

# OFF-SITE DIGITAL SIGNAGE ANALYSIS

PLANNING & LAND USE MANAGEMENT  
COMMITTEE

DECEMBER 12, 2017

*Confidential and Proprietary*

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*Communication from  
Office of Chief Legislative  
Analyst*



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# AGENDA

1. Introduction
2. Project Approach
3. Geographic Analysis
  - a. Geographic City-wide Option Results
  - b. Geographic Public Option Results
4. Financial Scenario Analysis
  - a. Financial City-wide Option Results
  - b. Financial Public Option Results
  - c. Approach Comparison
5. Future Considerations

# INTRODUCTION

The City of Los Angeles Chief Legislative Analyst (CLA) retained Navigant to conduct a policy and financial analysis of off-site digital signs:

- Examined two off-site digital signage options requested by the Planning and Land Use Management (PLUM) Committee of the Los Angeles City Council
  1. City-wide Option, which allows digital off-site signs on public and private property
  2. Public Option, which allows digital off-site signs on public property
- Used a three-pronged approach to model the approximate number of signs and their associated revenue
  1. Peer Review of 24 cities and their relevant policies and revenue structures
  2. Geographic Analysis with 12 scenarios
  3. Financial Analysis with 6 financial structures
- Illustrated potential outcomes from a range of policy and deployment decisions the City of Los Angeles may consider (the analysis does not make recommendations, given the range of frameworks available). Regardless of which option the City chooses, it should consult with the City Attorney's office for further evaluation.

## INTRODUCTION (CONTINUED)

For today, Navigant is going to discuss two approaches to represent the universe of available properties for off-site digital signs.

- **Approach A:** The first approach is based on the language in the PLUM directive, and aims to show *the universe of digital sign placements* using the best available data directly from the City and/or reputable publicly-available datasets (e.g., the County of Los Angeles and Caltrans). While the research team consulted City staff to confirm the veracity of the data, the property data provided to Navigant does not have the granularity necessary to accurately reflect those properties that are unlikely to be appropriate sites for digital signs such as all proprietary department locations, administrative buildings, and sensitive or historic monument uses. The restrictions used in Approach A resulted in approximately 3.5% of eligible land in the entire City for off-site digital signage.
- **Approach B:** In the second approach, we applied additional filters to remove from consideration properties that Navigant and City personnel feel are unlikely to be appropriate for off-site digital signs. The restrictions in Approach B resulted in approximately 2.1% of eligible land in the entire City for off-site digital signage.

# PROJECT APPROACH

This study combines policy, geographic, and financial analyses to present a range of possible future revenues associated with off-site digital billboards in Los Angeles

## Peer Review

- Data from 24 North American cities, including several California peers
- Policy review of different approaches to off-site digital billboards
- Takeaways for Los Angeles financial scenarios
- Eight in-depth case studies

## Geographic Analysis

- Data from the Department of City Planning, CAO's Office, and the Department of Building and Safety
- Geographic scenarios using assumptions from the PLUM directive and current Sign Code for zoning, residential buffers, takedown ratios, and other inputs/constraints
- ArcGIS mapping of available areas for off-site digital signs under the scenarios
- Illustrative maps with counts of off-site digital signs for each scenario

## Financial Analysis

- Data from peer review case studies, the CAO's Office, and the Office of Finance
- Financial scenarios using assumptions for revenue sharing percentages, fixed fees, and other potential revenue structures from draft ordinances and peers
- Revenue calculations based on the geographic scenarios' off-site digital sign results

## CITY-WIDE OPTION - GEOGRAPHIC APPROACH A RESULTS

As described in the PLUM directive, the City-wide Geographic Scenarios restricted eligible areas using:

- Residential, Highway, and Sign District buffers
- Restricted Commercial Land Use Categories and Zones
- Industrial and Public Facility Land Use Categories and Zones
- City- and Metro-owned property

### Summary of City-wide Option Geographic Approach A Results, Number of Sign Faces

Scenario	Total Potential Sign Faces	50% of Potential Sign Faces	25% of Potential Sign Faces	10% of Potential Sign Faces
100-ft Buffer	2,646	1,323	662	265
200-ft Buffer	1,947	973	487	195
Council District	1,023	512	256	102
Single Parcel	3,152	1,102	551	220
High Traffic – Streets	369	184	92	37
Tier 1 Sign District	502	251	126	50

## CITY-WIDE OPTION - GEOGRAPHIC APPROACH B RESULTS

As described above, Navigant created an Approach B to illustrate how additional refinements can further filter lower probability City-owned sites. These refinements resulted in a ~45% reduction in eligible City-owned properties.

- For example, properties that were filtered include certain City-owned property by departmental owner (e.g., LADWP, Port of LA) and previously unidentified environmentally sensitive sites.

### Summary of City-wide Option Geographic Approach B Results, Number of Sign Faces

Scenario	Total Potential Sign Faces	50% of Potential Sign Faces	25% of Potential Sign Faces	10% of Potential Sign Faces
100-ft Buffer	1,571	786	393	157
200-ft Buffer	1,257	628	314	126
Council District	876	438	219	88
Single Parcel	2,307	1,154	577	231
High Traffic – Streets	139	70	35	14
Tier 1 Sign District	419	209	105	42

## PUBLIC OPTION - GEOGRAPHIC APPROACH A RESULTS

As described in the PLUM directive, the Public Option Geographic Scenarios restricted eligible areas using:

- Residential and Sign District buffers
- City- and Metro-owned property

### Summary of Public Option Geographic Approach A Results, Number of Sign Faces

Scenario	Total Potential Sign Faces	50% of Potential Sign Faces	25% of Potential Sign Faces	10% of Potential Sign Faces
100-ft Buffer	1,477	738	369	148
200-ft Buffer	1,046	523	262	105
Single Parcel	1,828	914	457	183
Council District	760	373	186	74
Highway A	143	72	36	14
Highway B	387	194	97	39

## PUBLIC OPTION - GEOGRAPHIC APPROACH B RESULTS

Again, Navigant created alternative scenarios to illustrate how additional refinements may affect the total number of potential sign faces. These refinements resulted in a total ~45% reduction in eligible City-owned properties.

**Summary of Public Option Geographic Approach B Results, Number of Sign Faces**

Scenario	Total Potential Sign Faces	50% of Potential Sign Faces	25% of Potential Sign Faces	10% of Potential Sign Faces
100-ft Buffer	402	201	101	40
200-ft Buffer	328	164	82	33
Single Parcel	983	491	246	98
Council District	242	121	60	24
Highway A	41	20	10	4
Highway B	70	35	18	7

## CITY-WIDE OPTION – 25% SCALING FACTOR REVENUE APPROACH A RESULTS

The City could earn anywhere from \$.03M to \$293.7M by installing 25% of the total signs modeled in the City-wide Approach A scenarios

- The lowest annual revenue comes from the current tax structure
- The highest annual revenue comes from revenue sharing like some CA peers (65%)

Revenue Component	Payment Type	City-wide Scenarios (25%)				
		100-Foot Buffer	200-Foot Buffer	Council District	High Traffic	Tier 1 Sign District
Annual Payment	Fixed In-lieu Payment (8:1 – 2:1)	\$16.6 – \$165.5 M	\$12.2 – \$121.8 M	\$8.6 – \$86.3 M	\$2.3 – \$23.0 M	\$3.2 – \$31.5 M
	Rev. Share In-lieu Payment (8:1 – 2:1)	\$11.3 – \$180.7 M	\$8.3 – \$133.0 M	\$5.9 – \$94.2 M	\$1.6 – \$25.1 M	\$2.1 – \$34.4 M
	Current Tax	\$0.2 M	\$0.2 M	\$0.1 M	\$0.03 M	\$0.04 M
	Street Furniture	\$23.4 M	\$17.2 M	\$12.2 M	\$3.2 M	\$4.4 M
	Revenue Share (15%-65%)	\$67.8 – \$293.7 M	\$49.9 – \$216.0 M	\$35.3 – \$153.1 M	\$9.4 – \$40.8 M	\$12.9 – \$55.9 M
Annual Rent		\$41.5 – \$51.4 M	\$29.5 – \$36.5 M	\$21.4 – \$26.5 M	\$6.0 – 7.4 M	\$4.1 – \$5.0 M
Up-front Payment (One-Time)		\$31.1 – \$89.1 M	\$22.9 – \$65.6 M	\$16.2 – \$46.4 M	\$4.3 – \$12.4 M	\$5.9 – \$17.0 M

## CITY-WIDE OPTION – 25% SCALING FACTOR REVENUE APPROACH B RESULTS

The City could earn anywhere from \$0.01M to \$174M by installing 25% of the total signs modeled in the City-wide Approach B scenarios

Revenue Component	Payment Type	City-wide Scenarios (25%)				
		100-Foot Buffer	200-Foot Buffer	Council District	High Traffic	Tier 1 Sign District
Annual Payment	Fixed In-lieu Payment (8:1 – 2:1)	\$9.8 – \$98.3 M	\$7.9 – \$78.5 M	\$5.5 – \$54.8 M	\$0.9 – \$8.8 M	\$2.6 – \$26.3 M
	Rev. Share In-lieu Payment (8:1 – 2:1)	\$6.7 – \$107.3 M	\$5.4 – \$85.7 M	\$3.7 – \$59.8 M	\$0.6 – \$9.6 M	\$1.8 – \$28.7 M
	Current Tax	\$0.1 M	\$0.1 M	\$0.07 M	\$0.01 M	\$0.03 M
	Street Furniture	\$13.9 M	\$11.1 M	\$7.7 M	\$1.2 M	\$3.7 M
	Revenue Share (15%-65%)	\$40.2 – \$174.3 M	\$32.1 – \$139.3 M	\$22.4 – \$97.2 M	\$3.6 – \$15.5 M	\$10.7 – \$46.6 M
Annual Rent		\$11.4 – \$14.1 M	\$9.2 – \$11.4 M	\$6.8 – \$8.4 M	\$1.8 – \$2.2 M	\$3.2 – \$3.8 M
Up-front Payment (One-Time)		\$18.5 – \$52.9 M	\$14.8 – \$42.3 M	\$10.3 – \$29.5 M	\$0.8 – \$2.4 M	\$4.9 – \$14.1 M

## PUBLIC OPTION – 25% SCALING FACTOR REVENUE APPROACH A RESULTS

The City could earn anywhere from \$.012M to \$163.7M by installing 25% of the total signs modeled in the Public Option Approach A scenarios

- The lowest annual revenue comes from its current tax structure
- The highest annual revenue comes from revenue sharing like some CA peers (65%)

Revenue Component	Payment Type	Public Scenarios (25%)					
		100-Foot Buffer	200-Foot Buffer	Single Parcel	Council District	Highway A	Highway B
Annual Payment	Fixed In-lieu Payment (8:1 – 2:1)	\$9.2 – \$92.3 M	\$6.6 – \$65.5 M	\$11.4 – \$114.3 M	\$4.8 – \$47.5 M	\$0.9 – \$9.0 M	\$2.4 – \$24.3 M
	Rev. Share In-lieu Payment (8:1 – 2:1)	\$6.3 – \$100.7 M	\$4.5 – \$71.5 M	\$7.8 – \$124.8 M	\$3.2 – \$51.9 M	\$0.6 – \$9.8 M	\$1.7 – \$26.5 M
	Current Tax	\$0.13 M	\$0.09 M	\$0.15 M	\$0.06 M	\$0.012 M	\$0.03 M
	Street Furniture	\$13.0 M	\$9.3 M	\$16.1 M	\$6.7 M	\$1.3 M	\$3.4 M
	Revenue Share (15%-65%)	\$37.8 – \$163.7 M	\$26.8 – \$116.2 M	\$46.8 – \$202.7 M	\$19.4 – \$84.3 M	\$3.7 – \$16.0 M	\$9.9 – \$43.0 M
Annual Rent		\$41.5 – \$51.4 M	\$29.5 – \$35.5 M	\$51.4 – \$63.6 M	\$21.4 – \$26.5 M	\$4.1 – \$5.0 M	\$10.9 – \$13.5 M
Up-front Payment (One-Time)		\$17.3 – \$49.7 M	\$12.3 – \$35.3 M	\$21.5 – \$61.5 M	\$8.9 – \$25.6 M	\$1.7 – \$4.8 M	\$4.6 – \$13.1 M

## PUBLIC OPTION – 25% SCALING FACTOR REVENUE APPROACH B RESULTS

The City could earn anywhere from \$0.003M to \$44.8M by installing 25% of the total signs modeled in the Public Option Approach B scenarios

Revenue Component	Payment Type	Public Scenarios (25%)					
		100-Foot Buffer	200-Foot Buffer	Single Parcel	Council District	Highway A	Highway B
Annual Payment	Fixed In-lieu Payment (8:1 – 2:1)	\$2.5 – \$25.3 M	\$2.1 – \$20.5 M	\$6.2 – \$61.5 M	\$1.5 – \$15.0 M	\$0.3 – \$2.5 M	\$0.5 – \$4.5 M
	Rev. Share In-lieu Payment (8:1 – 2:1)	\$1.7 – \$27.6 M	\$1.4 – \$22.4 M	\$4.2 – \$67.2 M	\$1.0 – \$16.4 M	\$0.2 – \$2.7 M	\$0.3 – \$4.9 M
	Current Tax	\$0.03 M	\$0.03 M	\$0.08 M	\$0.02 M	\$0.003 M	\$0.006 M
	Street Furniture	\$3.6 M	\$2.9 M	\$8.7 M	\$2.1 M	\$0.4 M	\$0.6 M
	Revenue Share (15%-65%)	\$10.3 – \$44.8 M	\$8.4 – \$36.4 M	\$25.2 – \$109.1 M	\$6.1 – \$26.6 M	\$1.0 – \$4.4 M	\$1.8 – \$8.0 M
Annual Rent		\$11.4 – \$14.1 M	\$9.2 – \$11.4 M	\$27.7 – \$34.3 M	\$6.8 – \$8.4 M	\$1.1 – \$1.4 M	\$2.0 – \$2.5 M
Up-front Payment (One-Time)		\$4.7 – \$13.6 M	\$3.9 – \$11.0 M	\$11.6 – \$33.1 M	\$2.8 – \$8.1 M	\$0.4 – \$1.3 M	\$1.6 – \$4.7 M

## APPROACH COMPARISON – 100-FOOT BUFFER SCENARIO

To illustrate the differences between Approach A and Approach B, the following table compares the 100-Foot Buffer scenario results for these approaches using the in-lieu payment structure

- The in-lieu payment structure is established in the current proposed ordinance
- Geographic results range from 101 potential digital sign faces to 662 potential digital sign faces (at the 25% factor)
- Revenue results range from \$1.7M to \$180.7M

		100-Foot Buffer Scenario (25%)			
		City-wide Approach A	City-wide Approach B	Public Approach A	Public Approach B
Geographic Analysis	25% of Potential Sign Faces	662	393	369	101
Financial Analysis (Annual Payment)	Fixed In-lieu Payment (8:1 – 2:1)	\$16.6 – \$165.5 M	\$9.8 – \$98.3 M	\$9.2 – \$92.3 M	\$2.5 – \$25.3 M
	Rev. Share In-lieu Payment (8:1 – 2:1)	\$11.3 – \$180.7 M	\$6.7 – \$107.3 M	\$6.3 – \$100.7 M	\$1.7 – \$27.6 M

## FUTURE CONSIDERATIONS

- These scenarios are designed to illustrate potential outcomes from a range of policy and deployment decisions the City of Los Angeles may consider.
- The approach and the GIS technology that was employed in the completion of this study can be modified/tailored to evaluate further approaches, criteria, and desired policy outcomes. In addition, the software allows the user to analyze potential off-site digital sign locations by Council District.
- A critical element in evaluating additional approaches is to further refine and screen the City's property information to get the most accurate location data possible.



# OFF-SITE DIGITAL SIGNAGE ANALYSIS: APPENDIX

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# APPENDIX A: PEER REVIEW DETAILS

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# PEER REVIEW FINDINGS SUMMARY

Navigant reviewed relevant policies and revenue structures from 24 peer cities to understand common trends and ultimately create relevant geographic and financial scenarios for the City of Los Angeles

## Policies

- Zoning Restrictions
  - Generally stricter than static signs
- Permitting
  - Conditional Use Permits
  - Annual Permits
- Removal Requirements
  - Range from 2:1 and 21:1
  - May be required or negotiated
- Design Standards
  - Messages
  - Sizes
  - Lighting

## Revenue Structures

- Taxes & Fees
  - Excise Tax
  - Commercial Use Tax
  - Business Revenue Tax
  - Application / Permitting Fee
  - Relocation Fee (Upfront Payment)
- Rent
  - Applies to City property
  - Often negotiated with prospective billboard owner
- Revenue Sharing
  - Ranges from 3-70%
  - Often negotiated with rent

Based on our findings, annual payments, rent, and revenue sharing agreements are most applicable to the City and the proposed ordinance revisions

## PEER REVIEW TAX & FIXED FEE STRUCTURES

City	State	No. Digital Signs	Tax Type	Tax Amount	Potential City Revenue (\$/year)
Philadelphia	PA	20	Excise	7%	\$2,500,000
Pittsburgh	PA	10+	Excise	10%	\$2,000,000 - \$4,000,000
Toronto	Canada	50	Fixed Fee	\$25,679/sign/year	\$11,000,000
New York City	NY	Unknown	Rent	7%	Unknown
Baltimore	MD	Unknown	Excise	\$15/square foot	Unknown

## PEER REVIEW REVENUE SHARE STRUCTURES

City	State	No. Digital Signs	Upfront Payment (\$)	Rent or Fee (\$/year)	Revenue Share (%)*	Potential City Revenue (\$/year)
Chicago	IL	60	\$15,000,000	\$8,705,263	30-50%	\$22,823,065
Miami	FL	30+	\$5,000,000	\$0	3%	\$4,300,000
New Westminster	Canada	4	Unknown	Unknown	Unknown	\$1,086,957
Santa Clarita	CA	3	\$0	\$0	65%	\$500,000
Fresno*	CA	5	\$100,000	\$130,000	35%	\$378,000
Metro LA - City of Downey	CA	1	\$0	\$0	70%	\$225,000
Santa Ana	CA	0	\$0	\$0	60%	\$200,000
Las Vegas	NV	5	\$10	\$0	25-50%	\$150,000+
Oakland	CA	1	\$1,000,000	\$0	30%	\$150,000
Metro LA - City of Long Beach	CA	2	\$0	\$100,000	22-30%	\$133,333
Newark	CA	2	Unknown	Unknown	Unknown	\$100,000
Anaheim*	CA	2	\$0	\$0	25%	\$80,000
Hawthorne	CA	1	\$125,000	\$0	55%	\$55,000
St. Petersburg*	FL	6	\$0	\$0	15%	\$50,000
Sacramento*	CA	13	\$330,000	\$180,000	30%	Unknown
Glendale	AZ	2	\$0	\$125,000	33-40%	Unknown
Glendale	CA	2	\$0	\$0	12-15%	Unknown
San Antonio	TX	13	\$0	\$0	0%	\$0
Long Beach	CA	3+	\$0	\$0	0%	\$0

## APPENDIX B: DETAILED GEOGRAPHIC ANALYSIS APPROACH

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# GEOGRAPHIC ANALYSIS APPROACH SUMMARY

Based on the assumptions and scenarios, Navigant created a five-step Geographic Information Systems (GIS) model and approach for determining off-site digital sign placements

- The model used data directly from the Los Angeles Department of City Planning, the Mayor's Office, and publicly-available databases
- Navigant used this approach to create both the City-wide and Public Option scenarios



# DETAILED GEOGRAPHIC ANALYSIS ASSUMPTIONS

After reviewing relevant peer policies, Navigant identified assumptions to apply to this study's off-site digital signage analysis scenarios:

## May 31<sup>st</sup> PLUM Directive

- The minimum distance between off-site digital signs is 500 feet
- Specific land use designation and zone restrictions; 100-200 ft. residential buffer
- Off-site digital signs are not permitted along state-designated scenic highways or in the Historic Preservation Overlay Zone
- Public parks, historic civic buildings and monuments (if identified by the City), ecological preserves, schools, and libraries should not be included in City-owned property
- 250 ft. sign district buffer applies to existing sign districts

## Other Assumptions

- Minimum of 660 ft. away from the highways per Caltrans restrictions
- 2,000 ft. highway buffer does not apply to public property (Public Facilities and City- and Metro-owned property) based on the current Sign Code
- 100 ft. buffer around sensitive areas, including ecological areas and state and national parks, based on proposed on-site sign restrictions
- Parcels with off-site digital signs must be at least 2,500 sq. ft. (based on 50 ft. frontage requirement in current Sign Code)
- Proportion of single and double-facing off-site digital signs in OSSPIP database is applied to new digital signs to find total number of sign faces (65% and 35%, respectively)

## CITY-WIDE OPTION - GEOGRAPHIC SCENARIOS

Scenario	Scenario-Specific Assumptions
<b>100-ft Buffer</b>	100-foot residential buffer
<b>200-ft Buffer</b>	200-foot residential buffer
<b>Council District</b>	200-foot residential buffer results further calibrated for Council Districts based on the number of existing signs in each district, to approximate tolerance for new signs
<b>Single Parcel</b>	1 digital sign per parcel more than 2,500 square feet
<b>High Traffic – Street Type</b>	100-foot residential buffer results further limited to certain arterial streets (Boulevards I and II)
<b>Tier 1 Sign District</b>	100-foot residential buffer results further limited to Tier 1 Proposed Sign District Areas as provided by City Planning

## PUBLIC OPTION - GEOGRAPHIC SCENARIOS

Scenario	Scenario-Specific Assumptions
<b>100-ft Buffer</b>	100-foot residential buffer and limited to City- and Metro-owned properties
<b>200-ft Buffer</b>	200-foot residential buffer and limited to City- and Metro-owned properties
<b>Council District</b>	200-foot residential buffer limited to City- and Metro-owned properties further calibrated for Council Districts based on the number of existing signs in each district, to approximate tolerance for new signs
<b>Single Parcel</b>	1 digital sign per public parcel more than 2,500 square feet for City- and Metro-owned properties
<b>Highway A</b>	200-foot residential buffer and limited to City- and Metro-owned properties in highway corridors with 660-foot buffer from highways (Caltrans regulation)
<b>Highway B</b>	200-foot residential buffer and limited to City- and Metro-owned properties in highway corridors with no highway buffer (This scenario assumes City exemption to Caltrans regulations, as requested in the PLUM directive)

# APPENDIX C: TAKEDOWN SCENARIO ANALYSIS

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## CITY-WIDE GEOGRAPHIC SCENARIO RESULTS

First, Navigant calculated the number of off-site digital billboards that could be installed to eliminate existing static signs, based on the defined takedown ratios.

### Number of 672-Square Foot Off-site Digital Sign Faces to Achieve Sign Reduction Goals

Takedown Ratio	New/Reconstructed Off-site Digital Signs (672 Sq. Ft.) per Static Sign Reduction Percentage	
	30%	50%
2:1	526	876
3:1	350	584
4:1	263	438
5:1	210	350
6:1	175	292
7:1	150	250
8:1	131	219
9:1	117	195

Using a 2:1 takedown ratio, a maximum of 1,752 new or relocated off-site digital signs could be installed to remove 100% of existing static signage in the City.

## TAKEDOWN REVENUE SCENARIO

Navigant used the fixed in-lieu payment structure to estimate potential revenues associated with a 30% and 50% reduction in existing static signage (assuming 672-square foot digital signs), as requested by PLUM.

### In-lieu Fixed Payment Revenue for New/Reconstructed Off-site Digital Signs (672 Sq. Ft.) for Static Sign Reduction Scenarios

Takedown Ratio	30%		50%	
	No. Digital Signs	In-lieu Payment	No. Digital Signs	In-lieu Payment
2:1	526	\$131.5 M	876	\$219.0 M
3:1	350	\$70.0 M	584	\$116.8 M
4:1	263	\$39.5 M	438	\$65.7 M
5:1	210	\$21.0 M	350	\$35.0 M
6:1	175	\$13.1 M	292	\$21.9 M
7:1	150	\$7.5 M	250	\$12.5 M
8:1	131	\$3.3 M	219	\$5.5 M
9:1	117	-	195	-

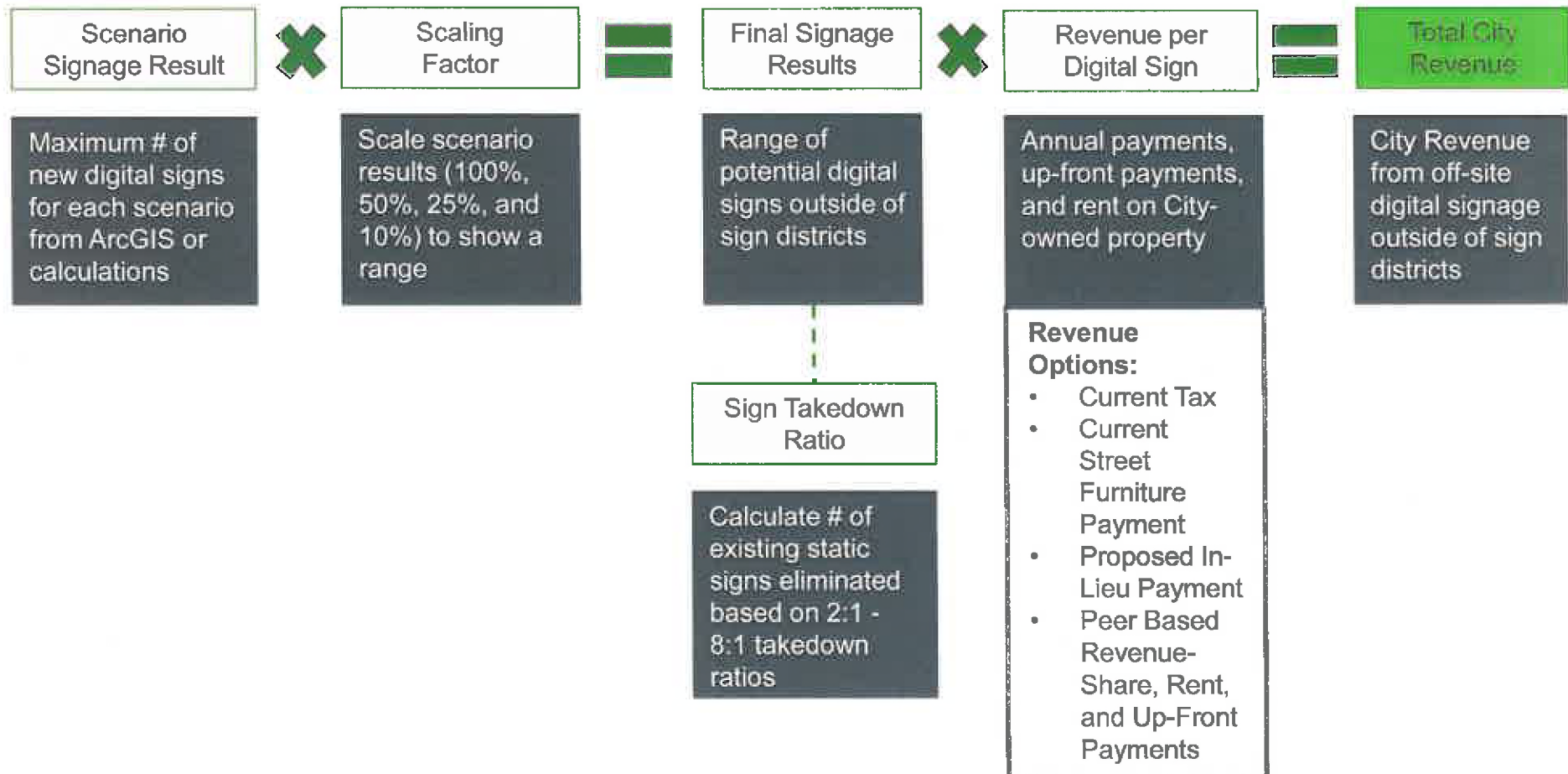
*Note:* Revenues from the percentage in-lieu revenue share structure are also calculated in the report.

## APPENDIX D: DETAILED FINANCIAL OPTIONS

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# FINANCIAL ANALYSIS APPROACH



# OVERVIEW OF FINANCIAL OPTIONS

Navigant modeled a variety of different revenue options based on the PLUM Committee's proposed structure and options from the peer review:

## City of Los Angeles Current & Proposed Annual Revenue Structures

- Used the existing tax rate of \$3.56 per thousand on annual gross receipts from advertising agencies
- Calculated an average static-sign revenue of \$71/sq. ft.
- Doubled the average to \$142/sq. ft. for digital signs

### Current Tax



- Leveraged the height and width of the street furniture structures and revenue to estimate an annual revenue of \$26.27 per sq. ft. of static advertisements
- Doubled the average to \$52.54/sq. ft. for digital signs

### Current Street Furniture Payment



- Used proposed structure for relocation agreements
- Applied fixed in-lieu payments
- Applied revenue-share percentages (2.5%-40%) to an approximate average revenue of \$682,500/year per digital sign

### Proposed In-Lieu Payment



# OVERVIEW OF FINANCIAL OPTIONS

## Peer-Based Annual & One-Time Revenue Structures

- Based revenue-sharing % on peer cities, which range greatly
- Used 15%, 30%, and 65% given this range
- Applied revenue share to average revenue of \$682,500/year per sign

### Peer Based Revenue-Share



- Limited to city-owned properties
- Assumed an annual rent fee based on Chicago (\$139,259 per sign) and Sacramento (\$112,500 per sign)
- Requires further analysis to account for real property value and rent in Los Angeles

### Rent



- Used the following up-front payments per sign:
  - LA current Sign District payment of \$134,608
  - CA Peer – High (Fresno): \$65,000
  - CA Peer – Low (Sacramento): \$47,000

### Up-Front Payments



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