



**Date:** May 21, 2014

**To:** Marketing Committee

**From:** Sheila Tucker, Assistant City Manager

**Subject:** Outdoor Digital Billboard Advertising

**EXECUTIVE SUMMARY:**

At the April 16, 2014 Marketing Committee meeting, the Committee discussed pursuing consulting and management services to access the City's real estate assets for opportunities to maximize revenue from digital outdoor advertising. The Committee directed staff to return to the May Committee meeting with a map identifying the location of the existing billboards in Santa Clara, and potential sites in heavily traveled thoroughfares.

The City established a Billboard Policy in 2004 to address the proliferation of billboards in the City that added to scenic blight (see Attachment A. Policy Statement for Billboard Relocation Agreements). The Policy establishes fairly restrictive relocation criteria for new billboards. For every construction or relocation of one sign face, three must be taken down. The City has made significant progress in reducing the number billboards and locating new billboards in appropriate commercial zones. Currently, there are 19 billboards within the City limits, down from 51 in 2004. Attachment B provides a list and a photograph of each billboard. Attachment C includes a map identifying current locations.

Two of the 19 billboards within the City limits are digital billboards. Digital billboards have revolutionized the industry with cutting-edge digital technology, and is an effective method for reaching the mobile population as they offer presence and the visibility to influence everyday commuters. Pursuant to the City's policy, all new digital billboards must provide for at least 10% charitable, non-profit use of the copy exposure based on daily use (e.g., 3.65 days per year). This program is currently underutilized. Staff will more effectively utilize this resource in the future by incorporating this marketing vehicle into the City's new branding and marketing strategy.

Staff was asked to return to the Committee with some potential sites on city owned property that digital billboards may be constructed focusing on major highways and commercial thoroughfares. It is important to note that the sites are very preliminary and that further evaluation would be needed from a policy, financial, operational, and regulatory perspective. Potential sites are identified in Attachment C and include:

- 1700 Duane Avenue (City owned right of way)
- Vacant parcel at corner of Lafayette @ Hwy 101 (APN: 104-01-101)
- City water/sewer owned site Hwy 280 @ Lawrence Exp. (APN: 316-17-024)
- 5465 Lafayette St. near 237 (City-owned golf course parcel)

If the City elects to proceed with additional analysis of its real estate assets for opportunities for digital outdoor advertising, staff recommends conducting a request for proposal to select a firm to assist the City. Management and consulting services would consist of, at no cost or obligation to the City, the following:

**Portfolio Analysis** - Identify all current and potential assets in desired markets that may be applicable for development. Desired markets include only along highways and heavily traveled streets and commercial thoroughfares e.g., Bayshore 101, 280, 237, etc.

**Evaluation** - Evaluate potential assets from a public policy, financial, operational, and regulatory perspective.

**City Council Approval** – Bring staff recommendations to Council for approval. Work with all applicable departments, including engineering, public works, finance, legal to secure project approvals.

**Entitlement** - Work in conjunction with all applicable regulatory agencies to obtain all necessary approvals and permits

**Outdoor Advertising Sales Negotiation** – Negotiate with advertising sales companies on an asset-by-asset basis to ensure that all financial and business interests are protected

**Construction** – Supervise the construction process in coordination with all applicable departments

**Asset Management** - Implement asset performance, maintenance, & operational standards. Provide ongoing out-of-home management to ensure that all contracts are properly enforced, including invoicing, audit controls, and collections.

Staff is seeking policy direction from the Committee and Council on placing digital billboards in major commercial thoroughfares to market Santa Clara and provide revenue for on-going branding and marketing efforts. The estimated annual revenue is approximately \$500,000. If the Committee supports further evaluation of outdoor digital billboard advertising, staff recommends seeking policy direction from the full Council prior to proceeding with an RFP given the staff resources that would needed to support the work.

**ECONOMIC/FISCAL IMPACT:**

The estimated annual revenue from a double facing digital billboard along highways and heavily traveled thoroughfares is \$500,000. The revenue would support the City's on-going branding and marketing campaign.

**RECOMMENDATION:**

The Marketing Committee recommend that the Council direct staff to proceed with a request for proposals for consulting and management services (as described above) to access the City's real estate assets for opportunities to maximize revenue from digital outdoor advertising, and to return to Council for final approval to construct any new billboards.

APPROVED:



---

Sheila A. Tucker  
Assistant City Manager

*Documents Related to this Report:*  
*Attachment A. Policy Statement for Billboard Relocation Agreements*  
*Attachment B. List of Current Billboards in Santa Clara*  
*Attachment. C. Billboard Map*

## Attachment A. Billboard Policy

### CITY COUNCIL POLICY STATEMENT FOR BILLBOARD RELOCATION AGREEMENTS




Revised April 2011

All Billboard Relocation Agreements shall have the following as the minimum criteria:

1. As of the adoption of this policy, there are 24 existing billboards in the City and that number shall not increase.
2. "Relocation" is defined as raising the height of an existing billboard, reconstructing an existing billboard, adding a face to an existing one sided billboard, or replacing an existing billboard with a new billboard in a new location.
3. Relocation can only occur with the removal of billboards from the existing billboard inventory as of July 1, 2004.
4. Relocation can only occur based upon a sign face or panel removal ratio of 3:1 (three faces removed for each relocated, new or reconstructed face) that will result in the net reduction of sign faces. As an example, in order to increase the height of a single faced billboard, 3 existing billboard faces would have to be removed.
5. In an effort to minimize public expense in amortizing outdoor advertising displays, the City may waive certain billboard requirements as set forth in City Code Sections 18.80.050 (height) and 18.80.220(b) (billboard general provisions), as those sections may be amended from time to time, with factual findings by the City Council which justify the relocation of billboards. Those findings shall include, but not be limited to, ensuring traffic safety and aesthetics are maintained in the City, encouraging locations adjacent to freeways and expressways, restricting billboards from or near residential areas and providing a minimum of 300 foot separation from existing or proposed billboards.
6. All relocated billboards must provide for at least 10% public service announcement use, free of charge to the City and non-profit entities, of one full face of copy exposure based on daily use (e.g. 36.5 days per year), and at least 50% of such public service announcement use shall occur during the hours of 6:00 a.m. and 9:00 p.m. daily.
7. Any relocation agreement allowing any relocated billboards in residentially zoned areas or areas designated for residential use in the General Plan shall require the removal of the billboard after a period of 20 years.
8. The consideration for City execution of a billboard relocation agreement shall be a payment to the City in the amount of a minimum of \$70,000.00 per relocated sign face.

# City of Santa Clara - Billboard Signs

Rev 4-22-2014

	Address	APN#	Ownership	Sign Faces	Type of Sign	Image
1	790 Comstock Avenue	224-36-004	Clear Channel	2	painted	
2	1010 Duane Avenue	224-08-142	Adway	2	painted	
3	1130 Duane Avenue	224-08-089	Clear Channel	2	digital/electronic	

**Attachment B. Current Billboards in Santa Clara**

4	1500 Duane Avenue	224-08-070	ACCO Outdoor	2	painted	
5	1600 Duane Avenue	224-42-001	Clear Channel	2	painted	
6	1900 Duane Avenue	224-09-168	Clear Channel	2	painted	
7	859 El Camino Real	224-29-041	Clear Channel	1	painted	

**Attachment B. Current Billboards in Santa Clara**

8	1171 El Camino Real	224-26-066	CBS	2	painted	
9	2333 El Camino Real	224-14-090	CBS	2	painted	
10	2993 El Camino Real	220-32-056	CBS	2	painted	
11	3362 El Camino Real	290-02-103	CBS	2	painted	

**Attachment B. Current Billboards in Santa Clara**

12	2550 Lafayette Street	224-60-003	CBS	1	painted		
13	1203 Laurelwood Road	104-15-100	Clear Channel	2	painted		
14	1425 Laurelwood Road	104-15-029	CBS	2	painted		
15	1651 Laurelwood Road	104-15-127	Clear Channel	2	painted		



**Attachment B. Current Billboards in Santa Clara**

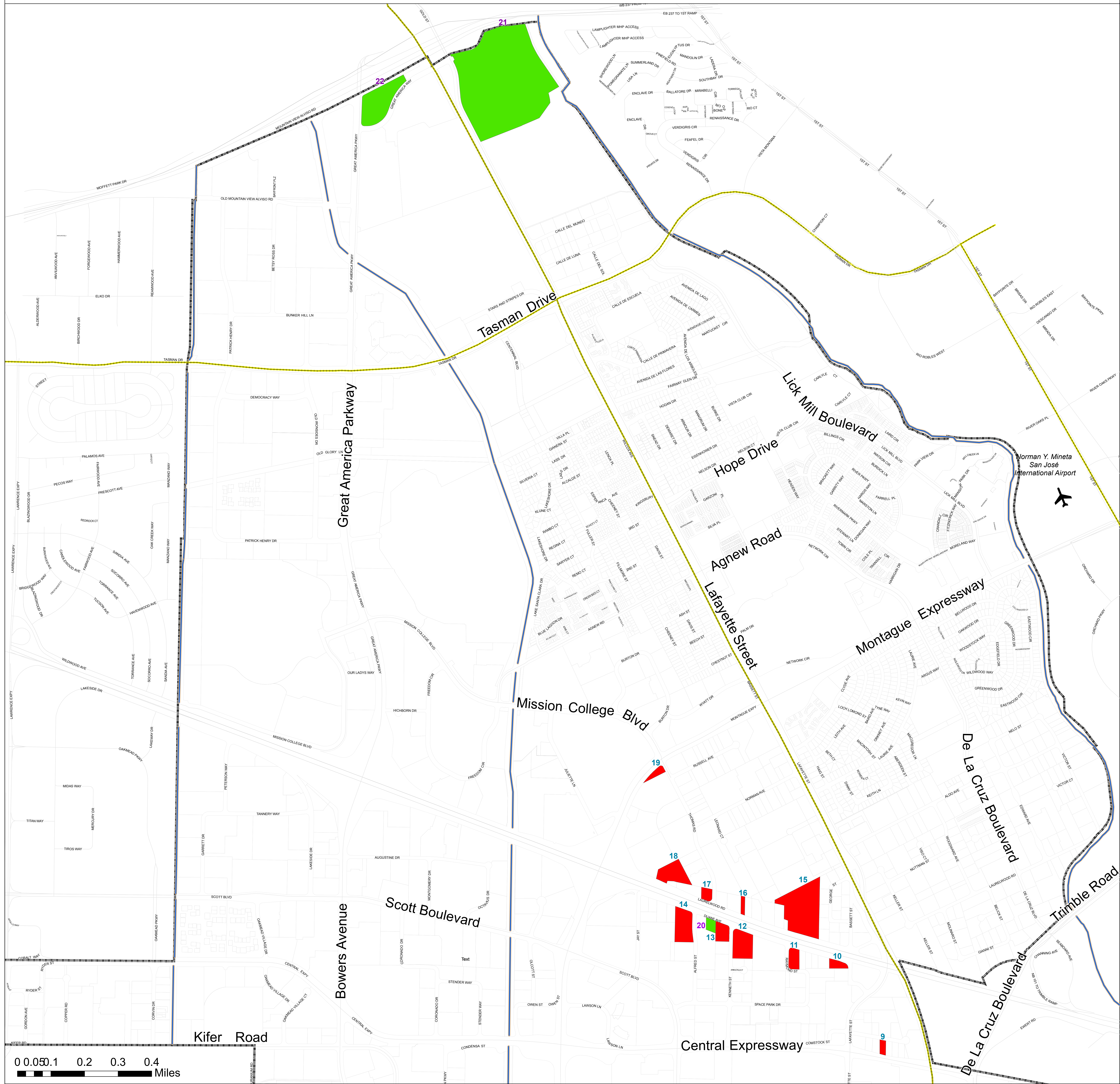
16	2055 Laurelwood Road	104-15-113	Clear Channel	2	painted	
17	1701 Lawrence Road	220-04-040	CBS	1	painted	
18	4533 Stevens Creek Boul	296-37-033	CBS	2	painted	
19	3710 Thomas Road	104-14-170	Clear Channel	2	painted	





# City of Santa Clara

## Attachment C. Billboard Map - North of Central Expy



- Billboard**
- Potential Sites
  - Existing Sites
  - City Limit

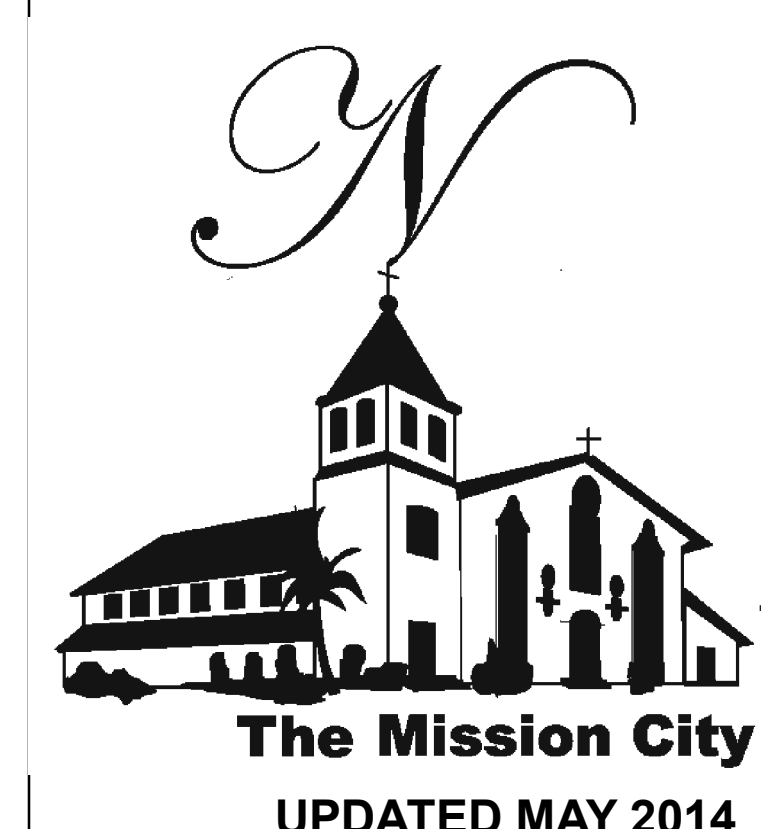
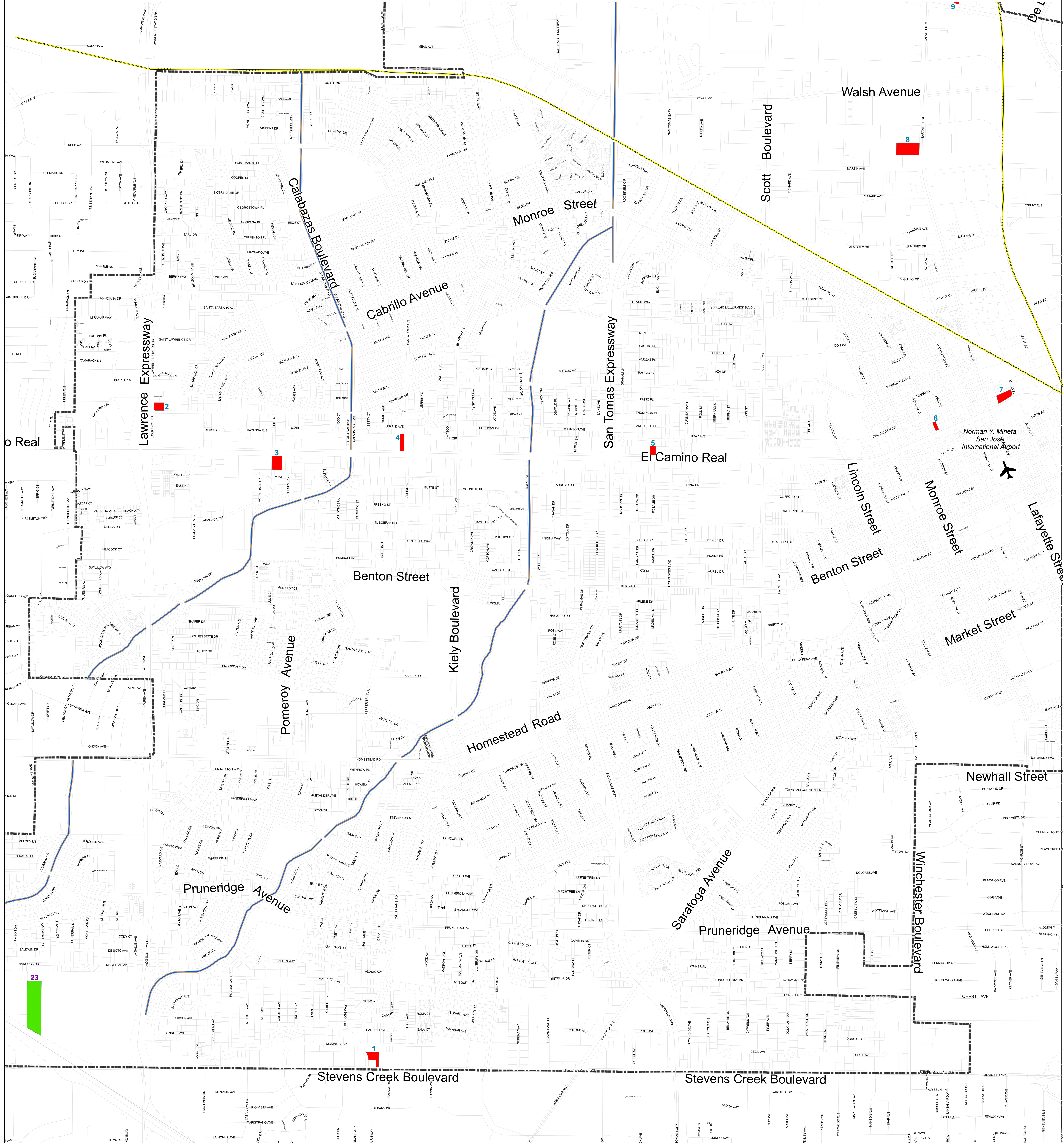






# City of Santa Clara

## Attachment C. Billboard Map - South of Central Expy



0 0.075 0.15 0.3 0.45 0.6 Miles

- Billboard**
- Potential Sites
  - Existing Sites
  - City Limit