



Agenda Item No: 1.h

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: December 2, 2025

Submitted by: Jeannette Ortega

From: City Administrator

Subject:

RESOLUTION APPROVING AMENDMENT NO. 4 TO THE DESIGN-BUILD-OPERATE-MAINTAIN AGREEMENT FOR FREEWAY-ORIENTED CITY ENTRY/DISPLAY SIGN AND ADOPTION OF A CLASS 32 CATEGORICAL EXEMPTION PURSUANT TO SECTION 15332 OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

Financial Impact:

Fiscal Impact:

The proposed sign is expected to generate a minimum of \$150,000 annually for each "Changeable Message Digital Display" panel installed, totaling \$300,000 per year in General Fund revenue for the City ("Base Compensation"). Additional revenue may be provided to the City if the Base Compensation exceeds twenty-five percent (25%) of the advertising company's total annual net revenue from the site.

Summary:

The Riverside/Orange County metropolitan area is a key hub for commerce, and the City of Placentia benefits greatly from its strategic position within this marketplace. The State Route 91 (SR-91) freeway, which runs through both counties, serves as a vital corridor for businesses looking to establish their brand and visibility. Placentia has a unique opportunity to leverage its location along a small segment of the SR-91 Freeway to enhance its exposure. By doing so, the City can maximize this visibility to diversify and strengthen its municipal revenue streams.

This action will approve a Resolution authorizing Amendment No. 4 to the Design-Build-Operate-Maintain (DBOM) Agreement for the installation of one (1) Freeway-Oriented City Entry/Display Sign featuring two digital displays at 1470 S. Placentia Avenue, while also adopting a Class 32 Categorical Exemption pursuant to Section 15332 of the State California Environmental Quality Act (CEQA) Guidelines.

Recommendation:

Recommended Action: It is recommended that the City Council:

1. Adopt Resolution No. R-2025-73, A Resolution of the City Council of the City of Placentia, California adopting a Class 32 Categorical Exemption pursuant to the California Environmental Quality Act (CEQA) set forth in Title 14 CCR § 15332 (Class 32 - In-Fill Development Projects) and the City of Placentia CEQA Guidelines and approving Amendment No. 4 to the Design, Build Operate and Maintain Agreement between the

- City of Placentia and Lamar Central Outdoor, LLC for the construction and operation of one (1) Freeway-Oriented Entry Sign; and
2. Authorize the City Administrator, or her designee, to execute all necessary documents, in a form approved by the City Attorney.

Strategic Plan Statement:

This item is consistent with the City Council approved Five Year Strategic Plan Goal 1: Ensure Long-Term Fiscal Sustainability, specifically, Objective 1.4: Protect and preserve existing economic development/property nodes throughout the City to maximize revenue opportunities and Objective 1.5: Continue seeking ways to diversify the City's revenue sources to prevent over-reliance on any one source (Measure U/Property Tax).

Discussion:

Many municipalities have recognized advertising revenue as a valuable funding source to support municipal operations and supplement traditional revenue streams. For Placentia, opportunities to increase existing revenues are limited, making the cultivation of new revenue sources especially important. Diversifying revenue helps enhance the City's fiscal stability, aligning with the recommendations made by the Citizens Fiscal Sustainability Task Force to the City Council in May 2015.

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The City owns certain parcel of real property located on the northeast side of Placentia Avenue between the SR-91 freeway at 1470 S. Placentia Avenue, Placentia, CA 92870 (APN 344-037-01), as depicted on Exhibit A of Attachment 1. The City proposes to install one (1) freeway-oriented entry sign with two digital display capabilities on this parcel. This will allow the City to provide public service announcements and messages. This includes messages by those sponsored by non-profit organizations, City promotional announcements of City sponsored and co-sponsored events such as celebrations, festivals, special events, park and public facility openings as well as to promote economic development within the City, including placement of ads for key local businesses.

Planning Commission Review

On November 10, 2025, the Planning Commission evaluated the addition of a freeway-oriented entry sign with digital/static display capabilities, located on City-owned property directly northeast of Placentia Avenue and SR-91 freeway. The Planning Commission adopted a Resolution making certain findings with respect to the consistency of the proposed installation of the sign with the City of Placentia General Plan pursuant to California Government Code § 65402.

Compliance with California Environmental Quality Act (CEQA)

The proposed billboard at 1470 S. Placentia Avenue, meets all criteria for a Class 32 Categorical Exemption pursuant to Section 15332, of the State CEQA Guidelines and no exceptions are applicable.

Fiscal Impact Summary:

The proposed sign is expected to generate a minimum of \$150,000 annually for each

"Changeable Message Digital Display" panel installed, totaling \$300,000 per year in General Fund revenue for the City ("Base Compensation"). Additional revenue may be provided to the City if the Base Compensation is more than twenty-five percent (25%) of the advertising company's total annual net revenue.

Attachments

- 1. [Resolution No. R-2025-73.docx](#)
- 1.a. [Amendment No.4 to DBOM.docx](#)
- 1.b. [CEQA Analysis.pdf](#)