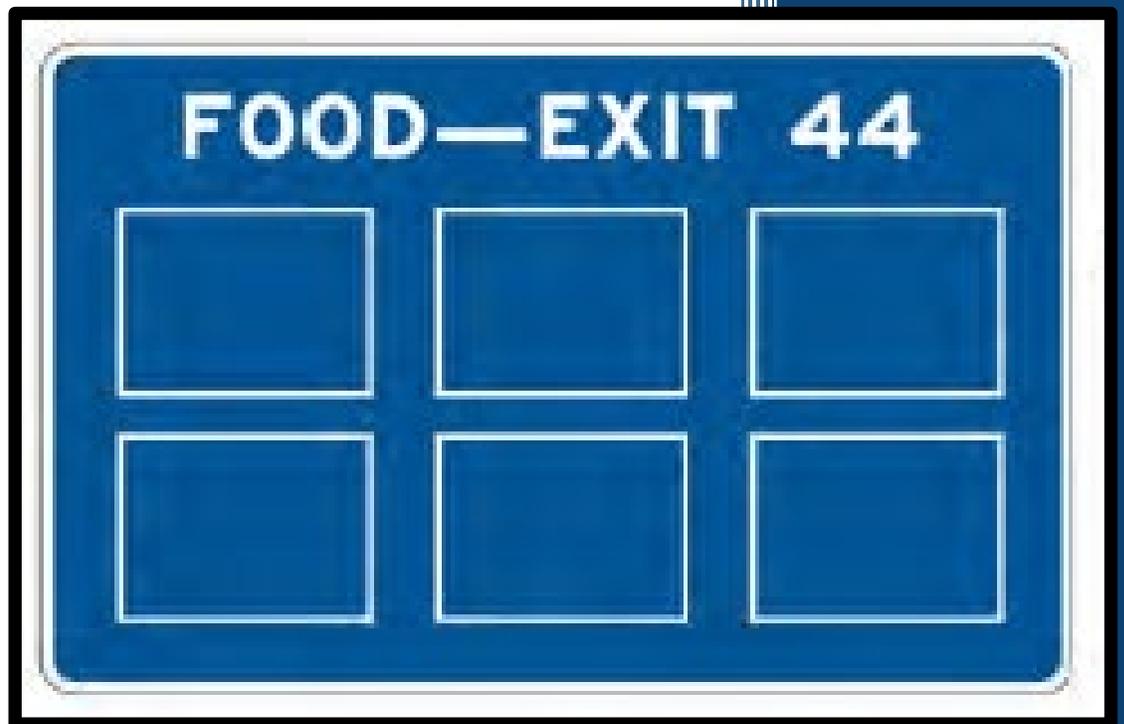


# Business Logo Sign Program



Report to the Legislature

2020

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## **Executive Summary**

The California Department of Transportation (Caltrans) has prepared this report as required by Assembly Bill (AB) 178 (Gaines, Chapter 131, Statutes of 2013) which authorizes the placement of information signs along State Route 65 near, and at exits leading to, the City of Lincoln until January 1, 2021. AB 178 requires Caltrans to report to the Legislature by January 1, 2020, regarding the implementation, benefits, and concerns of the business logo sign program, and whether it should be extended or expanded to other urban areas.

Originally established in 1978, the program was initially limited to the rural areas that were located along Interstate 5 and was intended to aid motorists in identifying the relatively few or far between services in those areas. In 1992, the Legislature expanded the program to include all freeways in the State but imposed a 5,000-person population cap. Subsequently in 2002, the Legislature additionally prohibited Caltrans from removing business logos placed before January 1, 2003, in areas of population between 5,000 and 10,000 people.

In 2015, the Governor signed AB 223 (Dahle, Chapter 166, Statutes of 2015), which provides an exemption to the program's requirements and requires Caltrans to allow placement of business logo signs along Interstate 80 within, or at exits leading to, the City of Truckee until January 1, 2021.

Since 2014, Caltrans has received one request from a hotel in the City of Lincoln to install business logo signs on State Route 65. The business is visible to the motoring public traveling on the highway and is located adjacent to the off-ramp of State Route 65 in the City of Lincoln.

In August 2016, Caltrans installed five business logo signs for each direction of travel on Interstate 80 in the Town of Truckee. The signs were requested under AB 223 by hotels and food establishments in the Town of Truckee.

Caltrans does not recommend any changes to the current law at this time. Caltrans does not support expanding the business logo sign program to other urban areas because of the number of signs that could be requested at a single location and their potential effects on driver distraction. As for the policy to remove business logos, that policy is located in the California Manual on Uniform Traffic Control Devices, not State law. As such, Caltrans will engage stakeholders on reviewing this policy through the California Traffic Control Devices Committee, per Vehicle Code Section 21400. Until this policy is reevaluated, Caltrans has issued a moratorium on the removal of business logos.

## Background

### Statutory Reference and Purpose

AB 178 requires Caltrans to allow placement of business logo signs along State Route 65 within, or at exits leading to, the City of Lincoln until January 1, 2021. AB 223 requires Caltrans to allow placement of business logo signs along Interstate 80, within or at exits leading to, the City of Truckee until January 1, 2021.

AB 178 (Streets and Highways Code section 101.7(c)(2)(B)) also requires the department to report to the transportation committees of the Legislature by January 1, 2020, on the following:

- Implementation, benefits and concerns of the Business Logo Sign Program.
- Whether the program should be extended or expanded to other urban areas with a population of 5,000 or more.

Caltrans promulgated regulations for the program under the California Code of Regulations, Title 21, Division 2, Chapter 19.

### Program Background

Caltrans' roadside signs must comply with the regulations set forth in the federal Manual on Uniform Traffic Control Devices, which is a regulatory document setting the standards that states and local governments must follow in designing and posting traffic and related signage.

The California Manual on Uniform Traffic Control Devices is the State's version of the federal manual, with modifications and specific applications as permitted by federal law to accommodate the State's geographical and other conditions.

Existing law gives Caltrans the authority to administer the business logo sign program (California Streets and Highways Code Section 101.7). Through this program, the department authorizes the placement of business logo signs near freeway exits which identify specific roadside businesses in rural areas. Eligible roadside businesses, under California Code of Regulations (Title 21, Division 2, Chapter 19), include fuel, food, lodging, electric vehicle charging facilities, camping, approved 24-hour pharmacies, and approved attractions. Caltrans is also authorized to establish and charge a fee for the placement and maintenance of the sign. Proceeds of the program are appropriated by the Legislature for roadside safety purposes.

Existing law limits the program to rural areas, defined as populations of less than 5,000. However, Caltrans may not remove informational signs placed prior to January 1, 2003 if the population grows greater than 5,000, as long as the population remains below 10,000.

Once the population has surpassed 10,000, Caltrans then replaces any business logo signs with general service signs, i.e., generic signs without identifying business logos (See Figure 1 below) at the appropriate exits for food, fuel, and lodging services.



**Figure 1:** General Service Sign

The purpose of the program is to assist motorists passing through unfamiliar rural areas in identifying services, such as food, fuel, and lodging, that may not be available over long distances. In rural communities, there may not be many of these businesses readily visible from the freeway. In urban areas, locating services is not as difficult because services are usually readily available and visible from the freeway.

Caltrans currently has 38 locations across the State, with populations above the 5,000-person threshold, where businesses are participating in the program. These participating locations account for over 236 individual business logos.

Both AB 178 and AB 223 grant exceptions to the program's population limits by allowing the placement of business logo signs along State Highway Route 65 near the City of Lincoln and along Interstate 80 near the City of Truckee. This signage is authorized until January 1, 2021.

## Program Status/Program Accomplishments

### Application Process for the Business Logo Sign Program

Businesses must apply to participate in the program. Caltrans reviews the applications and conducts a site visit to verify reported information and the criteria needed to qualify for the program. Once qualified, Caltrans notifies the business to submit their logos and applicable fees. Caltrans then reviews and approves their logo design. As part of the program, the blue panel to which the business logos are affixed is designed and furnished by Caltrans. The businesses only provide the business logo sign.

Once the business logo signs are received in the Caltrans sign yard, Caltrans affixes the business logo signs on the blue panel at the appropriate location. Caltrans is then responsible for installing, maintaining, and removing the business logo signs if requested by the business owners after paying applicable fees. Every year, Caltrans inspects the quality of the signs and conducts site visits to verify the business is still in compliance with the program. As the logo signs deteriorate over time, the businesses are notified by Caltrans. If businesses want to continue participating in the program, they are responsible for furnishing the business logo signs for Caltrans to reinstall after paying applicable fees.

### City of Lincoln

In 2013, the City of Lincoln had a population of 45,237. The city is near the larger Roseville-Rocklin urban area. As such, the city did not qualify for the program because the population exceeded 5,000. After completion of the Lincoln Bypass, which opened in 2012, the City of Lincoln sponsored AB 178 to authorize the placement of business logo signs along State Route 65 at exits leading to the city until January 1, 2021.

In 2014, Caltrans placed one business logo sign for each direction of travel on State Route 65 in the City of Lincoln (See Figure 2 below). The sign was requested by a hotel in the City of Lincoln.



**Figure 2:** Holiday Inn Express Logo sign on State Route 65

## Town of Truckee

In 2008, 11 business logo signs for the Town of Truckee were removed due to an increase in population to 13,864, as the town no longer qualified to be a part of the program. After the 11 signs were removed, Caltrans installed general service signs, i.e., generic signs without identifying business logos (See Figure 1, page 4) at the appropriate exits for food, fuel, and lodging services. Subsequent, the town sponsored AB 223, which requires Caltrans to install business logo signs along Interstate 80 within, or at exits leading to, the Town of Truckee until January 1, 2021.

In August 2016, Caltrans installed five business logo signs for each direction of travel on Interstate 80 in the Town of Truckee. The signs were requested under AB 223 by hotels and food establishments in the Town of Truckee (See Figure 3 below).



**Figure 3:** Hampton Inn and Suites on Interstate 80

## Conclusion and Next Steps

### Program Expansion

The department recommends allowing for the sunset of the two programs under AB 178 and AB 223 and to not further expand the program to other urban areas.

Visual sign congestion on State highways is a significant concern, especially in urban areas. Allowing too many signs on a freeway causes motorist distraction and can result in motorists ignoring important safety-related signs, such as posted speed limits or warning signs alerting travelers of unexpected conditions.

The program is not intended to complement or take the place of traditional advertisement for a business. Rather, it is intended as a supplemental informational service for motorists traveling in unfamiliar rural locations. Caltrans installs general service signs to inform motorists of services. The business logo signs supplement these general services signs in very small areas.

**Logo Removals**

The policy to remove business logos is not contained in State law, but rather in the California Manual on Uniform Traffic Control Devices. The department will engage stakeholders in reviewing the removal policy, especially in light of the upcoming 2020 Census.

Caltrans intends to engage stakeholders through the California Traffic Control Devices Committee, per Vehicle Code Section 21400, on the business logo removal policy. Until the reevaluation of this policy, the department has issued a moratorium on the removal of business logos in order to avoid unnecessary impacts.

## Appendix. Statutory Reference

### Streets and Highways Code - SHC

#### DIVISION 1. STATE HIGHWAYS [50 - 897]

#### CHAPTER 1. Administration [50 - 227.1]

#### ARTICLE 3. The Department of Transportation [90 - 155.7]

#### Section 101.7.

(a) The department shall adopt rules and regulations that allow the placement, near exits on freeways located in rural areas, of information signs identifying specific roadside businesses offering fuel, food, lodging, electric vehicle charging facilities, camping services, approved 24-hour pharmacy services, or approved attractions, and that prescribe the standards for those signs.

(b) The department shall provide equal access to all business applicants.

(c) (1) (A) Except as provided in paragraph (2), the department shall not approve the placement of a sign within an urban area designated by the United States Bureau of the Census as having a population of 5,000 or more.

(B) The department may not remove an information sign that was placed before January 1, 2003, due solely to population growth in an urban area that results in a population of 5,000 or more but less than 10,000.

(2) (A) Notwithstanding paragraph (1), the department, until January 1, 2021, shall allow the placement of information signs along State Highway Route 65 within, or at exits leading to, the City of Lincoln and along Interstate 80 within, or at exits leading to, the City of Truckee.

(B) The authorization in this paragraph with respect to information signs along Interstate 80 within, or at exits leading to, the City of Truckee, shall apply only to incorporated areas with a population density of less than one person per acre surrounded entirely by land of the Tahoe National Forest.

(C) On or before January 1, 2020, the department shall report to the transportation committees of the Senate and Assembly on the implementation of this paragraph. The report shall describe the implementation and any benefits of, or concerns regarding, that implementation, and shall include recommendations as to whether or not the period of this program should be extended and whether or not the authorization for information signs under this section should be expanded to urban areas having a population of 5,000 or more.

(d) The information signs authorized in this section may be placed near the freeway exits in addition to, or in lieu of, other highway signs of the department, but not in lieu of on-premises or off-premises highway-oriented business signs and directional signs.

(e) The department shall establish and charge a fee to place and maintain information signs in an amount not less than 25 percent above its estimated cost in placing and maintaining the information signs. The department shall annually review the amount of that fee and revise it as necessary. Funds derived from the imposition of the fee, after deduction of the cost to the department for the placement and maintenance of the information signs, shall be available, upon appropriation by the Legislature, for safety roadside rest purposes.

(f) The department shall incorporate the use of an "RV-friendly" symbol on an information sign placed pursuant to this section for a specific roadside business that meets criteria of the department regarding sufficiency for recreational vehicles with respect to the parking spaces and surfaces, vertical clearance, turning radius, and entrances and exits of the facility. A specific roadside business otherwise qualified for a sign pursuant to this section may qualify for and request an "RV-friendly" symbol for that sign. The department shall adopt rules and regulations for an "RV-friendly" symbol consistent with this section as well as the Federal Highway Administration's Interim Approval for Addition of RV-friendly Symbol to Specific Service Signs. The rules and regulations adopted by the department shall include a provision for the roadside business to acknowledge that overnight occupancy is not permitted unless the roadside business is licensed as a special occupancy park as defined in Section 18862.43 of the Health and Safety Code. The department shall establish and charge an additional fee pursuant to subdivision (e) to place and maintain the symbol.

(g) The department shall develop rules and regulations governing signs for approved attractions, which shall include amusement parks, botanical and zoological facilities, business districts and main street communities, education centers, golf courses, historical sites, museums, religious sites, resorts, ski areas, marinas, "u-pick" farms and orchards, farmers' markets, and wineries, viticulture areas, and vineyards.