limited use of relocation agreements for the construction on certain City-owned lands of digital billboards, i.e., billboards that use digital-display technology such as light-emitting diodes, or LEDs.
- D. The City Council desires to amend the Sacramento City Code by amending Section 15.148.815 and adding Section 15.148.965, thereby authorizing the construction and operation of digital billboards on certain City-owned lands under agreements that require either (1) the permanent removal of legal conforming or legal nonconforming billboards or (2) the contribution of funding for the design and construction of a City-owned facility capable of hosting professional major-league sports.
- E. Limiting the construction of digital billboards to specific City-owned properties selected by the City Council in consultation with City staff will avoid the uncontrolled and incoherent proliferation of digital billboards throughout the City. Because the City will own the property on which digital billboards are constructed and operated, and because the digital billboards will be subject to leases and other agreements between the City and the billboard owners, the City will be able to control the number, location, design, and operation of digital billboards as well as the content

and appearance of the messages displayed. This control will enable the City to (1) minimize or avoid potentially dangerous distractions to motorists and pedestrians that could result from the unsupervised proliferation of digital billboards; (2) ensure that the design and operation of each digital billboard is harmonious with the surrounding area; (3) avoid the visual clutter that would result from an excessive number of digital billboards (as well as to reduce the total number of billboards in the City, if relocation of existing billboards is required); and (4) maintain or improve the overall appearance of the City. In addition, by authorizing the siting of digital billboards on City-owned property, the City will be able to generate additional revenue for municipal purposes.

**SECTION 2.** Section 15.148.815 of the Sacramento City Code is amended as follows:

- A. Subsection F.6 is deleted in its entirety.
- B. Subsection F.7 is renumbered as subsection F.6.

**SECTION 3.** Section 15.148.965 is added to the Sacramento City Code, to read as follows:

**15.148.965 Digital Billboards on City Land.**

- A. Relocation Agreements. Notwithstanding anything to the contrary in this chapter (including Section 15.148.640) or in any ordinance not codified in this chapter (including Ordinance No. 2007-079), the city council may approve relocation agreements under Section 15.148.815 that authorize the construction and operation of digital billboards on city-owned property adjacent to a freeway, subject to the common provisions in subsection C of this section and the following additional provisions:
  - 1. Notwithstanding subsection F.3 of Section 15.148.815, the city-owned property may be located in any commercial zoning district or industrial zoning district.
  - 2. Notwithstanding any provision to the contrary in Section 15.148.815, an existing offsite sign that is removed and relocated under a relocation agreement that authorizes the construction and operation of a digital billboard may be either a legal conforming sign or a legal nonconforming sign.
- B. Funding Agreements. Notwithstanding anything to the contrary in this chapter (including Section 15.148.640) or in any ordinance not codified in this chapter (including Ordinance No. 2007-079), the city council may approve agreements that authorize the construction of digital billboards on city-owned property adjacent to a freeway, subject to the common provisions in subsection C of this section and the following additional provisions:

1. The agreement may authorize the construction and operation of up to six digital billboards.
  2. The owner of the digital billboard or billboards authorized by the agreement (or an affiliate of the owner) must agree, among other things, to the following:
    - a. To fund at least 40% of the costs to design and construct a city-owned indoor arena or outdoor stadium that is capable of hosting professional major-league sports and has permanent seating for at least 15,000 persons.
    - b. At no cost to the city, to remove the digital billboard or billboards from the city-owned property at the expiration of the agreement's term, which may not exceed 35 years, and to restore the property to its pre-agreement condition.
  3. No more than six digital billboards may be authorized for each city-owned facility to which contributions are made under subsection B.2.a of this section.
  4. The city council must find that the agreement will confer a substantial public benefit to the city and to the general public, identifying the benefit with reasonable specificity. In addition, the city council must find that each digital billboard identified in the agreement—
    - a. complies with the purpose and requirements of this section and this chapter;
    - b. is compatible with the uses and structures on the city-owned property and in the surrounding area, including parks, trails, and other public facilities and amenities;
    - c. will not interfere with on-site access, circulation, or visibility;
    - d. will not create a traffic or safety hazard;
    - e. will not result in any undue or significant increase in visual clutter in the area surrounding the city-owned property.
  5. The city-owned property must be located in a commercial zoning district or an industrial zoning district.
- C. Common Provisions. All digital billboards authorized by this Section 15.148.965 are subject to the following provisions:

1. Each digital-display face must be oriented primarily for viewing from the adjacent freeway.
2. Notwithstanding any provision to the contrary in this chapter, the maximum height of a digital-billboard structure, measured from grade to the top of the digital-display face, is 85 feet; and the overall maximum height, measured from grade to the top of the billboard structure, is 90 feet.
3. Notwithstanding any provision to the contrary in this chapter, the maximum area of each digital-display face is 700 square feet, and a digital billboard may have either one or two digital-display faces.
4. A digital billboard may display only a series of still images, each of which is displayed for at least eight seconds. The still images may not move or present the appearance of motion and may not use flashing, scintillating, blinking, or traveling lights or any other means not providing constant illumination. Transition or blank screen time between one still image and the next may not exceed one second.
5. The owner of the digital billboard must comply with all applicable federal, state, or local laws, including the Highway Beautification Act of 1965 (23 United States Code section 131), the Outdoor Advertising Act (California Business and Professions Code section 5200 and following), and this chapter, when constructing, operating, improving, maintaining, repairing, and removing the digital billboard.
6. The city must comply with the California Environmental Quality Act before approving an agreement that authorizes a digital billboard.

**SECTION 4.** Except as amended by Sections 2 and 3 of this ordinance, chapter 15.148 of the Sacramento City Code remains unchanged and in full effect.