



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

Item No. _____

FROM: City Manager

SUBJECT: PUBLIC HEARING TO CONSIDER AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA ENACTING ZONING ORDINANCE TEXT AMENDMENT ("ZTA") NO. 25-02 AMENDING TITLE 19, CHAPTER 19.25 OF THE COMMERCE MUNICIPAL CODE (SIGNS) MODIFYING EXISTING BILLBOARD REGULATIONS AND ADDING CITY-WIDE DIGITAL BILLBOARD REGULATIONS

MEETING DATE: October 14, 2025

RECOMMENDATION:

It is recommended that the City Council consider:

1. Opening the public hearing and taking testimonial and documentary evidence;
2. After closing the public hearing and considering the submitted evidence:
 - a. Introducing for first reading, read by title only, and waiving further reading of Ordinance No. _____ enacting Zoning Ordinance Text Amendment ("ZTA") No. 25-02 amending the Commerce Municipal Code ("CMC") amending Title 19, Chapter 19.25 of the Commerce Municipal Code (signs) modifying existing billboard regulations and adding city-wide digital billboard regulations; and
 - b. Adopting a Categorical Exemption under the provisions of the California Environmental Quality Act (Public Resources Code §§ 21000, et seq. "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regs. §§ 15000, et seq., the "CEQA Guidelines") (CEQA Guidelines § 15060(c)(2), § 15378(b)(5), § 15301, § 15303 and § 15061(b)(3))
3. Taking such additional, related, action that may be desirable

PUBLIC NOTICE REQUIREMENTS:

Chapter 19.39.140 of the CMC requires the City of Commerce (the "City") to publish a notice of the public hearing including the time and place of the public hearing in a newspaper of general circulation in the City not less than ten (10) days prior to the date of

the public hearing. Said notice was published in the Los Cerritos Community News on September 24, 2025.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

Pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, et seq. "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regs. §§ 15000, et seq., the "CEQA Guidelines"), the City reviewed the environmental impacts of the proposed Ordinance. No additional environmental review is required for this Ordinance pursuant to CEQA Guidelines § 15060(c)(2), § 15378(b)(5) § 15301 § 15303 and § 15061(b)(3).

The proposed Ordinance is exempt from CEQA because it is a ZTA which regulates billboards, which will not have a direct or reasonably foreseeable indirect physical change in the environment and does not qualify as a "project" under CEQA because it will not make physical changes to the environment pursuant to CEQA Guidelines Section 15378(b)(5). In addition, the Ordinance is also exempt from CEQA under CEQA Guidelines Sections 15060(c)(2) and 15061(b)(3) - Common Sense Exemption where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and CEQA Guidelines Sections § 15301 and § 15303. All future billboard proposals will require their own environmental review as outlined by CEQA guidelines.

BACKGROUND:

On July 31, 2025 and August 12, 2025, presentations were made to the City Council regarding digital billboards by Terra Realty Advisors, Inc. ("TRA"). TRS was hired to assist with evaluating the City's existing sign regulations as they relate to advertising displays and draft recommended amendments. During the presentations, the City Council had an opportunity to ask questions and express concerns over potential impacts, and the City's ability to regulate digital billboards. Generally, the City Council reached consensus in their support to allow digital billboards with regulations.

On September 17, 2025 at a noticed public hearing, the Planning Commission reviewed the Ordinance for ZTA No. 25-02 and recommended that the City Council: 1) adopt the draft Ordinance amending existing billboard regulations and adding digital billboard regulations that apply Citywide; and 2) adopt a Categorical Exemption under the provisions of CEQA with a 3-0-2 vote.

As part of TRA's work, they were hired to map all existing static and digital sign locations on Interstate 5 (I-5) and Interstate 710 (1-710) freeways where they traverse the City. Based on the research conducted by TRA, they identified forty-five (45) static billboards and three (3) digital billboards (Citadel) currently existing along the Interstate 5 (I-5) and Interstate 710 (1-710) freeways. Approximately, nine (9) static billboards were identified on major streets such as Washington Boulevard and Slauson Avenue.

The high number of static billboards along the I-5 and 1-710 freeways and additional billboards along major corridors in the City contribute to sign clutter and negatively impact the image of City. The existing static billboards in the City are outdated. Since some of them have dilapidated structures and vinyl signs tend to become faded and worn over

time. Digital billboards, utilizing LED technology, have a more modern aesthetic with the ability to incorporate more dynamic content without the need to replace vinyl signage.

Outdoor Advertising Act and Regulations: California Department of Transportation (“Caltrans”) implements and enforces the Outdoor Advertising Act and Regulations. As part of their jurisdiction, they regulate advertising signs along freeways (i.e. billboards) that market off-premise products and businesses.

All future billboard signs are subject to Caltrans regulations and permit requirements if they advertise off-premise products and services. The Outdoor Advertising Act and Regulations have requirements regulating the location, height and distance between billboards, such as a minimum of 1,000 feet between digital billboards. Additionally, billboards must conform with the Caltrans designation of “non-landscaped freeway”, which allows digital billboards in areas adjacent to a freeway which do not have Caltrans landscape areas.

The Outdoor Advertising Act and Regulations contain standards to mitigate impacts of off-premise displays in relation to traffic, safety, light intensity, and manner in which messages are displayed, among others.

Current Standards: Chapter 19.25, Signs, of the CMC regulates the use and construction of all signs in the City, including billboards. Billboards are currently allowed as follows:

- **Allowed zones (CMC Section 19.25.140 and Table 19.13.020A):** Off-site signs are allowed within the Modelo Specific Plan, and Heavy Manufacturing (“M-2”) zone with the issuance of a Conditional Use Permit (“CUP”). Additionally, the Commercial Public Facility (CPF) zone allows for digital billboards.
- **Exceptions (CMC Sections 19.25.140 and 19.25.160.B):** Off-site signs are not allowed within any freeway landscaped area, along Atlantic Boulevard, Washington Boulevard, I-5 freeway, within 750 linear feet off the Citadel Outlets property, within a redevelopment area, nor within 200-feet of the civic center, a park, school or property zoned for residential use (except the Modelo Specific Plan).
- **Relocation program (CMC Section 19.25.150):** Two (2) non-conforming off-site signs may be abandoned and replaced with one new off-site sign.
- **Development standards (CMC Section 19.25.160.A):**
 - Maximum height: 42-feet
 - Maximum area: 800 square feet per sign face
 - Maximum number of sign faces: Two (2); Three (3) may be allowed on previously approved off-site signs along the I-5 freeway
 - Minimum distance from another off-site sign: 720-feet
 - Minimum distance from freeway ramp or street intersection: 375-feet

The current billboard regulations prohibit new off-site signs along large segments of the City such as the I-5 freeway and Atlantic Boulevard. Under the current regulations, limited sections of the I-710 freeway that are “non-landscaped” and properties in the M-2 zone, CPF zone and Modelo Specific Plan allow for off-site signs. The CMC does not have specific regulations for digital billboards, limits the construction of new billboards to only owners who own two or more non-conforming off-site signs that are willing to abandon those signs to construct a new off-site sign, and limits the City’s ability to require a development agreement to customize specific standards for billboards to result in well-designed and sited projects that will benefit the community, including revenues to support municipal services.

Staff has received inquiries from property owners in the City seeking to construct new digital billboards or convert existing static billboards into digital billboards on their properties in areas where off-site signs are currently not allowed. Property owners are seeking to install digital billboards as a way to generate more revenues and to help promote their own businesses to the highly trafficked I-5 and I-710 freeways. Due to increased community interest in the installation of digital billboards and the proliferation of static billboards throughout the City, the City is considering adopting regulations which will result in the reduction of static billboards and construction of new digital billboards in strategic locations that will not contribute to sign clutter.

ANALYSIS:

As part of TRA’s work and in collaboration with City staff, a draft Ordinance was developed to accomplish the following goals:

- (1) Modernize existing sign standards to include regulations for digital billboards to support economic development in the City.
- (2) Improve the image of the City by prohibiting the construction of new static billboards and allowing the construction of new digital billboards and the conversion of existing static billboards to digital billboards in exchange for elimination of multiple static billboards.
- (3) Permit the installation of new digital billboards and the conversion of existing static billboards to digital displays through a development agreement between the City and the sign operator, and where the agreement defines specific community benefits to be provided by the operator.

The proposed Ordinance includes provisions to ensure that the appearance, maintenance, and safety of the community are addressed Citywide as they relate to billboard signs.

Key components of the proposed Ordinance:

- **Definitions:** Amends the definition of “billboard sign”, and adds definitions for “billboard identification sign”, “development agreement”, “digital display or sign”, “director”, “freeway oriented sign”, “new construction”, “repair”, “replacement”, and “static sign or display”.

- **Allowed zones:** Off-site signs are allowed within the Modelo Specific Plan, the CPF zone and other areas of the City subject to a development agreement, or lease or license agreement.
- **Exceptions:** Off-site signs are not allowed within 750 linear feet of the Citadel Outlets property, nor within 250-feet of the civic center, a park, school or property zoned for residential use (except the Modelo Specific Plan).
- **Approval process:** A development agreement is required for any new digital billboards or replacement of an existing static billboard with a new digital billboard, with appropriate standards and public benefits negotiated with the City. The Planning Commission will be the recommending body and the City Council will be the approving body on a development agreement for digital billboards.
- **General standards:**
 - Sign face dimensions: 1,200 square feet per sign face; not to exceed 25-feet in height and 60-feet in length per each sign face.
 - Structure design: no more than two (2) poles are allowed; no more than one (1) digital display surface facing the same direction.
 - Maximum height: 75-feet (converted signs not to exceed height of existing static sign unless it is freeway oriented).
 - Location:
 - New digital billboards: only in areas immediately adjacent to the 1-5 or 1-710 freeways zoned for commercial or industrial uses;
 - Replacement of static to digital billboard: only in a commercial or industrial zone;
 - Required distance from residential uses: 250-feet, unless reduced separation is justified through a photometric (light) study;
 - Required distance between two (2) digital billboards on same side of a freeway: 1,000-feet;
 - Required distance between a digital and static billboard on same side of the public right-of-way: 500-feet; and
 - Not allowed within freeway landscaped areas per Caltrans.
 - Prohibited signs: The following types of signs are not allowed on billboards: moving, animated, rotating, inflatable, and flashing signs, among others.

- Appearance and operations: The sign structure and lighting cannot present any hazard to pedestrians or vehicular traffic, and brightness must adjust automatically as ambient light conditions change, among others.
- Landscaping: Landscaping must be integrated at the base of the billboard sign, if possible, to achieve consistency.
- **Nonconforming signs:** A section was added to address legal nonconforming off-site signs stating that they cannot be altered, moved, or reconstructed unless replaced or converted to a digital billboard.

FISCAL IMPACT

This activity can be carried out without additional impact on the current operating budget.

ALTERNATIVES:

1. Approve recommendation;
2. Reject recommendation; or
3. Provide staff with further direction.

RELATIONSHIP TO STRATEGIC GOALS:

This agenda item relates to the 2016 Strategic Plan:

Community Quality of Life

This item relates to the 2016 Strategic Action Plan's goal of: Economic growth - Guiding Principles 1 to "Create and strengthen our identity, as a community that promotes opportunity and success for business that meets the strategic focus for economic growth, will have a positive impact on the quality of life and the City's financial sustainability."

Recommended by:	Jessica Serrano, Director of Community Development
Approved as to form:	Noel Tapia, City Attorney
Respectfully submitted:	Ernie Hernandez, City Manager

ATTACHMENTS:

1. Ordinance No. _____
2. Notice of Categorical Exemption