# Electronic Advertising and Downtown Sign Intensification

Arts Commission February 22, 2021



### Overview

- Council Priority # 3
- Council Direction Sept., 2018
- Two Programs/Two Phases:
  - ➤ Electronic digital off-site advertising signs or billboards
  - > Downtown Sign Intensification
  - Phase 1: City-owned Sites
  - Phase 2: Non City-owned Sites





# Phase 1 – Why?

- Create a more vibrant and aesthetically interesting environment
- Generate revenue for Downtown amenities and place making efforts
- Support large events like the Super Bowl through coordinated signage
- Create a civic asset that can support city initiatives
- Modeled after programs implemented in Denver and Atlanta



# Phase 1: City-owned Sites

#### **Amendments:**

- General Plan Text
   Amendment
- Delete Policy CD-10.4
- Revise Council Policy 6-4
- Amend Title 23, Sign Code

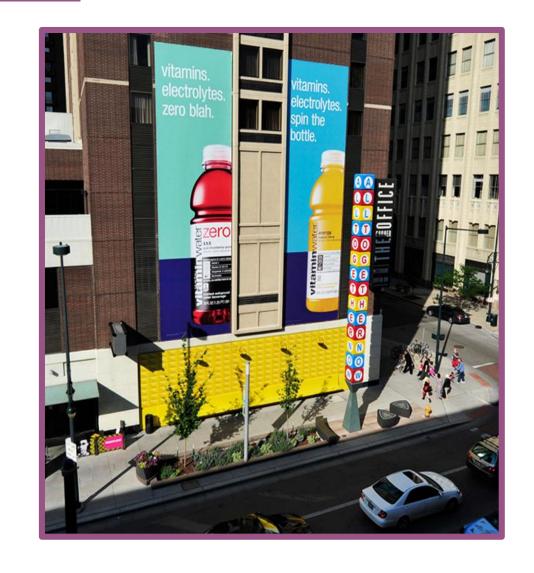




### **Selection Criteria**

- Appropriate Land Use Designations and Zoning Districts
- Consistent with the Riparian Policy
- Consistent with Historic Preservation Policies
- Compatible with existing on-site use

 Conforms to bond financing requirements





# Phase 1 Eligible Sites

### 17 sites and 22 signs

- > 8 sites (8 signs) outside

  Downtown
- > 9 sites (14 signs) within Downtown





# City Council Approval – September 2018

#### List of Potential City-owned sites - Phase 1

	APN	CURRENT USE	ADDRESS	SIGNS
1	259-34-039	San Pedro Market Parking Garage	45 North Market Street	2
2	467-21-002	CSJ Parking Garage	95 North Third Street	1
3	259-43-064	Center for Performing Arts	255 Almaden Boulevard	2
4	467-46-109	Hammer Theater	101 Paseo San Antonio	2
5	467-46-097	CSJ Parking Garage	280 South Second Street	1
6	259-40-066	San Jose Museum of Art	110 South Market Street	1
7	259-42-023	The Tech	201 South Market Street	1
8	264-29-113	McEnery Convention Center	150 West San Carlos Street	2
9	259-28-043	SAP Center	525 West Santa Clara Street	2
10	230-37-020	Vacant Lot (Near National Guard)	Hwy 87 and West Hedding Street	1
11	254-01-004	Mabury Service Yard	1404 Mabury Road	1
12	259-06-054	CSJ Parking Lot	737 North San Pedro Street	1
13	259-04-019	CSJ Parking Lot	Hwy 87 and West Mission Street	1
14	101-03-009	Airport Facility	2500 Seaboard Avenue	1
15	230-01-058	Airport Facility	2200 Airport Boulevard	1
16	230-46-065	Airport Facility	1128 Coleman Avenue	1
17	230-02-021	Airport Facility	2341 Airport Boulevard	1

Regulated Highway Areas for Signs on City-Owned Sites

<sup>\*</sup>All sites located within 1000 feet of commercial/industrial activity.



# Request for Proposals



#### **Select Sites RFP**

- Six sites
- Minimum 30-33% revenue for the City
- Artistic accompaniment with each sign
- Percentage of time for City messaging
- Site specific aesthetic qualifications

### San Jose Aesthetic Standards

- Focus on signage quality
  - Architectural compatability with neighborhood and buildings
  - Street orientation with enlivened building facades
  - Appropriate scale and placement related to the underlying building
- Static "Spectaculars" to include local art underlayment



# Request for Proposals



#### Alternative Sites RFP – Freeway Facing Signs

- Two sites
- Proposers able to submit additional sites that abide by Council Policy 6-4
- Minimum 35% revenue for the City
- 4 to 1 takedown ratio
- Percentage of time for City messaging

# Next Steps – Phase 1





# Phase 2 - Project Overview

- Free-standing programmable billboards on freeway-facing sites.
- Building-mounted programmable signs in the Downtown Sign Intensification Zone.
- Advertising on public amenities and street furniture downtown.
- Modifications to the Phase 1
   Illumination parameters
- Allow signs to begin operation at 5:00 am instead of 6:00 am



# **Community Engagement**

Community and Scoping Meeting held on July 13, 2020

Virtual focus group meetings held in July 2020 (July 23; July 27; July 30)

- Environmental groups
- Sign companies
- Lick Observatory
- Stakeholders

Online survey Feb-March 2021 Additional outreach and circulation of EIR – Spring 2021



# Community Engagement Feedback

- Traffic and pedestrian safety concerns
- Loss of dark sky and impacts to wildlife from sign illumination
- Increase replacement ratio to at least 10:1
- No benefit to the city from this project
- Do not lift the billboard ban



# Next Steps – Phase 2

#### Additional Outreach

Late Winter/Spring 2021

Online Survey, Publish Maps of Qualifying Sites

#### Environmental Review

Spring 2021
45 Day Public
Circulation:
Public
Comment

#### Planning Commission

Spring/Summer 2021
Recommendation

to City Council

City Council

**Summer 2021** Final Action



# QUESTIONS?



# City of San Jose

# Art Budget Overview & Update

#### CITY OF SAN JOSE ANNUAL BUDGET PROCESS

ANNOAL BODGETT NOCESS										
	RESIDENTS	MAYOR & CITY COUNCIL	CITY ADMINISTRATION							
October	Input on Budget Priorities and Direction Through:  Direct contact with Mayor and City Council Community-Wide Surveys and Meetings	Review of Prior-Year Financial and Service Results Provides feedback and guidance to Administration on service priorities	Annual Report of Prior-Year Financial and Service Results  Report to City Council and Community on results achieved							
November December			Preliminary General Fund Forecast and City Service Area (CSA) Budget Proposal Submittal  In context of forecast, CSAs develop service delivery and investment strategies for upcoming budget process							
Pebruary		Council Priority Setting Process Develop budget priorities for the City based on input from the Community, Staff, and City Council	Transmit to Council City Manager's Budget Request and Final 5-Year Forecast and Revenue Projections for the General Fund and Capital Improvement Program Projects revenues for next 5-year period Projects General Fund expenditures at amounts that allow same service level as previous year							
March	Public Hearing on Mayor's March Budget Message © City Council meets to receive public input on Mayor's March Budget Message	Mayor's March Budget Message ■ Provides more specific direction for preparation of the Proposed Budget	Finalize City Manager's Proposed Budget/Capital Improvement Program  CSAs incorporate strategic planning and City Council direction into results-driven spending plans  Analyze budget strategies and other service delivery options within context of fiscal outlook							
April	<b>\</b>									
May	Initial Public Hearing on Proposed Budget  City Council meets to receive public input on Proposed Budget	Review Proposed Budget in Budget Study Sessions  Working sessions with City Manager, CSA and department representatives to review details of the Proposed Budget	Release City Manager's Proposed Budget/Capital Improvement Program  Provide strategic service planning context and City Administration's proposed revenue projections and balanced spending plan							
		Release of City Council Budget Documents Requested reports and amendments to the Proposed Budget	Release of City Manager's Budget Addenda Administration's reports and amendments to the Proposed Budget are submitted for City Council review							
June	Final Public Hearing on Proposed Budget  Last opportunity for public input on Proposed Budget	Mayor's June Budget Message ■ Changes to Proposed Budget based on feedback from City Council and public								
Final City Council Budget Adoption										

#### Primary Municipal Funding Sources for Arts, Culture, & Cultural Facilities

#### 1. 10% Transient Occupancy Tax (TOT) – of which OCA receives 15%

- Funds cultural programs, projects, public art maintenance & OCA admin

# 2. 1% for Public Art, sets aside 1% of eligible City CIP Projects (RWF exemption)

- Funds public art for designated capital projects

#### 3. 10% TOT – of which 40% goes to General Fund

- Funds City-owned cultural facility capital repair/maintenance - \$400k annually

#### 4. 10% TOT – of which 45% goes to Team San Jose

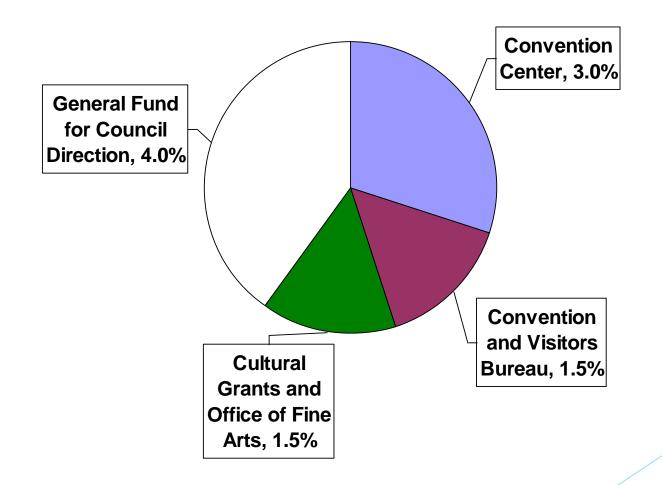
- Funds Team San Jose managed City-owned convention and cultural facilities (four theaters)

#### 5. General Fund – City-Wide

- Funds 6 City-owned cultural facility O&M agreements with nonprofit partners

# San Jose's 10% Transient Occupancy Tax

Does not include HBID 4% assessment





## Special Funds

Airport Funds

Community Development Block Grant Fund

Housing Funds

Integrated Waste Mgmt Fund (Garbage Collection/Recycling)

Municipal Golf Course Fund

Municipal Water Fund

Parking Fund

Sanitary Sewer Funds

Storm Sewer Funds

Transient Occupancy Tax (incl Convention and Cultural Affairs)

Waste Water Treatment Plant Funds

Workforce Investment Act Fund

# Capital Programs

# Community and Economic Development

Developer Assisted Projects

#### **Public Art**

#### **Public Safety**

Public Safety

# Transportation and Aviation Environmental & Utility Services Services

- Sanitary Sewer System
- Storm Sewer System
- Water Pollution Control Plant
- Water Utility System

#### **Neighborhood Services**

- Library
- Parks & Community Facilities

- Airport
- Parking
- Traffic

#### **Strategic Support**

- Communications
- Municipal Improvements
- Service Yards

### Per Ordinance: How Arts TOT Can Be Spent

Section 4.72.060.2 Use of TOT Tax Revenue:

"Funding of the cultural grant program and fine arts division programs, including:

- a) Funding of cultural grants, including the San Jose Symphony and the San Jose Museum of Art, and a rental subsidy for cultural use of city facilities, and
- b) Funding the expenses of the fine arts division of the convention and cultural department, including but not limited to personal, nonpersonal, and equipment expenses, fringe benefits, and overhead."

# Upcoming Key Budget Council Activities

#### March

- Mayor's March Budget Message Released
- City Council Final Review and Approval of Mayor's March Budget Message

#### **April/May**

- Proposed Capital/Operating Budgets and Fees & Charges Released
- City Council Budget Study Sessions and Initial Budget Public Hearing
- Council Budget Document Proposals due to Mayor's Office (includes Arts/Culture Grants
- City Manager's Budget Addenda released

#### June

- Mayor's June Budget Message Released
- Final Public Hearing
- Council Reviews Mayor's June Budget Message and Final Review of Budgets
- Council Approves Capital/Operating Budgets and Fees & Charges

# Arts Commission - Budget Calendar

#### **February**

- City Budget Process Overview
- Review funding levels for Cultural Funding Portfolio (grants)

#### March

City Budget Update

#### **April**

City Budget Update

#### May

- Review TOT appropriations for Cultural Development Programs & Projects, including grant awards
- May/June: Review Public Art CIP Plan

#### June

City Budget Update

#### Additional Resources

- City of San Jose Budget Office
  - https://www.sanjoseca.gov/your-government/departments/citymanager-s-budget-office – Budget calendar, links to adopted budget, all budget documents since FY 11-12, archives, reports, guides to funds, etc
- Office of Cultural Affairs <u>www.sanjoseculture.org</u>
  - ► Arts Commission Orientation Online Binder Arts Funding Page <a href="https://www.sanjoseca.gov/your-government/departments/office-of-cultural-affairs/arts-commission-committees/arts-commission/arts-commission-orientation-binder/arts-funding">https://www.sanjoseca.gov/your-government/departments/office-of-cultural-affairs/arts-commission-committees/arts-commission/arts-commission-orientation-binder/arts-funding</a>

#### Special Funds Recommended Budget Adjustments Summary 2020-2021 Mid-Year Budget Review

#### Transient Occupancy Tax Fund (461)

Action	Department	Positions	Use	Source
Licenses and Permits (Cultural Events)	City Manager - Office of Economic Development			(\$24,345)
This action decreases the revenue estimate for Licenses and Permits by \$24,345, from \$30,000 to \$5,655. Due to the impacts of the COVID-19 pandemic and associated public health orders, the projected number of permitted events has decreased drastically. A corresponding decrease to the Ending Fund Balance is recommended in this report to offset this action.				
Transient Occupancy Tax	City Manager - Office of Economic Development			(\$5,200,000)

This action decreases the estimate for Transient Occupancy Tax by \$5.2 million, from \$13.5 million to \$8.3 million, to reflect the continuing impacts of COVID-19 and suppressed hotel activity. This forecast revision better aligns with year-to-date performance and the adjusted outlook for the remainder of 2020-2021. This revenue loss is partially offset with Ending Fund Balance (\$500,000) in the Transient Occupancy Tax Fund and corresponding reductions to the following appropriations, consistent with the Municipal Code: Cultural Grants (25%; \$1,175,000), San José Convention and Visitors Bureau (25%; \$1,175,000), and the Transfer to the Convention and Cultural Affairs Fund (50%; \$2,350,000).

### Mid Year Adjustment for FY 20-21

Cultural Grants

City Manager - Office of Economic Development

(\$1,175,000)

This action decreases the Cultural Grants appropriation by \$1,175,000, from \$4.1 million to \$2.9 million, in accordance with allocations (25%) specified by the Municipal Code and a net downward adjustment to projected Transient Occupancy Tax Fund availability totaling \$5.2 million. Corresponding re-balancing adjustments to the San José Convention and Visitors Bureau appropriation, Transfer to the Convention and Cultural Affairs Fund, and Ending Fund Balance are recommended elsewhere in this report.

San José Convention and Visitors Bureau

City Manager - Office of Economic Development (\$1,175,000)

This action decreases the San José Convention and Visitors Bureau appropriation by \$1,175,000, from \$3.7 million to \$2.5 million, in accordance with allocations (25%) specified by the Municipal Code and a net downward adjustment to projected Transient Occupancy Tax Fund availability totaling \$5.2 million. Corresponding rebalancing adjustments to the Cultural Grants appropriation, Transfer to the Convention and Cultural Affairs Fund, and Ending Fund Balance are recommended elsewhere in this report.

# Discussion