



**City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Planning Commission Staff Report
August 28, 2023**

Topic: Conditional Use Permit No. 2023-17 – Del Amo Motorsports Digital Billboard – 2401 South Pullman Street

RECOMMENDED ACTION

Adopt a resolution approving Conditional Use Permit No. 2023-17 as conditioned.

EXECUTIVE SUMMARY

Ariana Diverio with EMI Strategies Inc., on behalf of Del Amo Motorsports of Orange County (Applicant) and Pullman, L.P. (Property Owner), is requesting approval of Conditional Use Permit (CUP) No. 2023-17 to allow the construction of a new 60-foot high freeway-oriented off-premises digital billboard at 2401 South Pullman Street. Pursuant to Section 41-1110 of the Santa Ana Municipal Code (SAMC), the construction of a new digital billboard requires approval of a CUP. Staff is recommending approval of the applicant's request because the project complies with the goals, development, design, lighting, and operational standards set forth by Article XII (Off-Premises Commercial Advertising Signs) of Chapter 41 (Zoning) of the SAMC. In addition, through the implementation of the operating agreement, the project will provide community benefits in the form of local hiring and sourcing, commitment to maintaining an increase in annual gross taxable revenue, an annually increasing operating fee for the City of Santa Ana, and minimum display times for public-service/civic announcements and advertising of on-premises products.

DISCUSSION

Project Description

The applicant is requesting approval to allow the construction of a new 60-foot high freeway-oriented off-premises digital billboard at 2401 S. Pullman Street. The subject site is currently developed with a 41,100-square foot industrial building that is currently occupied by Del Amo Motorsports of Orange County, surface parking, and landscaping. The proposed digital billboard will be located at the southwest corner of the property within the front yard landscaped area. The proposed digital billboard has been designed as a V-shaped, double-faced digital billboard with 20 by 40 feet digital LED displays. The LED displays will sit atop a 40-foot structural support pole. The base will be enclosed and a

concealed ladder will grant access along the rear portion of the billboard to allow for easy and prompt resolutions when technical difficulties occur.

Table 1: Project and Location Information

Item	Information	
Project Address and Council Ward	2401 S. Pullman St. - Ward 4	
Nearest Intersection	Pullman Street & Carnegie Ave	
General Plan Designation	Industrial/Flex – Medium (Flex-3)	
Zoning Designation	Light Industrial (M1)	
Surrounding Land Uses	North	Industrial
	East	Industrial
	South	Industrial
	West	Costa Mesa Freeway (SR-55)
Property Size	2.435 acres (106,069 square feet)	
Existing Site Development	The subject site is developed with a 41,100-square-foot industrial building, surface parking, and landscaping.	
Use Permissions	Allowed with a conditional use permit (CUP)	
Zoning Code Sections Affected	Article XII (Off-Premises Commercial Advertising Signs (Billboard) of Chapter 41 (Zoning) of the SAMC	

Table 2: Development Standards

Standards	Permissible by SAMC	Provided
Maximum Sign Area/Face	As allowed by Caltrans	960 sq. ft.
Maximum Height	60 feet	Complies, 60 feet
Number of Faces	Two	Complies, Two
Spacing Between Billboards on Same Side of Freeway	1,000 feet	Complies
Number of Vertical Supports	One	Complies, One

Project Background

The subject site was developed in 1967 as an air space missile manufacturing industrial building and has since then been occupied by various manufacturing and wholesale businesses. Del Amo Motorsports of Orange County began occupying the property in 2016. Del Amo Motorsports is one of the largest motorsports dealers in Southern California and carry an array of brands and models. This location also provides a service workshop with is equipped certified mechanics and modern technology. Del Amo Motorsports intends to utilize the proposed billboard for both on and off premises advertisement.

The City Council adopted Ordinance No. NS-3023 on July 19, 2022, which reenacted Article XII (Off-Premise Commercial Advertising Signs) of Chapter 41 of the SAMC. This ordinance created an avenue for digital billboard displays to be constructed on “Potential Billboard” areas located along the Santa Ana (I-5) Freeway, the Costa Mesa (SR-55) Freeway, and the Garden Grove (SR-22) Freeway. The goal of the ordinance is to allow the construction of new digital billboards or reconstruction of existing static billboards as

digital billboards in exchange for community benefits and/or the removal of static, inner-city billboards when feasible.

Project Analysis

CUP requests for a digital billboard are governed by Section 41-1112 of the SAMC. CUPs for digital billboards may be granted when certain findings can be made. If such findings can be made, then it is appropriate to grant the CUP. Conversely, the inability to make these findings would result in a denial. The purpose of regulating the development, design, lighting, and operational standards of a digital billboard is to set forth operating practices and procedures to minimize aesthetic and traffic impacts. Staff has reviewed the applicant's request for the development of a digital billboard at the subject location, and has determined the proposed CUP will not be detrimental to the health, safety, and welfare of the community.

The proposed billboard has been designed in conform with the development, design, lighting, and operational standards set forth in Article XII of the SAMC that were adopted in order to mitigate ascetics, light, and glare impacts. In addition, the size and design of the digital billboard are in alignment with the context of its visual environment and will be located in a predominately industrial area and not in close proximity to any sensitive land uses. The proposed digital billboard is not located in close proximity vicinity to any landmarks as identified in the City's General Plan and will not in any way block or impair views to those landmarks.

Furthermore, the billboard will need to conform to all applicable standards set forth by the California Department of Transportation (Caltrans). The applicant is responsible for securing all appropriate Caltrans approvals and permits. As a result, the granting of the CUP will not negatively impact any sensitive land uses that may be nearby or traffic patterns. Moreover, the operational standards applicable to digital billboards, mitigation measures identified in the adopted Mitigation Monitoring and Reporting Program (MMRP), and conditions of approval will further mitigate any potential impacts created by the billboard and will ensure that the billboard will not negatively affect the surrounding community and traffic patterns.

General Plan Consistency

Approval of this application will be consistent with the goals of the General Plan, specifically Goals 2 and 3 of the Land Use Element (LU). The project is located in the Industrial/Flex – Medium (Flex-3) General Plan land use designation and the 55 Freeway and Dyer Road Focus Area, which is intended to attract economic activity into the city from surrounding communities. The digital billboard will offer off-premises advertisement that will display the economic vitality of the City. Goal 2 of LU encourages a balance of land uses that meet Santa Ana's diverse needs. Policy 2.2 of the LU encourages a range of commercial uses to capture a greater share of local spending and offer a range of employment opportunities. Policy 2.7 of the LU supports land use decisions that

encourage the creation, development, and retention of business in Santa Ana. Policy 3.1 of the LU supports new development, which provides a net community benefit and contributes to neighborhood character and identity.

Operating Agreement & Economic and Community Benefits Plan

In accordance with Section 41-1113 of the SAMC, an operating agreement is required for the construction of new billboards and needs to be approved by the City Manager prior to permit issuance. A draft copy of the operating agreement is attached as Exhibit 2, which highlights considerations to the public to balance the private benefits conferred on Del Amo Motorsport's behalf by providing mitigation measures to the public and to pay for economic and community-oriented services using the operating agreement fees collected.

In addition, since removal of existing inner-city billboards is infeasible, an Economic and Community Benefits Plan has been incorporated into the operating agreement which will include local hiring and sourcing, retainment of no less than ten percent (10%) of time slots for on-site advertisements, requiring advertising of products sold on-site, and provide an annual operating fee. The operating fee will begin term year one (1) at \$30,000 increasing by \$15,000 for a term period of five (5) years. After term year five, the annual operating fee will increase by three percent (3%) annually on the anniversary month of the Commencement Date. Moreover, Del Amo Motorsport has committed in the operating agreement to increase remitted gross sales tax to the City each calendar year by five percent (5%) over the previous year's remitted gross sales tax commencing on January 1, 2024, to ensure stable economic growth at the site. The OA term is for a twenty (20) year period commencing on the Commencement Date ("Term"), at which point, if desired, both parties may extend the terms dependent upon a mutual agreement.

Public Notification and Community Outreach

Project notifications were posted, published, and mailed in accordance with City and State regulations. Copies of the public notice, including a 1,000-foot notification radius map, and the site posting are provided in Exhibit 8. The site is not located within the boundaries of a specific neighborhood association. At the time this report was printed, no issues of concern were raised regarding the proposed CUP.

ENVIRONMENTAL IMPACT

In accordance with the California Environmental Quality Act (CEQA) and Section 15162 of the CEQA Guidelines, the project this is within the scope of the 2022 Santa Ana Off-Premises Commercial Advertising Signs Ordinance Mitigated Negative Declaration (MND) (SCH No. 2022030204). An environmental analysis has been conducted for this project which revealed that the previously prepared MND adequately described the project's environmental setting, impacts, and mitigation measures related to each impact. There are no substantial changes proposed by this project. There are no substantial

changes with respect to circumstances under which the project is undertaken that will require major revisions to the MND. There is no new information of substantial importance. All environmental impacts associated with this project were considered and evaluated by the MND approved and adopted. There is no new information of substantial importance. There are no new environmental impacts or mitigation measures needed. All applicable mitigation measures, attached hereto as Exhibit B, applied to the previously prepared MND will be applied to this project. As such, a Notice of Determination, Environmental Review No. 2023-9, will be filed for this project.

FISCAL IMPACT

Based on the terms of the Operating Agreement described in the prior sections of this report, approval of the item is expected to generate \$2,024,119 over the agreement's 20-year term.

EXHIBIT(S)

1. Resolution for CUP No. 2023-17
2. Draft Operating Agreement
3. Vicinity Zoning and Aerial View
4. Site Photo
5. Site Plan
6. Site Plan Close-up View
7. Renderings
8. Lighting Diagrams
9. Copy of Public Notices

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Approved By:
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