



CITY OF ELK GROVE CITY COUNCIL STAFF REPORT

AGENDA TITLE: Provide direction on possible revisions to the City's sign regulations and development of electronic changeable message signs at strategic locations in the City

MEETING DATE: April 27, 2016

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DEPARTMENT HEAD: Laura S. Gill, City Manager

RECOMMENDED ACTION:

Staff recommends that the City Council receive this report and provide direction as necessary on two signage topics:

1. Revisions to the City's signage regulations to allow digital billboard signs; and
2. Establishing a Capital Improvement Program project to construct City digital message signs at key locations.

BACKGROUND INFORMATION AND DISCUSSION:

This report is a follow up to two requests from the City Council at the November 18, 2015 City Council meeting.

Digital Billboard Signs

Background

The City's signage regulations are contained in Title 23 (Zoning) of the Elk Grove Municipal Code (EGMC). In short, the regulations limit the amount of signage allowed on specific properties and limit the form of the message to on-site commercial messages, or non-commercial messages. The City's most recent substantive changes to the signage regulations provided the opportunity for business center signs – a form of on-site commercial

messaging around freeway interchanges in the City. Since the adoption of the business center sign regulations, the City has approved five specific signs; two of these signs have been constructed.

Digital billboards, which allow for off-site advertising, have become increasingly popular due to the new technology, attractiveness of the signs, and the ability to generate revenue that benefits the local government, property owners, and businesses. Digital billboard signs have been constructed recently in Sacramento County, and the Cities of Sacramento, Rancho Cordova, Folsom, and other jurisdictions throughout the region.

Summary of Existing Regulations

Chapter 23.47 of the Elk Grove Municipal Code (“EGMC”) defines a billboard as any of the following:

1. A permanent structure sign which is used for the display of off-site commercial messages;
2. A permanent structure sign which constitutes a principal, separate or secondary use, as opposed to an accessory use, of the parcel on which it is located;
3. An outdoor sign used as advertising for hire, e.g., on which display space is made available to parties, other than the owner or operator of the sign or occupant of the parcel (not including those who rent space from the sign owner, when such space is on the same parcel as the sign), in exchange for a rent, fee or other consideration; or
4. An off-site outdoor advertising sign on which space is leased or rented.

An “off-site” or “off-premise” sign is defined as any sign that identifies, advertises, or attracts attention to a business, product, service, event, or activity sold, existing, or offered at a different location. (EGMC section 23.47.010) A “commercial message” is any sign, wording, logo, or other representation that names or advertises a business, product, service, or other commercial activity. (EGMC section 23.100.020.C.9)

EGMC section 23.47.020 sets forth the City’s policy regarding billboards and prohibits the establishment of new billboards within the City as of July 2006.

EGMC Section 23.62.100(E) also prohibits the establishment of “electronic readerboard” or digital signs, other than time/temperature signs. However, the City Council may allow for these signs as part of a specific plan or special planning area. It is under this provision that an electronic sign is allowed at the Auto Mall.

Possible Code Amendments and Next Steps

In order for the City to allow electronic billboards, the City would need to amend the signage regulations in the Municipal Code. This could be accomplished through one of the scenarios described below.

Digital billboard programs are typically allowed under one of two scenarios. A local government leases property to an outdoor sign company to construct a digital billboard. The agency benefits by receiving lease revenue, a share of advertisement revenue, or both. The lease may also contain other benefits to the agency such as an allocation of time on the billboard to advertise special events and/or agency programs.

The second typical arrangement is for the local government to allow electronic billboards on private property. This would be accomplished through an agreement with a property owner describing the conditions under which the sign may be operated and the benefits that would accrue to the agency, such as revenue share and allocation of time on the billboard to the agency. This could also include the removal of one or more static billboard signs as a condition of approval. These arrangements are sometimes tied to private developments such as auto malls or large retail centers (e.g., Palladio in Folsom) that permit off-site advertising on the signs, and may require a certain percentage of the advertising be devoted to on-site businesses or other local businesses.

The City of Elk Grove does not own any property that would be suitable to lease for a digital billboard. However, there may be locations where a digital billboard could be sited on private property and provide benefits to local businesses and property owners, as well as the City.

The potential lease revenue to the City or other benefits available through privately-owned land may be minimal at this time given the total number of digital billboards operating or approved in the region. The current conditions may be such that an overconcentration exists. Therefore, any potential benefit to the City may be limited.

If the Council desires to move this topic forward, staff requests specific Council direction to do so. . Areas that could be explored when drafting regulations include, but are not limited to, the following:

- Limiting the total number of allowed digital billboards in the City.
- Potentially designating specific locations that do not conflict with existing or approved signs and which do not impact any scenic corridors or sensitive areas.
- Establishing light and glare standards, height and area limits, and other development standards.

Community Changeable Message Signs

Background

On June 13, 2012, staff presented a wayfinding signage program concept to the City Council. The Project proposed to place wayfinding signage throughout the City consisting of 70 static directional destination signs and 10 electronic changeable message signs (CMS). Council provided direction to proceed with the project.

At a second meeting on February 27, 2013, staff reported increases in project costs for improved sign foundation designs. At the conclusion of the second meeting, Council gave direction to phase implementation of the project over a two-year period by first implementing the static signs and implementing the CMS afterwards.

Staff returned to the City Council on September 24, 2014 for further direction on implementing the wayfinding sign project. Consistent with staff's recommendation, the direction provided by the Council was to only move forward with Phase 1, including up to 38 static signs, and to no longer consider implementation of the CMS. No funding or further direction was provided for implementation of the CMS.

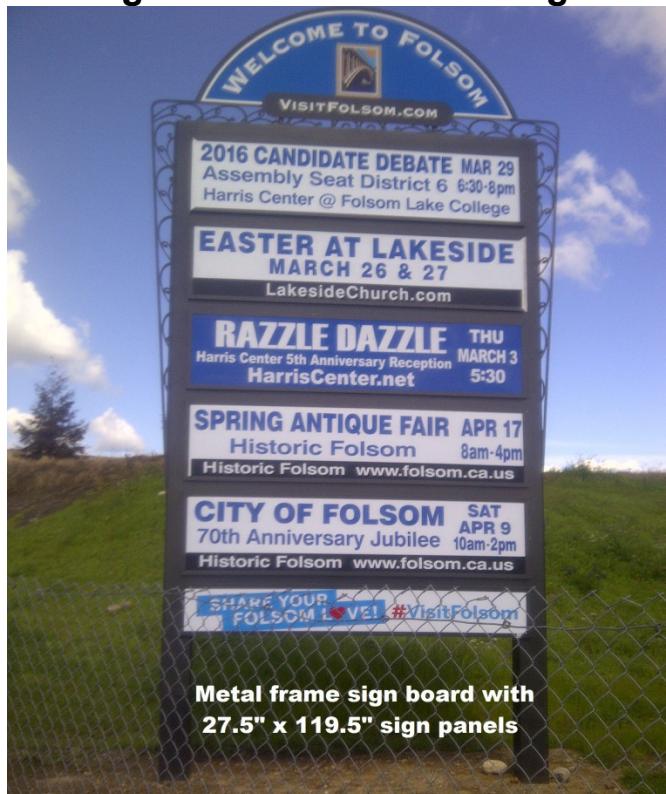
As of April 27, 2016, construction of 38 static wayfinding signs (Phase 1) is substantially complete.

Examples of CMS Signage

Staff researched and compared event advertising and CMS sign programs from two local cities - Folsom and Roseville.

Folsom Chamber of Commerce has implemented a system of six large event board signs to advertise and promote upcoming city events (see Figure 1). The Folsom event board signs consist of a large metal or wooden frame structure with several changeable, painted panels that advertise upcoming events. The event board frames also have permanent messages that read "Welcome to Folsom" and "visitfolsom.com", in addition to the changeable panels. The event boards are open to the community to advertise events only (non-commercial) and for the Folsom Chamber to advertise upcoming events and programs. Community groups and community events most frequently advertise on the boards. Advertisers must submit a request form and pay a fee six weeks prior to their event. Fees for advertising on the event boards range from \$800 for advertising on all six boards to \$450 for advertising on just three boards. The Folsom Tourism Bureau offers a grant program and helps underwrite a portion of the fees for events that generate overnight stays.

Figure 1 – Folsom CMS Sign



The City of Roseville (Figure 2) utilizes a system of electronic changeable message signs to advertise upcoming city events, traffic conditions, and other information. The Roseville CMS are very similar in design to what was proposed for Elk Grove with the wayfinding program in 2012.

Figure 2 – Roseville CMS Sign



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Possible Next Steps

Based on the examples presented, the City could pursue either a static event board, similar to the Folsom example, or a digital sign more like Roseville. Figure 3 illustrates a possible CMS sign for Elk Grove that utilizes the static design.

Figure 3 – Concept Elk Grove Static CMS Sign

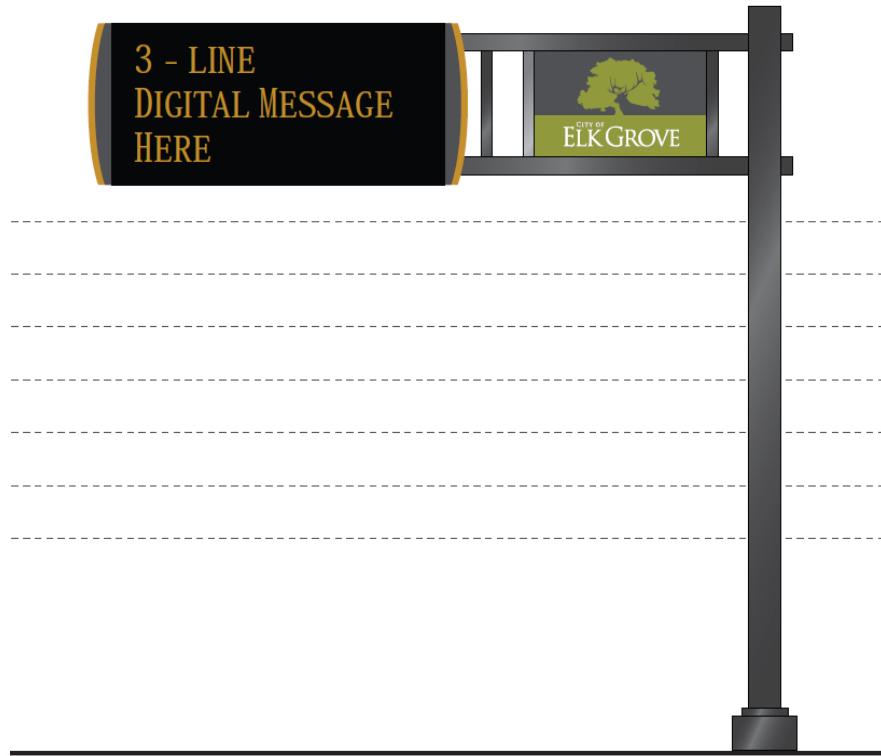


Digital message boards are available in a variety of styles from the typical amber light panels to full color LED panels. Amber light panels, similar to those in the Roseville example, have an average cost of \$36,000 per panel. Full color LED panels, which are capable of displaying high definition text, pictures, and videos, are also available; their cost ranges from \$22,000 to \$46,000 for a single face display panel.

Although a higher resolution display will produce a crisper image up close, this isn't necessary along higher-speed roadways. Given that speeds along Elk Grove's major arterials are between 35 and 45 miles per hour, a medium resolution sign may be appropriate.

A concept Elk Grove digital CMS sign with amber light panel, similar to the Roseville example, is provided as Figure 4.

Figure 4 - Concept Elk Grove Digital (Amber) CMS Sign



A summary of the estimated up-front and operating costs for a single sign of each sign type is provided in Table 1.

Table 1 - Summary of CMS Sign Costs

Sign Type	Costs (per sign)		
	Up-Front Install Costs	Annual Operating Costs	10-year Life Cycle Cost
Static Event Board	\$25,000	\$20,000	\$225,000
Digital CMS (Amber)	\$137,000	\$11,500	\$252,000
Digital CMS (LED)-Low Resolution	\$123,000	\$11,500	\$238,000
Digital CMS (LED)-High Resolution	\$147,000	\$11,500	\$262,000

Notes:

1. Foundation and electrical costs for all Digital CMS are assumed to be the same (\$100,000)
2. Digital CMS (LED) prices are for single face display. Assume double the price for a double face display (not including foundation cost)
3. Labor costs for sign maintenance/cleaning and sign operation/technician is assumed to be the same for each sign type (\$10,000/yr.)
4. Operating costs for static billboard assumes sign panels are switched out every 4 weeks and do not include collection of fees from advertisers

Should the Council decide to proceed with a CMS sign program, staff requests Council direction on the following aspects:

1. What locations/how many signs should be included in the program?
This could include:
 - a. One at each freeway entrance to the City (e.g., Elk Grove Boulevard eastbound at I-5, one each east and westbound at SR-99)
 - b. Key locations of the City with high traffic volumes, such as Laguna Boulevard near Bruceville
2. What type of sign should be constructed? See the list of options in Table 1.

Based upon this direction, if any, staff will incorporate the signs into the upcoming Capital Improvement Program and next year's Fiscal Year budget.

FISCAL IMPACT:

Digital Billboard Signs

Should the Council decide to move forward with drafting regulations allowing digital billboards, costs associated with drafting regulations and bringing them forward for Council consideration would need to be identified.

Any costs associated with approving a specific sign proposal would be borne by a project applicant. The financial benefit to the City in allowing digital billboards is unknown at this time.

Community Changeable Message Signs

Funding for these signs is unidentified at this time but would likely come from a combination of General Fund and Gas Tax. Given that these would be a new capital project, staff would bring back a funding plan with the forthcoming 2016-2021 Capital Improvement Program and next year's Fiscal Year budget. Should Gas Tax be applied, it would likely need to be proportional to the share of the message reserved for traffic information.

Operations costs for these signs could be offset through message fees charged to events and activities identified on the sign. However, given the intent of the program to identify community events, City programs, and other similar activities, staff anticipates that the majority of the operating costs would need to come from the General Fund.

ATTACHMENTS:

None