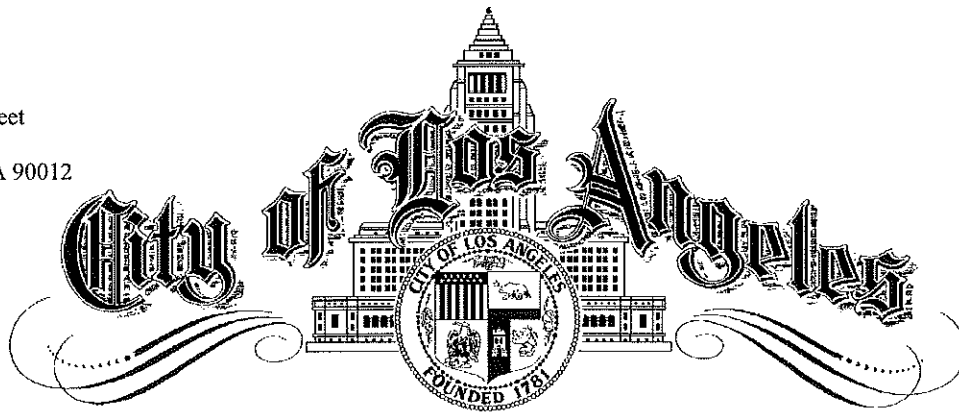


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CARMEN A. TRUTANICH
City Attorney

February 27, 2013

Ms. Sara Lee Keller, Esq.
Executive Vice President and General Counsel
Clear Channel Outdoor
2325 East Camelback Road, Suite 400
Phoenix, Arizona 85016

Mr. Douglas A. Axel, Esq.
Sidley Austin LLP
555 West Fifth Street
Los Angeles, California 90013

Ms. Lucinda Starrett, Esq.
Latham & Watkins LLP
355 South Grand Avenue
Los Angeles, California 90071-1560

Re: Ms. Keller's letter to Antonio Villaraigosa, Carmen Trutanich, and Herb Wesson, Jr. dated February 22, 2013; Mr. Axel's letter to June Lagmay dated February 22, 2013; Clear Channel's claim for damages dated February 22, 2013, and signed by Mr. Axel; Mr. Axel's letter to Frank Bush and Kim Westhoff dated February 22, 2013; Ms. Keller's letter to Robert Ovrom dated February 22, 2013; Ms. Starrett's two letters to Michael LoGrande dated February 22, 2013.

Dear Ms. Keller, Mr. Axel, and Ms. Starrett:

We write on behalf of the City, including, but not limited to, the Departments of Building and Safety and Planning, in response to your letters dated February 22, 2013. Following are the City's responses to various topics set forth in your letters.

- **Claim.** We are in receipt of Clear Channel's Claim Number C13-3159, filed with the City Clerk on February 22, 2013. The City will formally respond to

Dear Ms. Keller, Mr. Axel, and Ms. Starrett:

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the claim under separate cover. Informally, we advise that the claim has been rejected.

- **Request for Dispute Resolution.** In the event that the California Supreme Court declines to review the *Summit Media* decision, Clear Channel has submitted a demand for dispute resolution “invoking the dispute provision incorporated in the stipulated judgment and settlement agreement.” The City must deny this request, among other reasons, because the request is premature. The California Supreme Court has not yet ruled on Clear Channel’s petition for review, and the Court of Appeal’s decision has not yet become final. Moreover, Clear Channel and the City are not opponents in that litigation. Simply stated, there is no current dispute.
- **Vested Rights.** You state that Clear Channel’s 84 digital signs have vested rights arising from language in the City’s 2008 Interim Control Ordinance and 2009 permanent sign ban. Your letter appears to request that the Department of Building and Safety issue Clear Channel a determination of “vested rights.” On behalf of the Department of Building and Safety, we hereby deny your request as premature. We do note that if the appellate court’s decision in *Summit Media* becomes final, it will invalidate both the settlement agreement as well as the permits for all 84 of Clear Channel’s digital signs. The appellate decision concludes that Clear Channel has no rights to these digital signs or digital sign permits, vested or otherwise. Without a valid permit, vested rights are not created.
- **Relocation Agreements.** Clear Channel seeks relocation agreements from the Planning Department to authorize it to move 79 of its 84 digital signs to other sites in the City. Please be advised that your proposed use of relocation agreements is improper. The Outdoor Advertising Act contemplates relocation agreements as a mechanism for local agencies to remove billboards from specific locations where their continued installation would interfere with a government project, without the agency incurring eminent domain damages. Here, there is no government project or use of eminent domain at issue. We also note that, under the Outdoor Advertising Act, relocation can occur only where a sign is “lawfully erected” at its current site. The *Summit Media* appellate decision ruled that Clear Channel’s digital signs did not have lawful permits, which means that, if that decision becomes final, those signs will *not* be “lawfully erected.” Further, as a practical matter, we point out that relocation agreements are not property owner entitlements that can be applied for at the Planning Department counter. On behalf of the Planning Department, we decline to accept Clear Channel’s application for relocation agreements for its digital signs.

Dear Ms. Keller, Mr. Axel, and Ms. Starrett:

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- **Digital Sign Legislation.** We encourage all of the participants, including Clear Channel, to continue their progress as members of the Digital Signage Visioning Group, established by the Planning Department at the direction of the Planning and Land Use Management Committee of the City Council. We urge the group to work towards digital sign legislation that is even-handed, appropriately balances the interests of all stakeholders, provides much needed revenue to the City in exchange for the valuable commodity of digital billboards, and that comports with all laws.

Very truly yours,

CARMEN A. TRUTANICH, City Attorney

By 
WILLIAM W. CARTER
Chief Deputy City Attorney

WWC:zra

cc: Antonio Villaraigosa, Mayor
Herb Wesson, Jr., Honorable Council President
Honorable Councilmembers
June Lagmay, City Clerk
Carmen Trutanich, City Attorney
Robert R. Ovrom, General Manager, Department of Building & Safety
Ray Chan, Deputy Superintendent of Building, Department of Building & Safety
Frank Bush, Code Enforcement Bureau Chief, Department of Building & Safety
Michael LoGrande, Director of Planning, Department of City Planning
Alan Bell, Deputy Director of Planning, Department of City Planning
Jane Usher, Senior Assistant City Attorney
Terry Kaufmann Macias, Deputy City Attorney
Kim Rodgers Westhoff, Deputy City Attorney
Kenneth T. Fong, Deputy City Attorney
Michael J. Bostrom, Deputy City Attorney