



# City of Rialto

## Legislation Details (With Text)

**File #:** CC-19-372    **Version:** 1    **Name:**  
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**Title:** Request City Council to Set a Public Hearing for April 23, 2019 to Consider a Property Lease by and between the City of Rialto and Lamar Central Outdoor for a City Owned Property on the north side of the 210 Freeway, westerly of Alder Avenue.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Exhibit A Site Map, 2. Exhibit B SKRialto - Lease Agreement for 210 Freeway Billboard (Lamar) (002)2, 3. Exhibit C Notice of Exemption for Lamar Property Lease, 4. Exhibit D Notice of Public Hearing for Lamar Lease

Date	Ver.	Action By	Action	Result
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For City Council Meeting [April 9, 2019]

TO: Honorable Mayor and City Council

APPROVAL: Sean Grayson, Interim City Administrator

FROM: Robb R. Steel, Assistant CA/Development Services Director

Request City Council to Set a Public Hearing for **April 23, 2019** to Consider a Property Lease by and between the City of Rialto and Lamar Central Outdoor for a City Owned Property on the north side of the 210 Freeway, westerly of Alder Avenue.

### **BACKGROUND:**

The City owns a 13-acre parcel at the southwest corner of Casmalia Street and Alder Avenue (see **Exhibit A**). The property has extraordinary visibility along the 210 Freeway. On July 24, 2018, the City entered into an Exclusive Negotiation Agreement with RV Spa for the 6-acre Site shown as Parcel A.

The City is exploring options for the remaining 7.2-acre Parcel B site. The parcel is very long and linear along Casmalia Street, with limited depth creating constraints for development. One potential use is for advertising purposes. The City and Lamar Outdoor Advertising initiated discussions regarding the placement of a billboard at the westernmost portion of Parcel B.

On February 12, 2019, the City Council approved a Billboard Removal and Relocation Agreement by and among the City of Rialto, San Bernardino County Transportation Authority, and Lamar Central Outdoor. On March 12, 2019, the City Council authorized the Mayor to execute and transmit a letter requesting that Caltrans declassify a portion of the 210 Freeway as a landscaped freeway.

## **ANALYSIS/DISCUSSION:**

### **Proposed Lease**

The proposed Property Lease by and between the City of Rialto and Lamar Central Outdoor LLC is attached hereto as **Exhibit B**. The key terms include:

1. The lease site (Site) shall be located at the westernmost edge of the City Property. Lamar will have exclusive use of the Site to construct, maintain and operate a V shaped double digital display visible to east and west bound traffic on the 210 Freeway.
2. The Lease term is 20 years from the Commencement Date, with an option to extend for an additional 10 years provided Lamar is not in default.
3. The rent shall equal the greater of \$40,000 per year or 25% of the gross advertising revenue, whichever is greater. The base rental shall escalate every 5<sup>th</sup> year during the Term by the CPI, not to exceed 20% of the gross revenue realized in the immediately preceding year.
4. Lamar must secure all land use entitlements and other permits required to relocate and construct the Billboard.

The effectiveness of the Lease is subject to Lamar securing required permits, entitlements, and governmental approvals from all applicable governmental agencies, including the City and Caltrans.

### **City Codes**

Section 18.102.60 (J) of the Rialto Municipal Code establishes the following requirements for billboards: Permitted Signs -- Off-Site Advertising Structures (Billboards). The City permits off-site advertising structures only within the C-3 and C-M commercial zones and the M-1 and M-2 manufacturing zones subject to the following provisions:

1. Maximum sign area shall not exceed three hundred square feet per display face, with a maximum of two display faces parallel to one another allowed per sign structure.
2. Maximum overall height of the sign structure shall not exceed twenty-five feet above grade.
3. Sign structures shall be set back a minimum of five feet from the public right-of-way.
4. No sign structure shall be placed less than one thousand feet from another existing off-site advertising (billboard) sign structure, measured in a straight-line distance.
5. No sign structure shall be located so that its side edge is less than one hundred feet or its front face or back face is less than five hundred feet from any residential zoning district.
6. No sign structure shall be placed within five hundred feet from any property used as a public park, school, cemetery or church, regardless of the zoning district.
7. No sign structure shall be located within five hundred feet from the centerline of any freeway or parkway, as defined in the Streets and Highways Code of the state of California.
8. All signs shall be built on steel beams with a maximum of two beams permitted for ground support per sign structure.

While the RMC appears to prohibit a freeway oriented advertising structure, the City has in the past granted exceptions where older billboards (often in greater number) were removed and replaced with newer billboards. The City would need

to find that the removal of two billboards in the region, and the replacement with one new billboard provides a compelling benefit warranting relief from these requirements. The Resolution approving the Property Lease and entitlements to be separately considered by the City shall provide such findings.

#### Public Hearing

The property is owned by the City and therefore the provisions of Section 52201 of the Government Code do not apply (Section 52201 pertains to former RDA properties retained by the City for development purposes). Nevertheless, in the interest of transparency the City will follow most of the Section 52201 procedures and provide a summary report explaining the transaction and schedule a public hearing after notice in accordance with Government Code Section 6066 (publication of notice pursuant to this section shall be once a week for two successive weeks).

#### **GENERAL PLAN CONSISTENCY:**

The project is consistent with the following goals and policies of the Economic Development Element of the Rialto General Plan:

**Goal 3-1:** Strengthen and diversify the economic base and employment opportunities, and maintain a positive business climate.

**Policy 3-1.3** Support established businesses in the City, and work to retain the small, independent businesses while accommodating national/regional chain stores.

#### **ENVIRONMENTAL IMPACT:**

On December 12, 2016, the City Council certified a Subsequent Environmental Impact Report (SEIR) (Environmental Assessment Review No. 16-55) for the Renaissance Specific Plan in accordance with the California Environmental Quality Act (CEQA).

Lamar must secure all land use entitlements to construct the display prior to the construction of the display. The project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15303, New Construction or Conversion of Small Structures. Class 3 exempts a project consisting of the construction and location of limited numbers of new, small facilities or structures. The project involves the installation of one non-habitable sign structure, thereby qualifying the project for a Class 3 exemption. Planning Division staff prepared the attached Notice of Exemption for the project (**Exhibit C**).

#### **LEGAL REVIEW:**

The City Attorney reviewed and approved this staff report and assisted in the negotiation of the Property Lease. The Public Hearing Notice is attached hereto as **Exhibit D**.

#### **FINANCIAL IMPACT:**

##### Operating Budget Impact

This action to set a public hearing has nominal publishing costs.

The City derives lease revenue from a public parcel, estimated at upwards of \$100,000 per year. All capital costs of construction shall be borne by Lamar. The City will locate the billboard on a portion of the Site that minimizes the impact to the value of the larger parcel. The City will record revenue in Account No. 010-400-4255-7402.

##### Capital Improvement Budget Impact

This action will not affect the City's capital improvement budget. The City previously acquired the property subject to the Lease Agreement.

#### Licensing

Lamar currently has a business license with the City to operate public advertising structures and the additional income may increase its obligation for business license taxes.

#### **RECOMMENDATION:**

Staff recommends Set a Public Hearing to Consider a Property Lease by and between the City of Rialto and Lamar Central Outdoor for a City Owned Property on the north side of the 210 Freeway, westerly of Alder Avenue.