City Council Memorandum

City of Arts & Innovation

TO:	**HONORABLE MAYOR AND CITY COUNCIL**	**DATE:**	**MAY 19, 2026**
FROM:	**COMMUNITY & ECONOMIC DEVELOPMENT DEPARMENT**	**WARDS:**	**ALL**
SUBJECT:	**APPROVAL OF A BILLBOARD RELOCATION AGREEMENT BETWEEN THE CITY OF RIVERSIDE AND LAMAR CENTRAL OUTDOOR, LLC**		

ISSUE:

Consider the approval of a Billboard Relocation Agreement between the City of Riverside and Lamar Central Outdoor, LLC to relocate and replace ten billboards throughout the City.

RECOMMENDATIONS:

That the City Council:

1. Approve the proposed Billboard Relocation Agreement between the City of Riverside and Lamar Central Outdoor, LLC; and
2. Authorize the City Manager, or designee, to execute the Billboard Relocation Agreement including any minor non-substantive changes.

BACKGROUND:

Outdoor advertising displays which are visible from the National Highway System (NHS) are regulated per the Federal Highway Beautification Act of 1965 (FHBA). The FHBA aims to enhance the visual quality of highways by controlling outdoor advertising and supporting the scenic development and beautification of roadway corridors. In California, the FHBA is implemented through the Outdoor Advertising Act of 1933 (ODA), codified in the California Business and Professions Code (Sections 5200 et seq.). The ODA governs the placement and regulation of off-site outdoor advertising displays (billboards) along state-designated freeways. Chapter 19.623 – Billboards of the Riverside Municipal Code (RMC) regulates billboards throughout the City, including authorizing a Billboard Relocation Agreement between billboard operators and the City Council to accommodate the relocation, replacement and/or modernization of billboards.

Billboard Proposal

In 2025, Lamar Central Outdoor, LLC submitted an unsolicited proposal to relocate and replace several billboards within the City. At the time, the proposal was not permitted under the City's existing billboard regulations, which did not allow applicant-initiated relocation requests. Additionally, the proposed relocation sites did not meet the location criteria set forth in Chapter 19.623 of the Riverside Municipal Code.

In December 2025, City staff presented an update on the proposal to the City Council Economic Development Committee (Committee) and outlined the text amendments to Chapter 19.623 that would be required to facilitate the request.

- On January 22, 2026, the Committee directed staff to move forward with preparing the necessary text amendments for Planning Commission review.

- On February 12, 2026, the Planning Commission voted to approve the proposed amendments to Chapter 19.623.

On March 24, 2026, the City Council adopted the Zoning Code amendments modifying the City's existing billboard relocation provisions authorizing the replacement and modernization of existing billboards throughout the City and amended the Approving and Appeal Authority for the issuance of a Billboard Relocation Permit.

DISCUSSION:

The City and Lamar Central Outdoor, LLC have negotiated the following terms and conditions as part of the agreement for the City Council's consideration. The full agreement may be reviewed in Attachment 1.

Existing Billboards

Lamar is proposing to remove ten existing billboards throughout the City in exchange for authorization of ten new billboards located on various arterial streets and along SR-91, SR-60, and the I-215. Attachment 2 provides a map of the proposed billboards to be removed.

Table 1 – Proposed Signs for Removal					
#	**Location**	**Panel Identification #**	**Faces**	**Billboard Type**	**Size**
1	Van Buren 150' West of Wood St	7453, 7454	2	Static	10'6" x 22'9"
2	Van Buren.1M East of Gamble	70801, 70802	2	Static	10'0" x 30'0"
3	Van Buren .3MI West of Wood	74903, 74904	2	Static	10'6" x 22'9"
4	14th St 120' West of Market St.	78481, 78482	2	Static	6'0" x 12'0"
5	Market St East of Northbend	78561, 78562	2	Static	6'0" x 12'0"
6	Orange & 10th Northwest	79001	1	Static	6'0" x 12'0"
7	Third & Main Northeast	79281, 79282	2	Static	5'1" x 11'1"
8	Van Buren .1MI North of Challen	79321, 79322	2	Static	6'0" x 12'0"
9	Madison 50' North of Peters	79501, 79502	2	Static	6'0" x 12'0"
10	Lemon 150' South of 9th	79622	1	Static	6'0" x 12'0"

The total combined square footage of the billboard signs to be removed is 2,390 square feet.

Proposed Relocated Billboards

Attachment 3 and 4 provide maps of the proposed relocated Freeway and Arterial Street oriented signs.

Table 2 - Proposed Relocated Signs				
#	**APN / Location**	**Adjacent To / Intersection**	**Billboard Type**	**Size**
Freeway Oriented Digital Signs				
1	247-183-032 Not City Owned	I-215 Freeway	V-type freeway oriented digital billboard with two (2) Changeable Message Boards	14' x 48'
2	229-082-010 Not City Owned	91 Freeway	V-type freeway oriented digital billboard with two (2) Changeable Message Boards	14' x 48'
3	291-600-064 Not City Owned	SR-60 Freeway	V-type freeway oriented digital billboard with two (2) Changeable Message Boards	14' x 48'

4	291-460-020 Not City Owned	I-215 Freeway	V-type freeway oriented digital billboard with two (2) Changeable Message Boards	14' x 48'
5	215-120-011 Not City Owned	91 Freeway	V-type freeway oriented digital billboard with two (2) Changeable Message Boards	14' x 48'
Arterial Street Digital Signs				
6	219-340-021 City Owned	14th Street at Vine	V-type digital billboard with two (2) Changeable Message Boards	10' x 21'
7	230-200-024 City Owned	Indiana at Madison	V-type digital billboard with two (2) Changeable Message Boards	10' x 21'
8	ROW – Magnolia at Brockton City Owned	Magnolia at Brockton	V-type digital billboard with two (2) Changeable Message Boards	10' x 21'
9	ROW – Tyler at Diana City Owned	Tyler at Diana	V-type digital billboard with two (2) Changeable Message Boards	10' x 21'
10	234-150-051 City Owned	Not specified	V-type digital billboard with two (2) Changeable Message Boards	10' x 21'

The total combined square footage of the billboard signs is 4,410 square feet.

Terms associated with the Billboard Relocation Agreement

The following is a summary of notable terms associated with the agreement. The full proposed agreement can be found in Attachment 1.

A. Revenue Sharing

As part the agreement, Lamar will pay the City a percentage of annual gross advertising revenue for the billboard signs. Lamar shall pay the City 12.5% of annual gross revenue generated on signs located on privately owned property and 25% of the annual gross revenue generated on signs located on City-owned or City-controlled property. Lamar does not provide the City with an estimate of anticipated revenue generated from the signs. Beginning in year two of the agreement, Lamar guarantees the City a baseline annual payment for each relocated billboard, referred to as a minimum annual guarantee (MAG). A MAG is generally intended to ensure stable City revenues, even in years when advertising revenue declines. The MAG equals eighty percent of the revenue generated the previous year for each relocated billboard. The MAG may be suspended in certain situations, such as periods when a relocated billboard is not operational or materially limited in its ability to display advertising due to causes outside of Lamar's control.

B. One-time Payment

Following the completion of the construction of each of the ten signs, Lamar shall pay the City a one-time payment of $250,000 per sign. The total sum for the ten signs shall be $2,500,000.

C. Public Benefits

Lamar will contribute $40,000 towards the design and construction of Ward Identification Signs within each of the seven wards. These signs are intended to reflect the character and identity of each Council Ward consistent with existing or planned branding and placemaking initiatives. The total sum for the seven Ward Identification Signs shall be $280,000.

D. Sign Faces and Type

Lamar shall be permitted to remove and relocate the ten signs in Table 1 with ten new V-type digital billboards containing two faces with changeable electronic displays; individual sign faces shall not exceed 672 square feet.

E. Public Service Announcements

The agreement provides that the City is entitled to use sign space for public service announcements when available. Lamar estimates that, on average, approximately 20% of advertising time is unsold and available for any given display; however, this may vary depending on time of day and other factors. The city can use the sign for timely announcements such as Amber Alerts, Silver Alerts, Emergency Alerts and other time-sensitive notifications.

F. Conditions of Relocation and Replacement

The following conditions apply to the construction, operation and relocation of the signs. A complete list of the conditions are found in the agreement (Attachment 1).

- The billboard sign faces shall not overhang onto any freeway, public rights-of-way (if located on private property), or property lines.
- The messages on any Changeable Message Board shall be static only. Animation, motion, flashing, or scrolling of messages is prohibited.
- The billboards shall not be illuminated between the hours of 10PM to 5AM whenever the sign is located 500 feet of a residentially zoned property or use.
- Lamar shall be responsible for removing any graffiti on any of the relocated signs upon notification from the City.

G. Subsequent Approvals

Lamar shall be responsible for securing all necessary subsequent approvals and clearances, including but not limited to General Plan Amendments, Specific Plan Amendments, Zone Changes, Billboard Relocation Permits pursuant to Chapter 19.623 of the Zoning Code, building, construction, street opening, encroachment or other required permits to erect structures or perform work on public or private property, and any necessary approvals or authorizations from other agencies such as Caltrans.

FISCAL IMPACT:

Currently, the City does not receive any advertising revenue generated by the ten existing billboard signs. The City's only revenue related to these signs is business tax revenue paid by Lamar Central Outdoor, LLC, which averages $209.50 per billboard, for a total of approximately $2,095 annually across all ten signs.

Under the proposed Agreement, the City would receive a share of annual gross advertising revenue. Specifically, the City would receive 25% of the gross advertising revenue generated from billboards located on City-owned or City-controlled property, and 12.5% of the gross advertising revenue generated from billboards located on privately owned property. At this time, the total revenue is unknown and no estimate is available.

The City will receive a payment of $40,000 towards the design and construction of Ward Identification Signs within each of the seven wards, totaling $280,000. Staff will return at a future date to appropriate the funding for the design and construction of the ward signs.

The City will also receive a one-time payment totaling $2.5 million, equivalent to $250,000 per sign, for each of the ten billboards to be relocated. This payment will be issued upon completion of construction of the relocated signs.

The revenue collected will be deposited into the General Fund, CEDD-Planning, Billboard Revenue account number 2810000-374231.

Prepared by:	Daniel Palafox, Associate Planner
Approved by:	Miranda Evans, Interim Community & Economic Development Director
Certified as to availability of funds:	Julie Nemes, Interim Finance Director
Approved by:	Mike Futrell, City Manager
Approved as to form:	Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. Billboard Relocation Agreement
2. Map – Proposed Billboard Signs to be Removed
3. Map – Proposed Freeway Billboard Signs
4. Map – Proposed Arterial Street Signs
5. Presentation