



# Memorandum

**To:** Mayor and City Council

**From:** Councilmember Pete Constant  
Councilmember Sam Liccardo  
Councilmember Kansen Chu  
Councilmember Rose Herrera

**Subject:** SEE BELOW

**Date:** May 15, 2009

**Approved:**

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*[Handwritten signatures: Kansen Chu, Sam Liccardo, Pete Constant]*

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**SUBJECT: AN ORDINANCE OF THE CITY OF SAN JOSÉ AMENDING TITLE 23 OF THE SAN JOSÉ MUNICIPAL CODE (THE SIGN CODE) TO AMEND SECTIONS 23.02.800 AND 23.02.1220 OF CHAPTER 23.02 AND SECTIONS 23.04.010 AND 23.40.030 OF CHAPTER 23.04 AND TO ADD SECTION 23.02.365 TO CHAPTER 23.02, ALL TO CREATE THE STEVENS CREEK BOULEVARD SIGNAGE AREA, ESTABLISH SIGNAGE REGULATIONS FOR THIS SIGNAGE AREA, AND MAKE OTHER RELATED CLARIFYING CHANGES.**

## Recommendation

We recommend that the City Council approve staff's recommendations with the following additions:

1. Increase the maximum size of a freestanding sign to 150 square feet. (The equation for determining the maximum size of a freestanding sign will have to be amended as outlined below.)
2. Increase the maximum size of additional freestanding signs to 75 square feet each per each street frontage of 100 or more linear feet. (The equation for determining the maximum size of additional freestanding signs will have to be amended as outlined below.)
3. Increase the maximum height of a freestanding sign to 40 feet. (The equation for determining the maximum height of a freestanding sign will have to be amended as outlined below.)
4. Allow for the use of innovative sign technology such as LED signs.
5. Expand the proposed boundaries to include all of the parcels bound by Stevens Creek Blvd., Kiely Ave. and Saratoga Ave.

## Background

Any business owner will tell you that there are few things as important to a business as good signage. Redevelopment investment in *The Signage Grant Program* has helped businesses to increase patronage ranging from 10-20% due to increased visibility. This program helped improve streetscapes in SNI areas through the addition of high quality, lively signage. The City now has the opportunity to provide another vital business area with similar opportunities and tools for success that will further encourage private investment.

Over the last 30 years the Stevens Creek Auto Row has evolved into the highest grossing auto row in California. Through good land use planning, the City has been able to preserve this area for auto dealerships in a way that allows for the expansion of dealerships, while also protecting the residential character of nearby neighborhoods. San José shares the success of the auto row with the City of Santa Clara as Stevens Creek Blvd. is the border between the two cities. This relationship has led to a

competition for new dealerships and makes the Stevens Creek Auto Row unique among auto rows in San José. There are a number of vacant sites in both Santa Clara and San José that businesses are considering right now. The City Council has clearly stated its dedication to protecting this important sales tax generator and ensuring that San José is able to compete for new businesses and expansion of existing businesses. To that end the Council gave direction to staff to amend the sign code to meet or exceed the standards allowed by the City of Santa Clara.

## **Analysis**

### *Meet or Exceed the City of Santa Clara*

We must ensure that our development process offers similar incentives and opportunities to businesses to those that are literally available across the street. Therefore, we recommend that the maximum limits on size and height of freestanding signs be increased to 150 square feet and 40 feet, respectively. The proposed maximum size of additional freestanding signs should be increased to 75 square feet each per each street frontage of 100 or more linear feet.

The proposed equations for determining the signage square footage and height should be amended in the following ways. Each freestanding sign should be limited to 0.67 square feet of sign area for each linear foot of street frontage. The height of freestanding signs should be determined by dividing the area of the sign by 3.75 to allow a maximum height of 40 feet. This will ensure that the signage allowed in San José is consistent with or slightly greater than that allowed in Santa Clara.

### *Commercial Character of the Stevens Creek Blvd.*

Signs of this size would not be appropriate in a residential area, but are appropriate for the commercial character of Stevens Creek Auto Row. In fact, there are a number of legal non-conforming signs that are even larger, because they were approved before the Sign Code was so restrictive. For example, the Stevens Creek Toyota sign stands over 30 feet tall and acts as a landmark for way finding on Stevens Creek Blvd. The recommended amendments would allow for additional signage of an appropriate size and nature for Stevens Creek Blvd.

### *Flexibility for the use of Innovative Sign Technology*

Through our outreach efforts, we have heard from auto dealers that the industry is evolving and multiple dealerships are being consolidated on the same site, due to the high cost of land and economic conditions. In order to protect brand identity (usually a franchise requirement) dealers must either install multiple freestanding signs or utilize innovative sign technology such as LED signs. LED signs are currently not allowed in San José, except for on City facilities. The Convention Center and HP Pavilion both have LED signs. Both have enhanced the facades of these venues and help advertise coming events. Auto dealers would receive similar benefit and should be allowed the same opportunity.

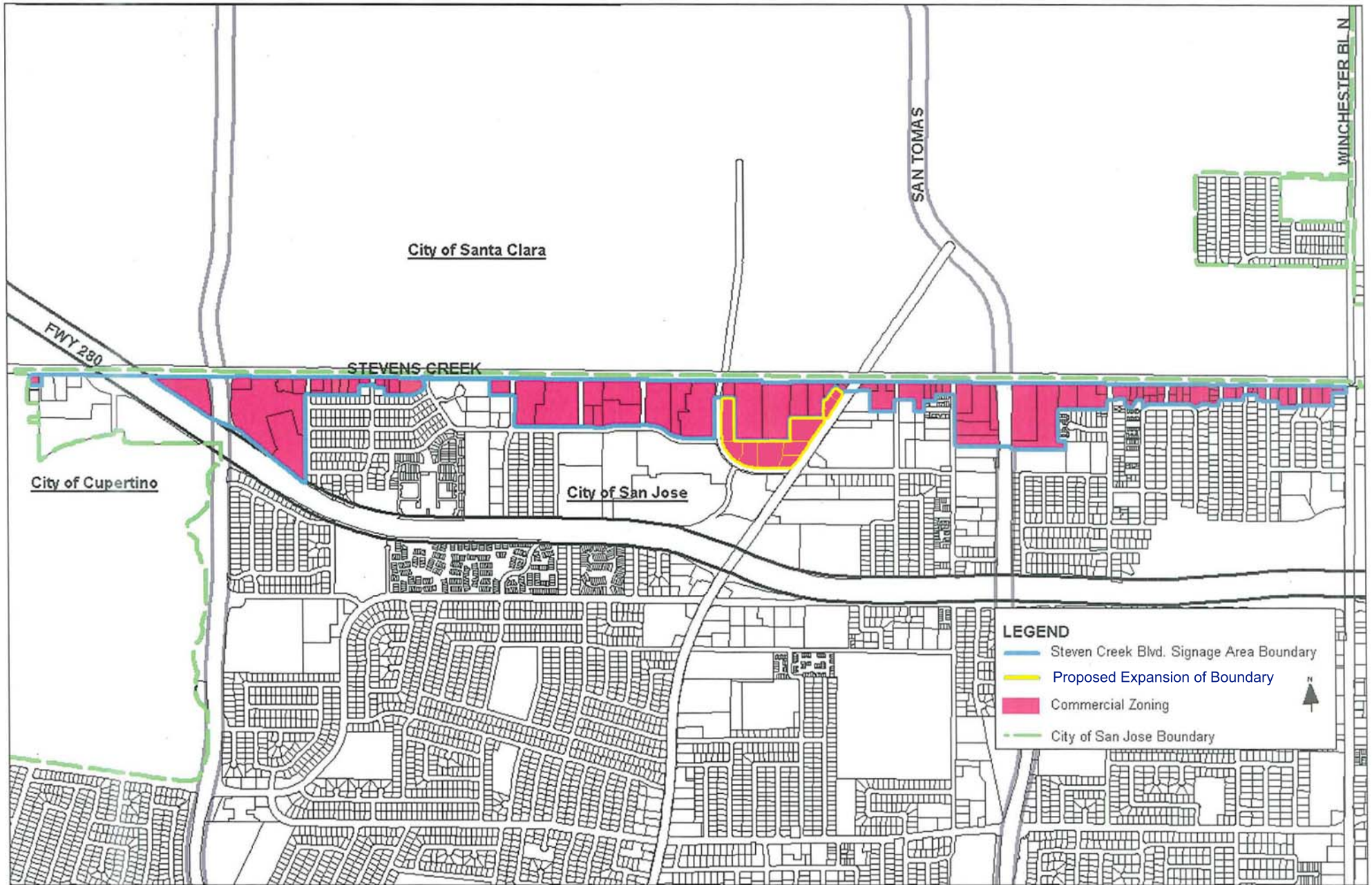
### *Boundaries*

The boundaries recommended by staff follow the existing auto retail uses, but do not allow for expansion of those uses to vacant parcels. The small boundary change recommended in this memo encourages the expansion of existing dealerships to adjacent vacant parcels. In fact, we have received inquiries from a dealer who wishes to open a new dealership to San José on property that would be covered by this boundary amendment. The amendment will allow the dealership to move forward quickly with their plans. This boundary change shows the City's commitment to economic development in the appropriate areas and is illustrated in attachment A.

## **Conclusion**

The City of San José must provide businesses with the tools they need to be successful. Our current dire economic circumstances require us to move quickly to ensure that businesses are able maximize their sales potential. As the highest grossing auto row in California, the Stevens Creek Auto Row is a substantial generator of sales tax revenue and an integral part of San José's economy.

The recommended amendments to the proposed ordinance will allow the existing businesses on Stevens Creek Blvd. to invest in attractive and interesting signage and expand to appropriate locations. They will further ensure that the vacant parcels in San José are more attractive prospective sites for auto dealerships than the vacant parcels in Santa Clara. This is a critical economic development opportunity for the City that we cannot afford to delay.



**Attachment A: Stevens Creek Boulevard Signage Area  
Expansion of Proposed Boundary**