

ITEM #: 25  
DATE: 02-11-25  
DEPT: P&H

### COUNCIL ACTION FORM

**SUBJECT: DIGITAL BILLBOARD DRAFT LEASE PROPOSAL AND RELATED ZONING STANDARDS AMENDMENTS**

#### **BACKGROUND:**

City Council first considered the concept of leasing land for a digital billboard along Highway 30 as part of the update on the Linc Project located along Lincoln Way in October 2022. At that time, the developer noted that for the Linc to proceed, the two billboards located on the site would need to be removed and that the billboard owner, Lamar Advertising, would consider ending their leases early if a suitable alternative could be found.

Lamar representatives indicated that a digital billboard--which does not currently exist within Ames--with a potential location along Highway 30 would be a desirable alternative. In addition to identifying a location, zoning standards would also need to be changed to allow for large digital billboards that are currently not permitted within the City.

As part of the Linc update at the October 2022 meeting, Council directed staff to proceed with efforts to lease City land along Highway 30 to Lamar for a digital billboard. City Council approved a rezoning of City property east of the South Duff- Highway 30 interchange adjacent to the Hunziker Youth Sports Complex to Highway Oriented Commercial in February 2023 to create a commercial development opportunity and a site for locating a billboard.

Recently, staff met with Lamar representatives and a lease proposal is available for Council review. **Further direction to proceed with finalizing the lease and the necessary zoning text amendments is now needed to continue this process.**

#### **LEASE PROPOSAL:**

Lamar requests a lease for a their preferred large "bulletin" billboard of 14' x 48' (672 square feet) mounted at a height of 50 feet above grade. They believe this size is needed for visibility along Highway 30 based upon the distance of the sign to the highway. The billboard would have a sign face to the east and to the west. The billboard would be digital and allow for message changes as frequently as every eight seconds in accordance with DOT rules. Examples of the billboard design are attached to this report. The following are highlights of the proposed terms.

- Initial term of 20 years, with two 10-year renewal options
- Initial rent of \$25,000, with rent escalation every 5 years by 15% or CPI, whichever is greater
- Permission for Lamar to remove trees and prohibition of obstructions on the premises, including along the access drive parallel to Highway 30, within the viewable area directed to Highway 30
- At the end of the lease, Lamar removes all materials and restores the site within 90 days
- Indemnification for the City

- Prohibits advertising of certain products, such as tobacco, vaping, and adult entertainment
- Limits on advertising that stigmatizes or taints the reputation of businesses, entities, products, services, or activities taking place or having a presence in the City of Ames
- The City receives public service announcement advertising at no cost when space is available, with a minimum of four two-week periods per year.

### **ZONING TEXT AMENDMENT:**

If City Council desires to enter into a lease for a digital billboard site, the Zoning Ordinance would need to be amended to allow the use. Currently, billboards are limited to 300 square feet in size with certain location limitations to industrial and commercial properties along Highway 30 and I-35. Digital billboards are not permitted; only lighting directed downwards is allowed, meaning lit from above shining back to the sign face.

Draft Zoning text changes would at a minimum include the following:

1. Location of Digital Billboard limited to Hwy 30 frontage for commercial property
2. Increased size allowance for digital billboards up to 672 square feet
3. Prohibition when abutting property with residential zoning
4. Light controls for automatic dimming based upon ambient conditions
5. Maximum brightness levels of the digital display.
6. Maximum height of 50 feet.
7. Removal of two existing nonconforming billboards to approve one digital billboard.

### **ALTERNATIVES:**

1. Direct staff to proceed with finalizing a lease for City Council approval and to proceed with zoning text amendments to allow for digital billboards as described above.
2. Direct staff to modify proposed terms of the lease or draft zoning standards and direct staff to proceed with finalizing a lease and zoning text amendments.
3. Take no action and request more information.
4. Direct staff to not finalize a lease or to make zoning text amendments at this time.

### **CITY MANAGER'S RECOMMENDED ACTION:**

The proposal for allowing digital billboards was initiated in relation to the Linc site located along Lincoln Way. The proposed lease does not directly address removal of specific billboards. **Rather, Lamar will have to show proof to the City they have an agreement with the Linc owners that they**

**will remove the two billboards on the Linc property before the City Council should approve the lease agreement.**

The proposal is for the standard large format "bulletin" size that is 2.5 times the size of the City's current billboard size limit of 300 square feet. Lamar believes from their site analysis that a smaller-sized "junior bulletin" at 380 square feet would not have satisfactory visibility for Highway 30 traffic due to the location of the billboard setback from the road and the speed of the vehicles.

The proposal would include modern dimming controls based upon ambient conditions, meaning the brightness dims at night and is brighter during the day.

Permitting of the billboard is also subject to DOT regulations for location and message controls, such as a minimum eight second hold for an advertisement. Staff believes the location along the access drive below the hill that has the Billy Sunday family cemetery meets these DOT requirements.

Timing of the lease approval would coincide with updates regarding the Linc proposal in March and the zoning text amendments approval in March. Lamar indicated that they would anticipate 5-6 months of lead time to approve and order the billboard materials with a desire to have it operational before Labor Day this year.

**While moving ahead with finalizing a billboard lease and text amendment will facilitate the Linc development, should the Linc development not come to fruition, the removal of the two billboards along Lincoln Way still would be justified since this action would be in accordance with the City's vision for developing the Lincoln Way Corridor.** Therefore, it the recommendation of the City Manager that the City Council direct staff to continue with the process of finalizing a lease and amending zoning standards described as Alternative #1.

**ATTACHMENT(S):**

[Billboard Location Map.pdf](#)

[Hwy 30 West of Duff East Face from Frontage Rd.jpg](#)

[Hwy 30 West of Duff East Face.JPG](#)

[Hwy 30 West of Duff West Face from Frontage Rd.JPG](#)

[Hwy 30 West of Duff West Face.jpg](#)