RELOCATION AGREEMENTS: FREQUENTLY ASKED QUESTIONS

The following Frequently Asked Questions (FAQs) are provided for the benefit of stakeholders involved in development and implementation of Relocation Agreements.

1) What is relocation of a display?

Relocation of a display means a physical change of the display from the existing permitted location to another one.

2) Does a relocated display need a new permit?

Yes.

3) Which displays are eligible for upgrades to a message center during relocation?

A relocated display may be upgraded to a message center at its new location provided it otherwise complies with spacing and all other requirements of the California Outdoor Advertising Act (Act).

4) May a display be upgraded to a digital display or message center in place?

No. The Act provides that a relocated advertising display may be converted to a message center pursuant to a relocation agreement, which involves relocating the display to another location.

5) If a display is relocated, will it be considered as a "relocated" display forever and be allowed to be upgraded later?

No. A display can be upgraded in its new location at the time of relocation. After the relocation is completed, the newly permitted display cannot be upgraded in place. Also, if building permits expire, the provisions of the relocation agreement expire, or subsequent amendments to the agreement compensate the display owner fully, the display cannot be upgraded.

6) What is a relocation agreement?

A relocation agreement is the legal mechanism to move a permitted off premises advertising display to another location. When a local entity must remove or significantly impact a permitted display to accommodate development in a planned manner, it must pay the display owner fair market

value. As an alternative, the local entity and the display owner can agree to relocate the affected display without expending public funds.

A relocation agreement enables a local entity to continue development in a planned manner without expenditure of public funds. The development may be a "taking" to accommodate a capital project, such as a street widening, or to give effect to a local law or regulation, such as one that establishes a historic district. Either type of development would require the local entity to pay fair market value for the "taking."

7) Can a development agreement be considered as a relocation agreement?

Yes, so long as it establishes that the relocation is to allow the local entity to continue development in a planned manner without the expenditure of public funds.

8) Can Caltrans dictate the requirements or conditions of a relocation agreement?

No. The requirements are established by the Act. The conditions (including any compensation) are negotiated by the local entity and the display owner. Local entities can enter into relocation agreements on whatever terms that are agreeable to the display owner and the local entity. Caltrans only needs to review the relocation agreement when the proposed new location of the display is in a landscaped location. This review will take place along with the review of the submitted permit application for completeness and compliance with applicable laws and regulations.

9) Can other requirements such as spacing, displace size, bonus segments, scenic segments, etc. be waived in a relocation agreement?

No, only the Landscaped Freeways prohibition can be waived in a relocation agreement. Pursuant to the Outdoor Advertising Control Federal-State Agreement of 1968, Caltrans cannot allow the placement of any display that violates any federal laws or regulations at 23 CFR Section 750 et seq. or otherwise results in the reduction of federal funds.

10) Does Caltrans have to review, approve, or sign a relocation agreement between a display owner and a local entity?

No. Caltrans does not have to approve or sign a relocation agreement between a display owner and a local entity. Caltrans does not need to review

the terms of the relocation agreement. However, Caltrans will review the relocation agreement as part of the display owner's application for a permit for the relocated display. Caltrans' review is solely to verify 1) the relocation is to allow the local entity to continue development in a planned manner without the expenditure of public funds; and 2) that the new location complies with the Act (other than landscaping).

If a display owner and local entity intend to relocate a lawfully permitted display, Caltrans will be available for consultation as a courtesy. Caltrans will provide feedback (including preliminary determination if requested in accordance with 4 CCR 2421) only if requested by the display owner or local entity.

11) What is a "taking" of an outdoor advertising display?

A taking is forced or compelled removal of a legally placed display by a local entity for a public purpose such as a capital project, rezoning or another official act (Such as adoption of an ordinance or resolution) and would result in the local entity paying compensation to the display owner.

12) What if a display is blocked from view by a public project?

If an existing permitted display is blocked by a new public project, the display owner may either enter into a relocation agreement to move the display to a new location without the expenditure of public funds or increase its height at its existing location, provided that the height increase would not cause a reduction in federal highway funds.

13) If a display owner has a lease agreement with a local entity to operate the display on public property and the terms of that lease agreement expire or is lawfully terminated, is the display owner entitled to a relocation pursuant to section 5412?

Termination of a lease agreement with a local entity alone does not establish the taking of a compensable property interest. Lease agreements vary widely; it is therefore advised that lessor(s)/lessee(s) seek the advice of counsel regarding the terms of their lease.

14) If a lease agreement with local public entity is terminated due to a planned public project and compelled removal violates the terms of the lease, would a display owner be entitled to compensation or relocation pursuant to section 5412?

Caltrans does not adjudicate lease disputes between property owners (including public entities) and display owners. Caltrans evaluation of a proposed relocation is limited to whether 1) the relocation is to allow the local entity to continue development in a planned manner without the expenditure of public funds; and 2) the new location complies with the Act (other than landscaping).

15) What does "expenditure of public funds" mean?

When a local entity takes a legally permitted display due to a public project or to give effect to a local law or regulation, the display owner may be entitled to compensation for loss of property, business and removal costs. If the local entity must compensate the display owner, there is a qualifying "expenditure of public funds".

16) Does a relocation agreement between a local entity and a display owner have to identify a specific public project or the local law/regulation, that results in a "taking", which requires the removal of the lawfully erected display at a cost?

The relocation agreement or the documentation (such as an ordinance or regulation approving/authorizing the "taking") must demonstrate that the development is being done in a planned manner (e.g., Zoning Plan, Master Plan, General Plan etc. showing the development plans) and that the relocation of the display through the relocation agreement saves the expenditure of public funds.

17) Does a relocation agreement have to quantify/identify costs associated with said removal that would have been paid for with public funds?

The relocation agreement does not have to quantify/identify the costs associated with the removal. However, the relocation agreement documentation must establish that public funds would have been required to be expended to remove the display absent a relocation agreement.