

August 3, 2000



Los Angeles County  
Metropolitan  
Transportation  
Authority

**TO: BOARD OF DIRECTORS**  
**FROM: FRANK CARDENAS** *FC*  
**EXECUTIVE OFFICER, ADMINISTRATION**  
**SUBJECT: AUTOMATED PUBLIC TOILET PROJECT STATUS UPDATE**

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**ISSUE**

The Operations Committee will receive a presentation on the Initial Study/Mitigated Negative Declaration ("IS/MND") report pursuant to the California Environmental Quality Act ("CEQA") prepared in connection with the Automated Public Toilet and Advertising Media Program (the "Project") at its August 16<sup>th</sup> meeting. The Board will be asked to certify the IS/MND and approve the project to install up to ten (10) automated public toilets and fifty-four (54) Outdoor Advertising Structures at the full Board meeting on August 24<sup>th</sup>.

**BACKGROUND**

At the June 1999 Board meeting, the Board authorized staff to enter into a contract with Omni Outdoor/STI, now known as STI Outdoor, LLC ("STI Outdoor") to install, operate and maintain automated self-cleaning public toilets ("APTs") and outdoor advertising structures on property owned or operated by MTA.

A contract was duly executed in November 1999 to provide an integrated self-funding program that, at no cost to MTA, provides automated public toilets at selected MTA transit stations for the benefit of MTA's transit patrons and the general public. The Project also delivers to MTA a number of other benefits including dedicated information display panels, free advertising space and radio time, and a share of the revenues generated by the advertising. MTA is estimated to receive up to approximately \$7.9 million in financial benefits for the initial 10-year period. In addition, the APT equipment will be installed, operated and maintained by the licensee at no cost to MTA.

The contract requires STI Outdoor to install, operate and maintain up to a maximum of 10 APTs, 44 advertising billboards and 10 information kiosks on property owned or operated by MTA. The contract also gives MTA the option, exercisable during the initial 10-year period, to increase the total number of APTs under this program to 20 APTs by extending the term of the contract to 20 years; no additional advertising structures will be installed under this provision. A significant amount of

implementation work has been completed by STI Outdoor and MTA over the past 8 months in accordance with the contract.

Several questions have been forwarded by Board members and various cities regarding the placement of the outdoor advertising structures since the IS/MND was published. At the request of the MTA Technical Advisory Committee, a letter was sent to the City Manager of each city that may be impacted by the APT Project advising them that the project may include the installation of outdoor advertising signs in or near their jurisdiction.

The environmental report required under CEQA was agendaized for the June Board meeting, but was not presented at that time because staff voluntarily extended the comment period for responding to the IS/MND until June 30, 2000 in order to permit all interested parties the maximum opportunity to submit any comments regarding the IS/MND.

A sampling of frequently asked questions is presented below with answers provided by MTA staff.

### **FREQUENTLY ASKED QUESTIONS AND ANSWERS**

#### **1. What was the process for selecting potential billboard sites?**

The selection of potential billboard sites has been a cooperative, multi-staged process between MTA and STI Outdoor in accordance with the contract. When the Board awarded the contract to STI Outdoor, it specifically retained the final right to determine the location of advertising structures and to restrict the location of advertising structures on certain MTA rights of way ("ROW"). STI Outdoor was provided maps of the MTA properties that were not specifically restricted by the Board or required for operation of MTA administrative, bus or rail projects or otherwise restricted for use. STI Outdoor then inspected the available ROW to determine which potential locations for the outdoor billboards would be economically viable for this program. They concentrated on locations that met their criteria for generating sufficient revenue to fund the APT Project and to pay MTA the additional compensation contemplated in the contract. The potential sites selected by STI Outdoor were then generally evaluated by staff to make sure they did not conflict with any operational requirements of MTA.

Through this process, the number of economically viable locations was significantly reduced to a universe of 83 potential billboard sites. These sites (as well as the potential APT and kiosk sites) were then evaluated by the firm of Christopher A. Joseph & Associates, an environmental consultant working at the direction of MTA, as part of the environmental review conducted pursuant to CEQA. In accordance with the contract previously authorized by the Board, STI Outdoor is paying all fees and costs associated with the environmental review.

Although a larger number of potential billboard sites than necessary was analyzed for the environmental study, only up to a maximum of 44 billboards may actually be installed in accordance with the contract. The larger number of 83 potential billboard sites were included in the environmental review process to provide MTA and STI Outdoor with flexibility in determining the final locations and to make sure sufficient sites were available for consideration in accordance with the terms of the contract. Several of these additional sites may also be needed during the term of the contract to accommodate possible relocations in the future that may arise from MTA's need to use its property for some other purpose.

As part of the environmental review and billboard selection process, STI Outdoor has been working with each local jurisdiction to resolve any outstanding issues regarding the siting of any billboard structure raised in response to comments to the IS/MND. STI Outdoor has informed MTA of its progress in this regard (see Attachment "A").

**2. What kind of notice was provided to cities and jurisdictions, within whose boundaries the proposed billboards would reside, that sites were being considered in their jurisdiction?**

Subsequent to execution of the contract between MTA and STI Outdoor in November 1999, MTA staff and STI Outdoor representatives worked to develop, review and refine an economically viable list of potential locations for the advertising structures and the APTs. A list of mutually agreeable sites was finally completed on April 8<sup>th</sup>.

The next step in the process was the environmental review and preparation of the IS/MND report for the potential sites. This study evaluated the universe of potential sites to determine if there would be adverse environmental impacts resulting from the possible installation of a billboard structure at a specific location. The environmental review, which resulted in the IS/MND is required by CEQA.

The proposed IS/MND was mailed on May 19<sup>th</sup> to the planning department of each city that might be affected by the possible installation of an APT or an advertising structure. Initially the MTA requested a shortened review period of 20 days in accordance with State law. However, MTA voluntarily extended the public comment period until June 30, 2000 in order to give all parties the maximum opportunity to provide comments.

Also at the request of the MTA Technical Advisory Committee, a letter was sent to the City Manager of each city potentially impacted by the Automated Public Toilet Project notifying them of the availability of the IS/MND and that the project may include the installation of APTs and/or advertising structures in their local jurisdiction.

All written comments are being responded to and included in the final report that will be presented to the Operations Committee and the MTA Board in August.

**3. Will cities be able to veto the placement of any billboard within their boundaries?**

Yes. However, STI Outdoor is working with each local jurisdiction to resolve any outstanding issues regarding the siting of any billboard structure raised in the response to comments to the IS/MND. In addition, the contract between MTA and STI Outdoor provides that, STI Outdoor *“shall have the right, subject to the terms and conditions of this Agreement, to install Advertising Structures only for which: (i) the design complies with the requirement of Section 3.08, Advertising Structure Design, (ii) all applicable permits have been issued, (iii) locations have been determined pursuant to Section 3.05, Locations and Sites of Advertising Structures, and (iv) all applicable fees have been paid by Contractor to the permitting authorities.”* The contract further states that *“MTA will use its best efforts to assist Contractor to receive permit approval from any applicable state, or regional agencies with jurisdiction over any particular locations.”* Although the MTA is generally exempt from local zoning and building code requirements, there is no intent to use that exemption to install outdoor advertising signs. The final decision to permit the installation of an outdoor advertising structure rests with the governing authority with jurisdiction over the specific location.

During the comment period, eight (8) cities submitted comments regarding the location of outdoor advertising structures in their particular jurisdiction. Approximately 16 advertising sites were deleted from the project as a result of analysis of comments by the municipalities and further technical assessment by STI Outdoor. A summary of all comments and responses will be included in the final report for the August Committee and Board meetings. A copy of the complete report with all comments and responses will be available from the Board Secretary’s Office.

**4. Has a study been completed identifying the respective advertising and signage ordinances in the affected jurisdictions? Wouldn't this have been helpful prior to proceeding with site selection?**

STI Outdoor is an outdoor advertising company familiar with the various advertising and signage ordinances of each jurisdiction and is currently in discussions with each city that has submitted comments regarding the IS/MND. MTA has encouraged STI Outdoor to work with each local jurisdiction to resolve any outstanding issues regarding the siting of any billboard structures raised in response to comments to the IS/MND.

**5. What will happen to the APT program if STI Outdoor is not able to install outdoor advertising structures as contemplated?**

STI Outdoor’s ability to furnish, install and operate up to 10 APTs, at no cost to MTA, and to deliver to MTA the other benefits contemplated by the Project is directly dependent upon its ability to install a maximum of 54 advertising structures (including up to 44 billboard and 10 information kiosks) at economically viable locations that are attractive to advertisers.

The overall benefits received by MTA are derived from the revenue-generating ability of the outdoor advertising structures to finance the APTs, deliver other benefits and to generate revenue for MTA. If an adequate number of economically feasible sites are not identified, the installation and operation of the APTs and the delivery of other benefits to MTA will not be possible.

### **ATTACHMENTS**

Attachment "A" - Letter from STI Outdoor

**Prepared by: Velma C. Marshall**  
**Director of Real Estate**

## **STI OUTDOOR, LLC**

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July 28, 2000

Ms. Velma Marshall  
Director of Real Estate  
L.A. County Metropolitan Transportation Authority  
One Gateway Plaza  
Los Angeles, CA 90012

Dear Velma:

We would like to advise you of the status of our discussions and meetings with Mayors, City Managers, Council Members and Planning Departments of various cities in which we propose to install APTs and/or Advertising Structures. These discussions have been extremely productive, given that many individuals were unaware of our intent to work cooperatively with the local jurisdictions to resolve any concerns or issues regarding the potential billboard locations for the project.

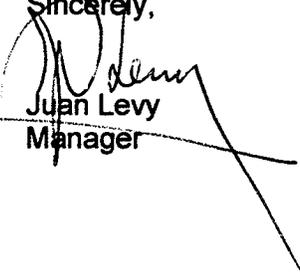
We are making progress toward developing mutually acceptable solutions tailored to the needs of the individual cities. We have also eliminated certain potential billboard sites for technical reasons. As a result of this process, we believe the original 83 potential billboard sites evaluated as a part of the Initial Study/Mitigated Negative Declaration (IS/MND) for CEQA comprise a sufficiently large universe to allow us, ultimately, to select the final 44 billboard sites required under our contract.

We also found that several cities were unaware of the advertising controls that MTA has imposed for this project with respect to advertising content, to which officials have reacted positively. As you know, our contract prohibits tobacco, cigarette and alcohol advertising and requires STI Outdoor to remove, within 24 hours, any advertisement deemed to be objectionable by MTA.

We are pleased to be working cooperatively with the local jurisdictions to implement this project in such a way as to provide an essential service to MTA's riding public while generating goodwill for the MTA.

It is especially gratifying to see that every city has expressed support for MTA's installation of the Automated Self-Cleaning Public Toilets and that many are now more comfortable with the advertising component of the project. We intend to continue our meetings with local officials throughout the final site selection process.

Sincerely,



Juan Levy  
Manager