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Title: PRESENTATION AND DIRECTION TO STAFF ON THE PORT MASTER PLAN UPDATE - POLICY DISCUSSION CONSIDERING SMALL FORMAT INFORMATIONAL AND WAYFINDING SIGNAGE, INCLUDING DIGITAL INTEGRATION AND PAID ADVERTISING

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Date	Ver.	Action By	Action	Result
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DATE: July 17, 2018

SUBJECT:

PRESENTATION AND DIRECTION TO STAFF ON THE PORT MASTER PLAN UPDATE - POLICY DISCUSSION CONSIDERING SMALL FORMAT INFORMATIONAL AND WAYFINDING SIGNAGE, INCLUDING DIGITAL INTEGRATION AND PAID ADVERTISING

EXECUTIVE SUMMARY:

Since 2013, the District has been evolving and improving a process, which we have all come to know as Integrated Planning. In short, Integrated Planning is a multi-faceted and comprehensive approach for managing and planning the uses of the District in a balanced way. Although Integrated Planning is an approach and philosophy that will permeate numerous plans and processes at the District, one critical and current focus area is an update to the District's Port Master Plan. The first comprehensive revision in the District's history, the Port Master Plan Update (PMPU) is a comprehensive, integrated, baywide approach that will modernize our method for land and water planning and serve as a guide for future uses and development of District tidelands. The PMPU will connect the tidelands through a series of networks and Planning Districts. It will control the allowable land and water uses, including the type and characteristics of development, recreation, and environmental conservation throughout the District's jurisdiction.

Through the course of 2017 and 2018, the Board conducted a series of workshops focusing on goals, policy concepts and draft land and water use maps for baywide elements and the ten Planning Districts. During those workshops, several policy topics were noted for needing additional discussion and feedback to assist the team with completing the Discussion Draft of the PMPU. For this item, staff is seeking Board feedback on considerations for small format informational and wayfinding

signage, including digital integration and paid advertising. To assist the Board's consideration of this topic, staff will present background on previous Board direction regarding small format digital wayfinding signage with advertising, terminology applicable to this agenda item, research conducted of other coastal zone and non-coastal zone jurisdictions, public benefits of wayfinding, potential physical and visual impacts of digital signage, potential parameters for digital signage, and potential financial scenarios.

Staff intends to follow the discussion structure utilized during the previous PMPU Board workshops. This approach will allow the Board to receive staff's presentation, hear from the public and stakeholders, and provide feedback to staff as the drafting of the PMPU progresses. Staff's preliminary draft presentation is included as Attachment A to provide the Board and the public time to review the discussion materials in advance.

RECOMMENDATION:

Receive staff's presentation and provide direction to staff on the Port Master Plan Update - Policy Discussion Considering Paid Advertising on Small Format Informational and Wayfinding Digital Signage.

FISCAL IMPACT:

Funds for work associated with the Port Master Plan Update effort are budgeted in the Planning Department's proposed FY 2019 budget within the Professional Services expense account (#620100). Funds required for future fiscal years will be budgeted for in the appropriate fiscal year and cost account subject to Board approval upon adoption of each fiscal year's budget.

COMPASS STRATEGIC GOALS:

This agenda item supports the Strategic Goals adopted by the Board. The Integrated Planning efforts, including the PMPU, will bring the District's current practices into conformance with best management practices with considerations of sustainable fiscal growth for the District while proactively enhancing assets on tidelands and benefits to the public.

This agenda item supports the following Strategic Goals.

- A Port that the public understands and trusts.
- A thriving and modern maritime seaport.
- A vibrant waterfront destination where residents and visitors converge.
- A Port with a healthy and sustainable bay and its environment.
- A Port with a comprehensive vision for Port land and water uses integrated to regional plans.
- A Port that is a safe place to visit, work and play.
- A financially sustainable Port that drives job creation and regional economic vitality.

DISCUSSION:

PMPU Background

Holistic Planning Through Public Engagement

The PMPU process is in the third phase of a five-phase work plan. The five-phased work plan began with laying the foundation of the PMPU with acceptance of the Integrated Planning Vision Statement and Guiding Principles in the first phase, followed by acceptance of the Integrated Planning Framework in the second phase (collectively referred to as the “Integrated Planning Vision”). The phased work plan has allowed the PMPU team to continue to build a comprehensive update to the Port Master Plan from the ground up in a transparent and inclusive way that has included a balance of Board, stakeholder and public engagement throughout the planning process.

The summary below shows the five major phases of the work plan:

- **Vision Process: Guiding Principles (Completed).** The initial phase included a high-level assessment of District-wide assets and extensive public engagement resulting in a foundational Vision Statement and Guiding Principles for the entire Integrated Planning framework.
- **Framework Report (Completed).** The Vision Process was further refined through consideration of a core set of comprehensive ideas, memorialized in a Framework Report, that is informing the development of the Draft PMPU document.
- **Draft the Port Master Plan Update.** The current phase involves direction from the Board for drafting of the “Draft PMPU” document, which will ultimately be comprised of goals, policies and maps.
 - Baywide Elements and Planning District Goals (**Completed**)
 - Policy Concepts and Land and Water Use Maps (**Completed**)
 - Additional Policy Topic Discussions (**In Progress**)
- **California Environmental Quality Act (CEQA) Environmental Review (In Progress).** Creation of the draft PMPU will be followed by conducting the requisite “CEQA Environmental Review.” Preliminary environmental review work has begun.
- **California Coastal Commission Certification.** If the Board certifies the Programmatic Environmental Impact Report (PEIR) and adopts the PMPU, it will be processed for “California Coastal Commission Certification,” with minor approvals thereafter, including the Board’s approval of the PMPU as certified by the California Coastal Commission (Coastal Commission) and lastly, the Coastal Commission’s approval of the final PMPU after the Board’s approval of the PMPU as certified by the Coastal Commission.

All of these steps have or will require public input, stakeholder outreach, and agency coordination throughout.

Recap on the Draft PMPU Contents

As a refresher, the draft PMPU is proposed to include six topical sections, or elements, that provide baywide guidance related to Land and Water Use, Mobility, Coastal Access and Recreation, Natural Resources, Resiliency and Safety, and Economic Development. Within each element, there are goals and policies being drafted consistent with the proposed draft table of contents endorsed by the Board at the July 22, 2015 Integrated Planning Study Session. The elements will also contain and address cross-connecting themes like environmental justice, climate change, and the Green Necklace. The PMPU team has utilized the robust public feedback obtained during the Integrated Planning process as the basis for drafting the goals and policy language to be contained within the draft PMPU

elements.

The PMPU is also proposed to contain ten Planning Districts, and application of the baywide goals and policies established by the six baywide elements will vary Planning District by Planning District, as appropriate. Each of the ten Planning Districts will contain more geographic-specific goals, policies, and land and water use maps intended to: 1) implement applicable baywide policies; 2) create development requirements tailored to the unique characteristics of each Planning District; and 3) implement the land and water use designations within those geographic areas. The draft policies for each Planning District will build on the corresponding goals and will be more granular in nature than the baywide element policies. The draft policies, both baywide- and Planning District-level will be available for the Board and public's review during the Discussion Draft PMPU review period.

2017 PMPU Board Workshops

PMPU Baywide Elements and Planning District Goals: The first in a series of Board workshops on the draft PMPU was held on March 9, 2017. Workshop No. 1 focused on the proposed organizational structure of the updated Port Master Plan, the proposed consolidated land and water use designations, and the draft goals for the Land and Water Use Element.

Board Workshop No. 2 was held on April 27, 2017, and concentrated on draft goals for the Mobility Element, draft goals for the Economic Development Element, and draft goals and draft land and water use maps for the ten Planning Districts.

On May 25, 2017, during Workshop No. 3 draft goals for the Resiliency and Safety Element, draft goals for the Natural Resources Element, and draft goals for the Coastal Access and Recreation Element, were discussed. Staff also presented preliminary draft PMPU baywide recreation open space acreage allocations.

Staff received considerable feedback from the public, stakeholders, and Board during these workshops, which is being taken into account as the drafting of the PMPU continues. *Notably, completion of these three workshops resulted in clear direction to staff on all the draft PMPU goals, which set the stage and context for the current policy discussions.* Furthermore, as often mentioned during these workshops, drafting of PMPU materials discussed is iterative and the document will continue to be revised as staff receives public, stakeholder, and Board feedback.

PMPU Policy Concepts and Land and Water Use Maps: Based on the Integrated Planning Vision, including the Guiding Principles and Framework Report, and the draft PMPU Goals for the baywide elements and Planning Districts, staff presented draft policy concepts to illustrate strategies and priorities, as well as open space and development character, that may take the form of draft policy language to be contained within the PMPU.

Policy concepts for each of the baywide elements were presented to the Board on August 8 and November 14, 2017. In August, the Mobility, Economic Development, Resiliency and Safety, and Natural Resources elements were presented and discussed. The Land and Water Use and Coastal Access and Recreation elements were presented in November. Work on each baywide element and associated policy concepts have been used to inform preparation of policy concepts and maps for the Planning District components of the draft PMPU.

On November 17, 2017, the Board held a workshop focusing on the Coronado Bayfront, Silver Strand, Imperial Beach Oceanfront and South Bay Planning Districts. The National City Bayfront and

Working Waterfront Planning Districts, as well as the Chula Vista Bayfront, Harbor Island and Shelter Island Planning Districts, were discussed during workshops held on December 5, 2017 and December 12, 2017, respectively. Additionally, on March 28, 2018, a workshop focusing on the Embarcadero Planning District was held by the Board. During those workshops, the Board heard feedback from the public and stakeholders regarding issues specific to each of these areas, and provided guidance to staff for drafting of the PMPU policies and land and water use maps.

PMPU Additional Policy Topic Discussions: Through the course of the PMPU workshops focusing on baywide and planning district policy concepts, several policy topics were noted for needing additional discussion and feedback to assist the team with completing the Discussion Draft of the PMPU. Over the coming months, staff will be bringing these discussions in batches to the Board. This item represents the first topic in those discussions.

Today's PMPU Additional Policy Topic Discussion

Consideration of Small Format Informational and Wayfinding Signage, including Digital Integration and Paid Advertising

Background on Small Format Digital Wayfinding with Paid Advertising

Advertising (or off-site signage) and its allowance in specific situations or formats has been a topic of discussion with the Board on a number of occasions - both in context of the PMPU as a form of modern signage and wayfinding, and as potential new lines of business. More specifically, as a potential new line of business, small format advertising has been discussed at three Board meetings since 2016. The context of these Board discussions and the Board direction provided to staff at these meetings is summarized below.

- April 14, 2016: Staff presented a conceptual 5-year business plan on the potential revenues from focused advertising business at the District. The vision for the advertising business at the District was to build a “Smart Port with a Connected Guest Experience” that is subsidized by advertising revenue. The 5-year business plan had a mix of large and small format off-site signage, as well as static and digital forms of advertising. The staff recommendation was for the Board to provide direction to staff on the conceptual business plan. The Board directed staff to move forward on the business plan, providing further focus and detail, which was done at the August 9, 2016 Board meeting.
- August 9, 2016: This agenda item was informed by the Board direction on April 14, 2016. On August 9, 2016, staff presented a 1-year advertising plan and received direction from the Board regarding potentially issuing requests for proposals (RFP) related to small format advertising. Staff subsequently issued the small format RFP in November 2016. The RFP ultimately solicited proposals for the fabrication, installation, operation, and maintenance of interactive kiosks to enhance the visitor experience through directories, wayfinding elements, and public service announcements, as well as generation of revenue to the District through paid advertising.
- May 16, 2017: Staff presented the successful proposer to RFP - “OBMSMG, LLC dba IKE [Interactive Kiosk Experience] Smart City.” The Board selected IKE Smart City as the successful developer and directed staff to commence exclusive negotiations with IKE Smart City for a 10-year agreement to fabricate, install and operate digital and static kiosks inclusive

of maintenance, operations and selling of advertising space. The displays were proposed to be located in the Embarcadero and would, in addition to advertising, include wayfinding elements (including real-time transit), a directory of nearby businesses (e.g., restaurants, retailers, hotels and attractions), push to mobile integration, real-time visitor surveys, a photo booth app, a game app, event listings, and the ability to display essential city or emergency communications. The exclusive negotiations with IKE Smart City are presently on hold.

Overview of Policy Discussion

The issue of advertising, especially advertising in the coastal zone, has been subject to a range of public opinion. This is largely due to the subjective nature of assessing impacts to aesthetic and visual resources. However, to date much of the public comment to the District has focused on large format advertising, such as building wraps or billboards, which is not the topic of this agenda item; and less public comment has been received on small format advertising or digital kiosks.

To support the Board with this policy discussion with respect to both digital signage and paid advertising in small format applications, the agenda sheet includes information on the following items:

- Current District practices related to informational and wayfinding signage
- Workshop terminology (e.g., small format, large format, pedestrian scale)
- Staff research on other coastal zone and non-coastal zone jurisdictions
- Relevant Coastal Commission actions
- Public benefits of digital wayfinding signage
- Potential physical and visual impacts of digital signage
- Potential parameters for small format digital signage
- Potential financial scenarios for interactive kiosks

This agenda item will ask the Board two questions related to small format informational and wayfinding signage. The first question for the Board to consider is as follows:

Question #1: Should small format signage (e.g., informational and wayfinding signage) allow for digital integration as technology advances?

Staff is also seeking direction regarding whether paid advertising should be allowed on informational and wayfinding signage (Question #2):

Question #2: Should off-site/off-premise, paid advertising content be allowed on informational and wayfinding signage with parameters?

Current District practices related to informational and wayfinding signage

Informational and wayfinding signage on District tidelands has historically been reviewed and permitted under the Port Master Plan. Currently, the Port Master Plan does not expressly address on-site or off-site/paid advertising when it discusses signage. It does, however, expressly allow for directional and informational signage on promenades, but is silent on whether they may be digital or include off-site signage.

Workshop Terminology

The following terms are further described below in order to facilitate a clearer discussion on this policy topic: off-site/off-premise signage, on-site/on-premise signage, pedestrian scale, small format

signage, large format signage, and digital signage. These definitions were assembled from several sign ordinances from other jurisdictions, including some within the coastal zone and some outside the coastal zone. It should be noted, however, that definitions vary from jurisdiction to jurisdiction, but generally meet the intent of the definitions/descriptions below.

Off-site/off-premise signage - Signage (large or small format) that promotes a commercial message such as a product, event, service, facility, or activity that is not provided in or on the property or premises upon which it is located and is external to a building. It is not signage located on a storefront to identify the name of the business located inside that building; or public safety signage. Off-site/off-premise signage could include public service announcements, District messages/campaigns (e.g., Maritime Month), wayfinding, and paid advertising.

On-site/on-premise signage - Signage used to identify or promote a product, event, service, facility, or activity that is provided on the property or premises upon which it is located.

Pedestrian scale - Physical elements (e.g., signs, street furniture, lighting, landscaping) of the built environment that are of a size and shape that matches the proportions of humans and acknowledge universal design considerations. Sometimes used interchangeably with “human scale.”

Small format signage - Signage that is pedestrian scale. Examples of small format signage include directories, wayfinding signage, informational signage, and street furniture or other structures or surfaces that signage can be displayed, such as kiosks, transit shelters, benches, and trash cans.

Large format signage - Signage that is larger than pedestrian scale, is meant to reach a large audience at one time and is highly visible due to its large size and visibility from far distances. Examples include billboards, building wraps, and banners. Large format signage is not the topic of this agenda sheet.

Digital signage - Signage that has a programmable display, and may also be referred to as electronic signage. This does not mean signage with a light shining on it. Digital signs have the capability of displaying a wide variety of changeable messages including art displays, directional information, public service announcements, or paid advertising. Examples typically utilize computer-generated message or other electric means of display or changing copy/text. Digital signage is distinctly different from “static” signage in that the latter presents permanent copy that is not electronic or does not change with an automated frequency. Digital signage is not synonymous with illuminated signage.

Staff Research on Other Coastal Zone and Non-Coastal Zone Jurisdictions

In preparation for this agenda item, staff conducted research on signage regulations in both coastal zone and non-coastal zone jurisdictions focusing on Southern California. Overall, staff found that almost every municipality had at least some parameters associated with the location, look, or size of signage. To date, staff found that there are no instances where digital signage or advertising is expressly permitted within the coastal zone; and staff found three instances where digital signage is prohibited - City of Oceanside, City of Carlsbad, and County of San Diego. Other coastal zone jurisdictions are silent as to both digital signage and advertising, including City of Chula Vista, City of Coronado, City of Imperial Beach, City of National City, City of San Diego, City of Encinitas, City of Solana Beach, City of Long Beach and City of Los Angeles. Included for reference is a summary table of the staff research of sign regulations from jurisdictions within the San Diego County coastal zone, including the District’s five member cities, as well as some non-coastal zone jurisdictions in

Southern California (see Attachment B).

Relevant Coastal Commission Actions

Although staff found no instances where digital signage or advertising is expressly permitted within the coastal zone, staff found a number of occasions where they have been a topic of discussion at the Coastal Commission, and the Coastal Commission has consistently prohibited advertising in the Coastal Zone through Local Coastal Program (LCP) Amendments (e.g., City of Oceanside, City of Carlsbad, as described below) and has significantly limited digital signage through Coastal Commission-issued Coastal Development Permits (CDPs) (e.g., Long Beach Transit, as described below). In these instances, the Coastal Commission has consistently cited Section 30251 of the California Coastal Act (Coastal Act), below, as the standard of review for, and in many instances the reason for denial of, a project:

The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic coastal areas, to minimize the alteration of natural land forms, to be visually compatible with the character of surrounding areas, and, where feasible, to restore and enhance visual quality in visually degraded areas. New development in highly scenic areas such as those designated in the California Coastline Preservation and Recreation Plan prepared by the Department of Parks and Recreation and by local government shall be subordinate to the character of its setting.

In correspondence submitted to the District, dated June 6, 2018, Coastal Commission staff also cited Section 30251 of the Coastal Act and made references to the City of Oceanside and City of Carlsbad actions (see Attachment C).

City of Oceanside - Prohibits Digital Signage and Off-Premise Commercial Signage - The City of Oceanside's signage regulations prohibit new billboards, including the conversion of existing billboards to digital or electric display; and also prohibit off-premise commercial signage, among other things. In 2016, the City of Oceanside submitted signage-related amendments to their LCP to the Coastal Commission for certification. The proposed LCP amendments proposed to prohibit digital display signage (also referred to as "digital billboards") with the exception of small-scale digital signs placed in windows, and limit the illumination of proposed digital signs to 0.3 foot candles over ambient lighting. The LCP amendments were approved by the Coastal Commission, with additional clarification that existing billboards cannot be relocated to the Coastal Zone. The topic of digital signage was reintroduced in 2018, but the City Council did not pursue further action.

City of Carlsbad - Prohibits Digital Signage and Off-Premise Commercial Signage - Between 2013 and 2015, the City of Carlsbad submitted signage-related amendments to their LCP to the Coastal Commission for certification. The LCP amendments proposed to update the City's sign ordinance in the LCP, and to amend the Car Country Comprehensive Sign Program to provide greater flexibility in allowable signage. The City's sign ordinance prohibits off-premise commercial signage. As noted in both Coastal Commission staff reports, "[h]istorically, the Commission's primary concerns with sign standards are that the provisions would allow signage that could adversely impact scenic resources and viewsheds to and along the ocean, add to general visual clutter, or be out of character with the surrounding development." Initially both LCP amendments also proposed the addition of digital display signage in response to a 2013 city ordinance allowing such displays citywide; however, in 2014, the Carlsbad City Council revoked that ordinance and subsequently requested to withdraw that portion of the proposed plan amendment. Nonetheless, the Coastal Commission staff reports for the

LCP amendments opined on the originally-proposed digital display signage, as follows: “[a]side from the City’s reconsideration of digital display signage, such signs would likely not be found in conformance with the certified [LCP] because they would be problematic due to their size and the associated potential to obstruct public views and they would introduce elements inconsistent with the surrounding character” and the “Commission would therefore not be prepared to support them even if the City had not reversed its prior action.” Ultimately, the LCP amendments were approved by the Coastal Commission without the allowance of digital signage and off-premise commercial signage, among other restrictions.

Long Beach Transit - Allows for Digital Message Boards but Expressly Prohibits Commercial Advertising - In May 2012, the Coastal Commission approved an administrative CDP for the City of Long Beach and Long Beach Transit to install three message boards for the AquaLink and AquaBus (water taxi) public transit service in Long Beach. The message boards are approximately 12 feet tall, which includes a solar panel at the top, and approximately two feet wide. The CDP allowed for the message boards to display only transit-related information such as route maps (bus, train, boat), schedules and service bulletins, and explicitly prohibited commercial advertising content.

Public Benefits of Digital Informational and Wayfinding Signage

Wayfinding is the ability to orient oneself based on repeated cues from the physical environment such as physical landmarks or signage. It may benefit a community in many ways by strengthening community identity, providing direction within and through an area, highlight interesting destinations, and strategically improve livability. Integrating a digital component into informational and wayfinding signage may provide additional public benefits, as described below.

Enhanced User Experience - Digital signage platforms may be designed to allow for more interaction with the users. For example, directions to a point of interest may be sent to a smart phone, which allows visitors to take wayfinding with them to their destination. Research has also shown that interactive experiences are more favored by younger generations.

Up-to-Date Information - Unlike traditional static wayfinding and informational signage, digital signage may be easily updated, which may save money associated with updating the outdated information, as well as provide the public with more accurate and relevant information. The ability to easily update wayfinding and informational signage may also increase the information available to visitors, which encourages them to discover more of what is offered in the near vicinity.

Reduce Sign Clutter and Maintenance - Digital informational and wayfinding signage allows for an increased quantity of information available for the public than does traditional static signage, which may ultimately end up reducing sign clutter. For example, because of its interactive screen, digital signage may contain wayfinding content, helping to lead visitors to restaurants and other points of interest, and may also contain informational content related to topics such as transit, weather, news, and traffic. Oftentimes today, this useful information is provided from a variety of static sources, such as a sign listing a bus schedule, another sign directing visitors to points of interest, and yet another sign explaining the benefits of an adjacent stormwater feature built into the pavement. Having the ability to integrate these signage types into one format (e.g., a kiosk) may reduce the need for multiple sign poles, which may lead to sign clutter in some instances. Easily changeable digital signage messages may also result in cost savings because expired signage only requires a change in a computer, and does not require fabrication of updated signage or maintenance of expired signage.

Quick Emergency Services - Kiosks may be designed to enable emergency response services, which increase safety for visitors and residents alike. For example, a button may be included on the kiosk that initiates a 911 call, and a beacon would flash blue when an emergency call is active, which can also provide first responders an added visual cue for the emergency location when arriving on a scene.

Placemaking and Identification - A consistent design for kiosks may provide an opportunity for placemaking, allowing visitors and residents to be able to recognize when they are located on District tidelands.

Connecting the Public Realm - A consistent wayfinding system may enhance connections to and around the Bay, and may also emphasize the varied character of the different areas around tidelands. Throughout the Integrated Planning process, an emphasis has been made on the importance of creating strong inter-connectivity between the public spaces around the Bay - or “jewels” along the “Green Necklace.”

Potential Physical and Visual Impacts of Digital Signage

In addition to the public benefits listed above, there are also potential negative physical and visual impacts to take into consideration when considering integrating a digital component into informational and wayfinding signage. Some of the potential physical and visual impacts of digital informational and wayfinding signage are provided below.

Lighting and Glare - Potential lighting impacts can be discussed in two contexts - impacts on humans and impacts on wildlife. Both are related to the brightness associated with lighting. The brightness of a digital sign can be discussed with two factors - light trespass and light pollution. Light trespass is how much light shines across a property line, and light pollution is the brightening of the night sky. High levels of light trespass and light pollution can arguably cause distraction, obscure stars in the night sky, disrupt ecosystems, and cause adverse health impacts for humans and wildlife alike. Generally, these impacts are associated with large scale, digital billboards that have changeable content (e.g., the content changes every 10 seconds); however, the general ideas associated with light trespass and light pollution can also be applied to digital small format signage.

Light trespass is measured in two ways - luminance or illuminance. Luminance, which is measured in “nits,” quantifies surface brightness, or the amount of light an object gives off. A “nit” is defined as candela per square meter (cd/m^2). Illuminance, measured in “foot-candles,” quantifies that amount of light which falls onto an object, or adjacent property. During daylight, digital signage competes with the luminance of the sun, which has a luminance level of approximately 6,000 nits. At nighttime, digital signage can be modulated to fit nighttime ambient lighting conditions. The IKE (Interactive Kiosk Experience) kiosks have a maximum brightness of 4,000 nit, and can be dimmed 20%, or to 3,200 nit. As a point of reference, light emitted by a typical desktop computer monitor is between 50 and 300 nits.

Additionally, the effect of lighting on wildlife has been a recent issue of concern for projects under review at the Coastal Commission; in particular the potential impacts to biological resources from replacing sodium lighting with light emitting diode (LED) lights. LED lights contain color frequencies that are known to disrupt circadian rhythms. For a recent Coastal Commission-issued CDP to the City of San Diego, proposed lighting improvements to a pedestrian bridge over a boat channel in the bay were required to be modified in order to reduce potential biological impacts¹. As stated in the Coastal Commission staff report, replacing sodium “lighting with LED lighting could impact nearby

marine and avian species...” and while “LED lighting is more efficient than [sodium lighting], LED lighting has the potential to disrupt natural circadian rhythms leading to disruption in behaviors (e.g., breeding, foraging) and sleep due to the high blue light frequencies in LED lights.” The Coastal Commission staff report also stated that “lighting should be analyzed to ensure that it is the minimum necessary in terms of number of lights, and that the operating characteristics of the lights are designed to decrease impacts of lighting (e.g., directed/shielded to avoid light spillover, sensors). The CDP for the City of San Diego project was approved with a special condition requiring the new LED lighting to have a reduced “color temperature” in order minimize potential impacts to biological resources while still meeting the health and safety purposes of the lighting.

Glare can be considered the daytime counterpart to lighting, which is mostly an issue at nighttime. Depending on the materials that make up a sign display, the exterior of the signage or the digital display screen can create a source of glare. This glare could be present all day, or become exacerbated at sunset, and either way can be a visual hazard to pedestrians and visitors.

Vehicular Safety - Some studies that looked at the impact of roadside advertising on vehicular safety suggest that advertising is a source of driver distraction and may pose an increased risk for automobile crashes. Other studies indicate that there are other driver distractions that pose equal or greater risk for automobile crashes, such as talking on a cell phone, texting, or eating. However, all of these studies have focused mainly on large format advertising, such as billboards, and in particular digital billboards. Staff research on the studies related to driver distraction associated with small format advertising (e.g., bus shelters, kiosks) yielded minimal information; one study suggested that even small format advertising can be a driver distraction.

Character and Quality - The extent to which a kiosk is integrated into the waterfront can have an effect on the character and quality of the public realm. How well a kiosk integrates into its surrounding environment in part has to do with the placement (e.g., within a view corridor, and not visible from the water), size and scale of the kiosk, which can affect human perception of the content being displayed on the kiosk, as well as the “feel” of an area. For example, a kiosk that is considerably larger than pedestrian scale/human scale, may feel uninviting and overwhelming to some pedestrians. Further, as noted in a June 2018 letter from Coastal Commission staff, Coastal Commission staff stated that the physical structure and location of a kiosk could impact public views and scenic and visual quality depending on their location, quantity and size.

As a point of reference, the IKE kiosks that are proposed along the Embarcadero are over 11 feet tall and approximately five feet wide and one-foot deep, with 65-inch video screens. Another point of reference are the five “totem kiosks” on Navy Pier in Chicago, which are approximately 15 feet tall, three feet wide, and 17 inches deep.

Potential Parameters for Small Format Digital Signage

If the Board expresses interest in digital signage formats, parameters could be considered to lessen any potential physical and visual impacts. These could include parameters related to the characteristics of the displays, such as, but not limited to:

- Dimming/sleep hours - displays to go dormant or dim during certain time periods (e.g., midnight - 6am). For example, the City of Toronto’s Sign By-law requires that a sign’s illumination does not exceed 5,000 nits between sunrise and sunset, and 500 nits between sunset and sunrise.
- Light filters - for example, displays to turn on a blue light “filter” during nighttime hours, much

like the “night shift” mode on an iPhone.

- Anti-glare screens - displays to not be visible from nearby roadways, so as not to cause a distraction.
- Display time intervals - minimum durations of messages (e.g., 8-10 seconds with 1 second transition with no visible impacts).
- Copy type - limit the amount of static or dynamic copy.
- Pedestrian-scaled sizing - require small format signage to be pedestrian scale/human scale, and designed with consideration of street width, traffic speed, adjacent land use, and at a comfortable height.
- Placement - limit placement to locations such as, but not limited to, outside of view corridors, not facing the street or the water, set back from roadway, only in locations with high levels of foot traffic.

Potential Financial Scenarios for Interactive Kiosks

One form of informational and wayfinding signage that includes digital integration is an interactive kiosk that would provide information through directories, wayfinding elements, and public service announcements. There are ongoing costs associated with operating an interactive kiosk program, such as warranty, maintenance, insurance, data bandwidth, software and electricity costs. In addition to the ongoing operating costs, there are initial capital costs for the manufacturing and installation of the interactive kiosks. For discussion purposes, below are three scenarios for potential financial implications of various levels of advertising - modeled over a 10-year period - for an interactive kiosk display. All scenarios assume 15 interactive kiosks.

- Scenario 1 - No Advertising
 - Port pays for initial capital investment
 - Port pays for ongoing operating expenses
- Scenario 2 - 23% Advertising (level required to pay capital back over 10-year period)
 - Port pays for initial capital investment
 - Port pays for ongoing variable operating expenses
 - 3rd party ad agency assumes ad sales responsibility
- Scenario 3 - 49% Advertising (level staff believes is required for a 3rd party to pay for capital and operating expenses)
 - 3rd party pays for initial capital investment
 - 3rd party pays for ongoing variable operating expenses
 - 3rd party ad agency assumes ad sales responsibility

The example numbers in the table below are reflective of the understanding from Port as a Service staff of the costs and revenue potential in the interactive kiosk industry and knowledge that has been gained over the last 18 months as a result of information outside parties contributed in the District’s Small Format RFP process. However, these numbers do not reflect any negotiated proposals.

Potential Financial Scenarios for Interactive Kiosks	Scenario 1 No Advertising Port	Scenario 2 Break Even Port/3rd Party	Scenario 3 49% Advertising 3rd Party
Capital Investment Cost	Port	Port	3rd Party
Kiosk Warranty, Operation, & Maintenance Cost	Port	Port	3rd Party
Ad Sales	N/A	3rd Party	3rd Party
Kiosks	15	15	15
Content Mix			
Public Benefit (PSAs, Port Branded, Wayfinding)	100%	77%	51%
Commercial Advertising	0%	23%	49%
Total Annual Advertising Revenue (\$M)		\$ 1.2	\$ 2.5
Port Share		70%	21%
Annual Port Revenue		\$ 0.8	\$ 0.5
Annual Variable Operating Expenses (\$M)	\$ 0.6	\$ 0.6	\$ -
Annual Surplus (\$M)	\$ (0.6)	\$ 0.2	\$ 0.5
10 Years Total Surplus (\$M)	\$ (6.0)	\$ 2.2	\$ 5.2
Capital Investment (\$M)	\$ (2.2)	\$ (2.2)	\$ -
Total 10 Year Impact (Surplus Less Capital Investment)	\$ (8.2)	\$ -	\$ 5.2

Topics for Discussion

Staff is seeking feedback and direction from the Board on two topics, or questions, related to small format informational and wayfinding signage, as listed below.

Question #1: Should small format signage (e.g., informational and wayfinding signage) allow for digital integration as technology advances?

Question #2: Should off-site/off-premise, paid advertising content be allowed on informational and wayfinding signage with parameters?

After this initial discussion with the Board, additional work and/or research may be needed if direction is provided to staff to pursue digital format wayfinding and informational signage and/or off-site, including paid advertising, informational or wayfinding signs. This additional staff work and/or research, for example, could be in the form of additional policy information for the PMPU, details regarding the application of potential parameters, and/or draft signage regulations to be embodied outside of the PMPU.

Next Steps

Additional PMPU Policy Topic Discussions: Staff plans to return to the Board at future meetings for the remainder of the year, along with a workshop likely to be scheduled in the fall, to complete the additional policy discussions on the following topics:

- Public-Private Piers
- Approach to Sea Level Rise
- Follow up on Commercial Fishing related policies
- Mobility Framework discussion
- Follow up specific to the Embarcadero Planning District
- User’s Guide Policies

Public Review of PMPU Discussion Draft: After the conclusion of the Additional Policy Topic Discussions with the Board, staff will complete the Discussion Draft PMPU. The Discussion Draft PMPU will be made available for a 45-day review period to provide the Board and the public an opportunity to review the entire draft PMPU document, including the introduction, element goals and policies, and Planning Districts, in a holistic manner. Note that written comments received on the Discussion Draft will be transmitted to the Board and reviewed by the PMPU team. These public comments and Board feedback may result in revisions to the Draft PMPU, which will form the project description for the PMPU Draft PEIR.

PMPU PEIR Project Description: After the completion of the Discussion Draft public review period, staff plans to provide an overview presentation on the updated Draft PMPU based on public review comments and Board input to date. Staff will also request the Board's direction to use the Draft PMPU as the project description for the PEIR to be prepared for the PMPU pursuant CEQA.

CEQA and Coastal Commission Processing: As a part of the environmental review process, it is anticipated the Draft PEIR will be circulated for public review in fall of 2019 with the Board's targeted consideration of the certification of the Final PEIR and approval of the PMPU in spring of 2020. Processing of the PMPU with the California Coastal Commission is expected to take place through the remainder of 2020.

As these anticipated milestones are dependent upon the direction received by the Board and the volume and complexity of comments received, the timeline may require adjustment as the PMPU process progresses.

Upcoming Public Engagement Events: District staff is planning a Public Open House event to occur later this summer. Attachment D, the PMPU Public Engagement Timeline and Drafting Process, depicts PMPU public engagement events as well as anticipated milestones for the completion of the PMPU.

On-going Stakeholder and Agency Involvement: Throughout the planning process, the PMPU team has held, and will continue to hold, targeted stakeholder and agency meetings to gain feedback on the District's balanced approach to planning and policy development. The PMPU team has met on regular intervals to discuss the draft PMPU with internal District subject matter experts and staff from several local and regional agencies, including adjacent jurisdictions. Staff will continue proactive engagement with the Board, stakeholders, and the public as a way to advance a well-informed plan and to keep the PMPU on track; although, planning processes are not always predictable. As such, staff will keep the Board informed of any new or unanticipated issues as they arise, along with necessary updates or adjustments to the work plan.

General Counsel's Comments:

The General Counsel's Office has reviewed the agenda sheet and attachments as presented to it and approves them as to form and legality.

Environmental Review:

This item provides a presentation on the policy concepts related to small format advertising. This presentation is informational in nature and is intended to give staff initial and preliminary feedback on the topics being presented. The item and any Board feedback do not constitute an "approval" or a

“project” under the definitions set forth in CEQA Guidelines Sections 15352 and 15378 because no direct or indirect changes to the physical environment would occur. While the Board may request certain policy concepts, uses and other project components be included, alternatives studied or other direction, such direction to staff will not bind the District to a definite course of action prior to CEQA review. Additionally, Board endorsement of the policy concepts presented does not constitute a binding commitment to approve the PMPU or its contents prior to consideration of the PEIR. These components may be altered through the public engagement process, future Board feedback, and the CEQA process. Full CEQA analysis will be completed prior to the District’s commitment to the PMPU of components thereof, in whole or in part. Moreover, the Board reserves its discretion to adopt any and all feasible mitigation measures, alternatives to the PMPU, including a no project alternative, a statement of overriding consideration, if applicable, and approve or disapprove the PMPU. Those decisions may be exercised in the sole and absolute discretion of the Board. Based on the totality of the circumstances and the entire record, the Board’s direction and action do not commit the District to a definite course of action prior to CEQA review being conducted. Therefore, no further CEQA review is required.

In addition, this informational report allows for the District to implement its obligations under the Port Act and/or other laws. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, this informational report is consistent with the Public Trust Doctrine.

Finally, this informational report to the Board does not allow for “development,” as defined in Section 30106 of the Coastal Act, or “new development,” pursuant to Section 1.a. of the District’s Coastal Development Permit (CDP) Regulations because it will not result in, without limitation, a physical change, change in use or increase the intensity of uses. Therefore, issuance of a CDP or exclusion is not required. However, the District’s projects require processing under the District’s CDP Regulations. If a project is formulated as a result of the informational report, the Board will consider approval of the project and any improvements associated after the appropriate documentation under District’s CDP Regulations has been completed and authorized by the Board, if necessary. The Board’s direction in no way limits the exercise of the District’s discretion under the District’s CDP Regulations.

Equal Opportunity Program:

Not applicable.

PREPARED BY:

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Attachments:

- Attachment A: Preliminary Draft Staff Presentation for July 17, 2018 Board Meeting Agenda File No. 2018-0290
- Attachment B: Summary of Staff Research of Sign Regulations
- Attachment C: Correspondence received from California Coastal Commission staff, dated June 6, 2018

Attachment D: Port Master Plan Update Public Engagement Timeline and Drafting Process

¹ The Coastal Commission staff report cited Sections 30240 and 30251 of the Coastal Act. These sections are as follows:

- Section 30240 (Environmentally sensitive habitat areas; adjacent developments)
 - (a) Environmentally sensitive habitat areas shall be protected against any significant disruption of habitat values, and only uses dependent on those resources shall be allowed within those areas.
 - (b) Development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade those areas, and shall be compatible with the continuance of those habitat and recreation areas.
- Section 30251 (Scenic and visual qualities) - The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic coastal areas, to minimize the alteration of natural land forms, to be visually compatible with the character of surrounding areas, and, where feasible, to restore and enhance visual quality in visually degraded areas. New development in highly scenic areas such as those designated in the California Coastline Preservation and Recreation Plan prepared by the Department of Parks and Recreation and by local government shall be subordinate to the character of its setting.