



Sara Lee Keller  
Executive Vice President and General Counsel

2325 East Camelback Road, Suite 400, Phoenix, AZ 85016  
T 602.381.5700 F 602.381.5781

February 22, 2013

Mayor Antonio Villaraigosa  
City of Los Angeles  
200 N. Spring Street, Room 303  
Los Angeles, CA 90025

City Attorney Carmen Trutanich  
Los Angeles City Attorney's Office  
200 N. Main Street, Room 800, MS 140  
Los Angeles, CA 90012

Honorable Council President Herb Wesson, Jr.  
Honorable Councilmembers  
City of Los Angeles  
200 N. Spring Street, Room 430  
Los Angeles, CA 90012

**Re: Clear Channel Outdoor Digital Signs in City of Los Angeles**

Dear Mayor Villaraigosa, City Attorney Trutanich, Council President Wesson and Councilmembers:

I write regarding Clear Channel's inventory of digital signs in the City of Los Angeles. We are pleased that organizations representing hundreds of workers and providing benefits to thousands of deserving Angelenos, ranging from the Los Angeles Chamber of Commerce to Aids Project Los Angeles to Art Share LA, have submitted amici letters requesting that the California Supreme Court take review of the Court of Appeal's very troubling decision in *Summit Media, LLC v. City of Los Angeles*. They recognize that Summit's approach casts doubt on the City's ability to settle litigation and to keep its promises under its agreements. As these amici letters demonstrate, Clear Channel's digital signs also benefit a diverse group. While our digital signs are currently dominated by the entertainment industry in advance of Sunday's Oscars, transportation agencies, police departments, and other emergency services use Clear Channel's digital signs to rapidly disseminate information to the public about highway closures and other public safety issues. For example, Clear Channel's digital signs were used to solicit and disseminate information regarding dangerous fugitives such as Christopher Dorner and the "Grim Sleeper" serial killer, assist with Amber Alerts for missing children, and inform the public about traffic issues such as "Carmageddon" I and II.

The multiple groups who submitted amici letters show the growing public support of digital signs, a modern, sustainable technology well-suited to Los Angeles, home of the entertainment industry, which is increasingly focused on digital technology. In a recent survey, 62% of 1,500 participants identified themselves as supporting a digital sign ordinance. Over 80% identified themselves as supporting the use of digital signs to convey public safety messages. Clear Channel joins in that support, and looks forward to the City's first meeting tomorrow of its long-awaited task force to discuss outdoor advertising issues, the Billboard and Visual Landscape Visioning Group.

Regrettably, however, outdoor advertising in the City of Los Angeles has been the subject of nearly continuous—and often contentious, costly and wasteful—litigation for the past decade. Because the timing of litigation is rarely convenient, the California Supreme Court may decide soon whether to grant review of the Court of Appeal's recent decision in *Summit Media LLC v. City of Los Angeles*, 211 Cal. App. 4th 921 (2012). Over the past several months, Clear Channel has engaged various stakeholders in discussions as to how best to resolve these complex issues globally and satisfactorily. Rather than abandon the resolution of these important issues of public policy to the courts, I write today in the hopes of moving the discussion forward for all interested parties. To that end, this letter and its attachments set out the steps Clear Channel must take to protect its digital sign inventory in Los Angeles in the days to come. This letter also sets out a series of options for resolving the legal status of Clear Channel's digital signs and associated permits in the City. It is Clear Channel's hope that the City will join it in exploring in good faith these various options and reaching a permanent and mutually satisfactory end to these long-running issues.

### **Overview**

In 2007 and 2008 the City issued permits authorizing Clear Channel to erect 84 digital signs. The City advised Clear Channel of the process to use for such applications. That advice was set forth in a settlement agreement approved by the Council, Mayor, and City Attorney and again in a stipulated judgment entered in the Los Angeles Superior Court case *Vista v. City of Los Angeles*, No. BC282832. Subsequently, a competitor launched prolonged litigation against the City questioning the legality of that settlement and the appropriateness of related permits. In *Summit Media LLC v. City of Los Angeles*, 211 Cal. App. 4th 921 (2012), the Court of Appeal held the settlement was invalid and directed the trial court, upon remand, to issue an order that “invalidates all digital conversion permits issued by the city to [Clear Channel] *under the settlement agreement.*” *Id.* at 942 (emphasis added).

The California Supreme Court will soon decide whether to review the Court of Appeal's decision. If it grants review, we expect that the Court will reverse the Court of Appeal's judgment. If the Court does not grant review, further proceedings will be required to effectuate the Court of Appeal's judgment before any order is issued by the Superior Court to the City of Los Angeles. A key question will be which (if any) of the permits were issued solely “under the settlement agreement,” and which may be maintained independent of the settlement agreement under other provisions of the Los Angeles Municipal Code (the “Municipal Code”). It is Clear Channel's position that each of these permits remains valid on grounds entirely independent of the Settlement Agreement.

In terms of the steps we must take, it is important to realize that digital signs are valuable assets that the City cannot attempt to take away without paying just compensation. To ensure it has satisfied any claims notice requirements of Los Angeles Administrative Code §§ 5.169–5.170 (the “Administrative Code”) and California Government Code § 910, Clear Channel has today submitted the City’s required form for monetary damages which provides notice of Clear Channel’s potential claims against the City. These would accrue if the City seeks to revoke Clear Channel’s permits or to have Clear Channel to turn off or take down its signs (see **Attachment A**). If the City takes any such action, it would be exposed to liability to Clear Channel for the fair market value of such signs, which substantially exceeds \$100 million. While litigating these claims would be costly and time-consuming for all, in light of the efforts of Summit Media to persuade the City to expose itself to liability for actions against Clear Channel, we believe it is important to be clear about the consequences to the City of pursuing Summit Media’s recommended “Take them down” approach.

Clear Channel’s preferred course is to avoid further litigation and instead pursue all efforts to resolve these matters mutually and amicably. To that end, Clear Channel has taken and proposes the following steps today, which are outlined in more detail in Section III below:

1. Dispute Resolution. Clear Channel has submitted a demand for dispute resolution in the event Supreme Court review is denied, invoking the dispute-resolution provision incorporated in the stipulated judgment and settlement agreement in *Vista* (see **Attachment B**). Non-binding dispute resolution is an appropriate forum in which to address the lawfulness of digital signs on grounds not at issue in the *Summit Media* case, and any and all enforcement action must be stayed as provided in the stipulated judgment during dispute resolution. Such a process is less costly and more efficient than litigation and offers the best prospects for mutually satisfactory solutions.
2. New City Legislation. Clear Channel has agreed to participate in the City’s Task Force seeking a legislative solution to off-site signage issues, which commences its meetings this Saturday, February 23. We believe that such solutions can be reached in a form which can be applied to the existing digital signs, as one option to avoid litigation and pursue negotiated solutions. We look forward to presenting information to the Task Force on approaches other cities have taken to these issues and discussing the potential for sign take-downs and other public benefits as part of that process.
3. Other Existing LAMC Provisions. While the dispute resolution proceeds, as do the discussions on a legislative solution, Clear Channel will continue to ask the City to cooperate, in particular in identifying alternative approaches under the Municipal Code in the event the Court of Appeal’s criticism of the approach the City previously established takes effect. As a sign of its willingness to commence these good faith discussions as to other approaches immediately, Clear Channel has also submitted other requests today to the Department of Building and Safety and to the Planning Department.

- A. Department of Building and Safety. Clear Channel has sent the Department of Building and Safety (“DBS”) a letter identifying other provisions of the Municipal Code under which Clear Channel’s previously issued digital permits are valid, including under § 14.4.4.B.11 of the Municipal Code (see **Attachment C**). As the letter explains, the 2008 Interim Control Ordinance and the City’s 2009 sign ordinance contained language to validate previously issued digital sign permits, like Clear Channel’s, upon which substantial liabilities had been incurred and substantial work performed.
  
- B. Planning. Clear Channel has initiated the process to submit applications to the Planning Department for approvals under other existing provisions of § 14.4.4.B.11 of the Municipal Code (exempting from the general ban on off-site digital displays “off-site signs [that] are specifically permitted pursuant to a relocation agreement entered into pursuant to California Business and Professions Code Section 5412”) (see **Attachment D**). In the event the Supreme Court does not accept the *Summit Media* case for review and additional discretionary approvals for the existing digital signs are necessary prior to the completion of the legislative process referenced in Section 2 above, relocation agreements have been used by numerous municipalities to avoid costly payments for just compensation and should be considered by the City here as well. As discussed further in **Attachment D**, California’s Outdoor Advertising Act provides broad authority to local governments for relocation agreement negotiations.

In 2006, Clear Channel and the City worked together to forge a settlement agreement that all parties believed had fully and finally resolved litigation over these issues in the City of Los Angeles. Sadly, due to Summit Media’s desire to continue to sue the City, that turned out not to be the case. We hope, however, that the City will respect its obligation of good faith and fair dealing in efforts to find a different, viable permanent solution. Clear Channel hopes that it will not need to pursue its claim for monetary damages. Instead, Clear Channel and the City should enter good faith negotiations to resolve this matter, using the non-binding dispute resolution as needed, working toward a legislative solution and/or using existing code provisions, relocation agreements or other approaches, to permanently affirm the legal status of these signs without the need for further costly litigation.

## **I. THE BENEFITS OF DIGITAL SIGNS**

In the decade since litigation began over the City’s regulation of signs the development of digital sign technology has fundamentally changed the conversation. Today’s digital signs allow sign companies to offer more, useful messaging in more real time using fewer overall signs. The advent of digital technology should facilitate, not hinder, a long term resolution.

Unlike their predecessors, digital signs show electronically-generated images that operators can change remotely. The images are static, not moving. They change no more than one time every eight seconds, in compliance with well-defined industry standards. *See, e.g.*, Advertising, Announcement and Billboard Signs, Los Angeles Department of Transportation

Manual of Policies and Procedures § 338 (Dec. 2008); Ordinance No. 181637 §§ 6(I), 6(K) (establishing the Figueroa and Seventh Street Sign District, with detailed regulations restricting the illumination of digital signs and limiting image changes to one change per eight seconds); Ordinance No. 182200 §§ 6(I), 6(K) (establishing the Figueroa and Olympic Sign District, with detailed illumination standards for all subject digital signs and requirements that digital images on all but one sign remain static and change no more frequently than once every eight seconds).

The advantages of digital signs to providers, advertisers, and the public are manifold. Modern digital signs offer a more attractive, appealing, and maintainable display. Digital signs allow commercial and public interest messages to be kept current in a manner impracticable with traditional sign faces. Digital signs are also safer and more user friendly as operators need not scale catwalks to manually replace copy. Digital technology makes messaging more accessible, particularly to local small businesses and not-for-profit organizations that cannot afford traditional billboard advertising in prime locations. Digital technology also allows the more immediate display of time sensitive emergency or law enforcement messages, and the promotion of shorter duration projects such as political campaigns or community events. In short, digital technology makes billboard advertising more accessible and more effective using fewer overall sign structures.

Digital signs also support the Los Angeles economy by offering significant advantages to Los Angeles businesses, large and small. Digital billboards are a key promotional channel for Los Angeles's entertainment companies, advertising music, films, and sporting events. Digital technology offers particular advantages to Los Angeles small and local businesses that may otherwise be unable to afford traditional billboard advertising. This is made clear in a recent *San Fernando Valley Business Journal* Op-Ed piece by the owners of Pink's Hot Dogs, who pointed out that local businesses receive the greatest benefits from off-site digital signage. Such advertising helps businesses grow and create jobs. Indeed, a recent iMapData analysis found that in large markets like Los Angeles, advertisers using outdoor signs typically employ over 40 employees.

## **II. IF THE CITY IMPAIRS CLEAR CHANNEL'S USE OF ITS EXISTING DIGITAL SIGNS, IT WILL HAVE TO PAY CLEAR CHANNEL DAMAGES SUBSTANTIALLY IN EXCESS OF \$100 MILLION**

Digital signs are valuable property. As such, should the City revoke Clear Channel's permits or otherwise impair the use of Clear Channel's digital signs, the City will have to pay just compensation under California's Outdoor Advertising Act ("OAA"). To comply with any requirements under Administrative Code §§ 5.169–5.170 and California Government Code § 910, Clear Channel has delivered a copy of the attached claims notice to the City Clerk (**Attachment A**), which details its right to compensation.<sup>1</sup>

---

<sup>1</sup> In addition to the City's liability under the OAA, should the City order Clear Channel to remove or disable its existing digital signs, the City would also be liable to Clear Channel for restitution. The Court of Appeal's decision in *Summit Media* deprived Clear Channel of the benefit of its agreement with the City. Yet Clear Channel already had fully performed its end of the deal by taking down static signs, dropping legal claims, paying inspection fees,

As is more fully explained in the attached letter, the OAA provides that “no advertising display which was lawfully erected anywhere within this state shall be compelled to be removed, nor shall its customary maintenance or use be limited, . . . because of this chapter or any other law, ordinance, or regulation of any governmental entity, without payment of compensation, as defined in the Eminent Domain Law.” Cal. Bus. & Prof. Code § 5412. Compensation is set at the “fair market value of the property taken.” Cal. Code Civ. Proc. § 1263.310.

The OAA defines “lawfully erected” as signs that “were erected in compliance with state laws and local ordinances in effect at the time of their erection or which were subsequently brought into full compliance with state laws and local ordinances.” Cal. Bus. & Prof. Code § 5216.1. Under either of these standards, Clear Channel’s signs unquestionably are “lawfully erected.”

*First*, the signs fully complied with the laws and ordinances “in effect at the time” when Clear Channel converted them from static to digital. No state or local law was understood to bar the signs’ modernization. *Id.* To the contrary, when the permits were issued, a federal court had enjoined the City from enforcing the 2002 Ordinance interpreted in *Summit Media* to bar digital signs. *See Metro Lights, L.L.C. v. City of Los Angeles*, 488 F. Supp. 2d 927 (C.D. Cal. 2006), *rev’d* 551 F.3d 898 (9th Cir. 2009). Indeed, Clear Channel acted in accordance with the interpretation approved by the entire City Council, the Mayor, and the City Attorney. The Department of Building and Safety also approved each permit after a full review.

*Second*, the signs were “lawfully erected” because they were “subsequently brought into full compliance with state laws and local ordinances.” Cal. Bus. & Prof. Code § 5216.1. The 2008 Interim Control Ordinance and 2009 Sign Ordinance made clear that *existing* digital signs were lawful if they had permits that were “issued prior to the effective date of this ordinance [and] if the Department of Building and Safety determines that both substantial liabilities have been incurred, and substantial work has been performed on site, in accordance with the terms of that permit pursuant to Section 91.106.4.3.1 of this code.” Ordinance No. 180841. Here, there is no question that “substantial work [was] performed” because DBS had given final approval to each of the signs at issue even before the 2009 Ordinance went into effect.

In any event, the City would be estopped in a compensation action from denying the lawfulness of Clear Channel’s signs. In connection with the *Vista* settlement agreement, the City (through the City Attorney, City Council, and Mayor) expressly represented to Clear Channel that the digital sign permits contemplated by the agreement were lawful and within the City’s power to authorize. Having made such representations, knowing that Clear Channel would rely on them to its detriment, the City would be estopped from asserting the contrary in an action by Clear Channel to recover the fair market value of any sign in the event the City were to seek action for its removal or to turn it off.

### **III. POSSIBLE SOLUTIONS TO AVOIDING COSTLY AND TIME-CONSUMING LITIGATION AND RESOLVING THE LEGAL STATUS OF DIGITAL SIGNS**

To be clear, Clear Channel does not wish to engage the City in costly and time-consuming litigation. Instead, as explained above, Clear Channel has provided notice of its

---

foregoing \$700,000 in legal fees, and supplying the City with proprietary information. California law and fundamental fairness require the City to make Clear Channel whole.

potential claims to comply with any notice obligation under the California Government Code. No damages lawsuit will be filed, however, unless the City seeks to impair Clear Channel's use of its digital signs. As explained in more detail below, there are several different ways in which this matter can be resolved without the need to resort to further litigation.

**A. The City Should Undertake Dispute Resolution With Clear Channel Regarding Its Digital Signs**

Should the California Supreme Court deny review in the *Summit Media* action, the City can seek to avoid costly litigation through engaging in dispute resolution over of the status of the permits as provided by § 8 of the Stipulated Judgment in *Vista v. City of Los Angeles*, No. BC282832. To invoke the Stipulated Judgment's dispute resolution provision, Clear Channel has sent the attached letter (**Attachment B**), which requests that the parties engage in dispute resolution to resolve any question regarding the continued validity of Clear Channel's digital signs.

Dispute resolution will provide a forum for the City and Clear Channel to resolve this and other questions in a manner that is faster, more flexible, and less costly than court. It will also give the City and Clear Channel the breathing room necessary to resolve the status of these signs without resorting to litigation. This is because once dispute resolution begins, by agreement any enforcement action that interfere with the operation of Clear Channel's signs is stayed, unless the City demonstrates "an immediate threat to public safety." Stipulated Judgment, § 8(A)(ix).

**B. The City Should Adopt A Long-Term Legislative Solution**

Clear Channel appreciates the City's initiation of discussions for a legislative solution would allow the Council an important opportunity to improve neighborhoods across the City through sign reduction, modernization, and community benefits. Accordingly, Clear Channel appreciates Planning's February 2013 invitation to participate in discussions for an LA legislative solution for digital signs. This solution may incorporate new ordinance provisions for takedowns of existing traditional signs in connection with digital modernization, provide appropriate standards for digital-sign lighting in residential neighborhoods, and set forth a process for the City to achieve additional community benefits.

**C. Clear Channel's Digital Permits Remain Valid Under Other Municipal Code Provisions**

As noted above, we look forward to ongoing discussions with Building and Safety and Planning on other applicable provisions of the Municipal Code. The City can avoid any potential liability through these approaches as well.

**1. DBS**

Clear Channel has advised DBS that, in the event the Supreme Court denies review, DBS should determine that Clear Channel's existing digital permits are valid under other provisions of the Municipal Code including § 14.4.4.B.11 (**Attachment C**). Applying the ordinance to validate these permits would be consistent with the City's application of the Code to other

companies involved in sign disputes, as the City Attorney has stated in other litigation. (*See, e.g.*) [City's] Opposition to Plaintiff's, Motion for Preliminary Injunction, *Community Redevelopment Ass'n, LLC v. City of Los Angeles*, No. 08-cv-7584 (C.D. Cal. Oct. 6, 2009) (recognizing that DBS inspections satisfy the exemption, which provides protections independent of California's vested rights law).

As explained more fully in the attached letter, although the City's 2009 Sign Ordinance expressly prohibited the issuance of new digital sign permits, it authorized and validated all permits for *existing* signs. Specifically, the ordinance exempted from its ban "any building permit issued prior to the effective date of this ordinance if the Department of Building and Safety determines that both substantial liabilities have been incurred, and substantial work has been performed on site, in accordance with the terms of that permit." Ordinance No. 180841 (codified at § 14.4.4.B.11 of the Municipal Code). In so doing, the City Council drew a reasonable and sensible distinction between expectations in existing signs and permits for new signs. *See Vanguard Outdoor, LLC v. City of Los Angeles*, 648 F.3d 737, 745 (9th Cir. 2011) ("The City is certainly entitled to treat signs permitted before the offsite and supergraphic sign bans differently than other signs both because preserving legally nonconforming billboards . . . furthers the [City's] significant interest in reducing blight and increasing traffic safety, . . . and because the City may have to pay the owners to take legal nonconforming billboards down." (internal quotation marks omitted)).

Clear Channel thus believes that each of its digital signs fall within the 2009 ordinance's validation provision. As to each such sign, Clear Channel plainly had incurred "substantial liabilities" and performed "substantial work" prior to the issuance of the 2009 ordinance. Ordinance No. 180841. Accordingly, whatever the status of the settlement agreement, all of these permits are now lawful under current law.

*Summit Media* does not alter this analysis. The effect of the 2009 exemption was not adjudicated in that case. Instead, that litigation concerned only the City's authority to enter into the 2006 settlement agreement – an issue that is entirely unrelated to the question of whether the City Council thereafter validated existing signs through legislation. Thus, nothing in *Summit Media* precludes a finding that Clear Channel's existing digital permits are now valid under current law, and a proper reading of the 2009 Sign Ordinance requires such a finding.

## 2. Planning

Although Clear Channel is confident that its digital signs are lawful under current City law, it recognizes that establishing their status could require additional delay and litigation. In order to resolve this issue quickly and amicably and without further litigation, in the event the other solutions referenced herein are not timely completed, Clear Channel is willing to negotiate relocation agreements with the City that would expressly validate these signs and their permits. Such a process would incorporate sign take-down and public benefit concepts that will also be discussed as part of the digital-sign working group. As a sign of good faith, Clear Channel has initiated the process of submitting such applications.

Relocation agreements can provide valuable public benefits. Although Clear Channel's **Digital Sign Emergency Messaging Network** today extends only to Council Districts in which



digital signs are currently located, Clear Channel is willing to responsibly expand and enhance this network to ensure that residents of every District receive the access to public safety information and alerts that they deserve. Relocation agreements are one opportunity to complete that network by relocating signs out of particular locations and into other sites.

Over the past couple of years, Clear Channel has donated space to over 200 Los Angeles non-profit organizations, including local community organizations and neighborhood councils as well as nonprofits such as MADD LA, The Leukemia Society, Aids Walk LA, United Way, Justice for Murdered Children, St. Jude's Children's Research Hospital, Make a Wish Foundation, March of Dimes, Ronald McDonald House, Salvation Army, and Girl Scouts of America. Such organizations, many of which would otherwise be unable to take advantage of outdoor advertising, use digital signs to communicate their messages and events.

**a. Numerous Municipalities Have Entered Into Relocation Agreements**

Relocation agreements allow cities to remove signs, without incurring inverse condemnation liability, by authorizing sign owners to relocate the signs. The OAA empowers cities "to enter into relocation agreements on whatever terms are agreeable to the display owner and the city." Cal. Bus. & Prof. Code § 5412. Indeed, the law declares that is "is a policy of this state to encourage local entities and display owners to enter into relocation agreements." *Id.* The Act's statutory history makes clear that relocation agreements are intended to help cities resolve litigation and avoid financial liability, while also partnering with sign owners and operators to implement public policy goals regarding signage.

Other municipalities, such as Sacramento,<sup>2</sup> Oakland,<sup>3</sup> Berkeley,<sup>4</sup> Santa Clara, and Hayward, have employed relocation agreements to "continue development in a planned manner without expenditure of public funds, while allowing the continued maintenance of private investment and a medium of public communication." Cal. Bus. & Prof. Code § 5412. In these cities, relocation agreements have led to the voluntary removal of billboards, generated additional public revenue, and financed municipal projects. The Municipal Code specifically provides that digital signs may operate under relocation agreements. *See* § 14.4.4.B.11 (exempting from the general ban on off-site digital displays "off-site signs [that] are specifically permitted pursuant to a relocation agreement entered into pursuant to California Business and Professions Code Section 5412").

**b. Clear Channel Has Submitted Two Proposed Relocation Agreements**

Clear Channel would be willing to enter into relocation agreements that would allow the City to avoid over \$100 million in inverse condemnation liability, which would otherwise follow from any impairment of Clear Channel's ability to use its digital signs. The agreements would

---

<sup>2</sup> City of Sacramento, Resolution No. 2010-620, October 26, 2010.

<sup>3</sup> City of Oakland, Resolution No. 82413, December 16, 2009.

<sup>4</sup> City of Berkeley, Resolution No. 63,632-N.S., March 27, 2008.

also result in an overall reduction in off-site signage, legal certainty concerning the City's digital sign regulations, and other community benefits that might be negotiated for affected neighborhoods and Council districts. As for Clear Channel, the deal would recognize its voluntary and uncompensated removal of lawfully erected traditional signs in exchange for new permits authorizing the continued use of its digital signs.

To move the relocation process forward, Clear Channel has initiated the process of submitting applications for two relocation agreements that would address each of the Existing Digital Signs. Discussions began today with the Department of City Planning regarding such applications. (See **Attachment D**.)

The first application covers certain digital signs in West LA, including the sign located at the Pink's Hotdog property on La Brea Avenue. The application could be part of a resolution of a pending lawsuit between Clear Channel and the City regarding an existing traditional sign on Santa Monica Boulevard that was converted to a digital sign in 2007. The agreement would also help reduce the City's potential liability in connection with the *Summit Media* case, as referenced above. A hearing in this matter is set for May 21, 2013, but Clear Channel has offered to resolve this case immediately on terms that benefit all stakeholders.

The second application encompasses the remainder of Clear Channel's digital signs. In most cases, the relocation agreement sought by Clear Channel would allow the existing sign to remain in its current location, in consideration for Clear Channel's removal of signs elsewhere. Some digital signs, however, would be returned to traditional signs, and others could be relocated to other Council Districts in order to complete a Citywide Digital Sign Emergency Network. As part of the relocation agreement, Clear Channel would also offer the City additional benefits in connection with every digital sign that will stay in place:

- **Residential Protection and Traffic Safety:** Clear Channel will ensure all of its digital signs comply with a maximum light intensity at any nearby residential boundaries, restrict changes in message to no sooner than every eight seconds, and ban moving displays.
- **Community Benefits:** Clear Channel believes the relocation agreement could provide for further off-site sign reduction and/or other community benefits, both in the Council Districts where the relevant signs are located and for the City as a whole.

### **Conclusion**

The City is at a crucial juncture; it can trigger costly litigation that exposes taxpayers to hundreds of millions of dollars, or it can avoid the courtroom and resolve the legal status of digital signs in a way that reaps fiscal and aesthetic benefits for the City. If the City elects the first course, Clear Channel will be forced to protect its rights in court. If the City chooses the second, Clear Channel stands ready to negotiate a mutually beneficial resolution. We hope the City will choose the latter, and look forward to continuing to work with the City to identify solutions that benefit both parties.

Thank you for your consideration.

Very truly yours,



Sara Lee Keller  
Executive Vice President and General Counsel

cc: Robert Ovrom, General Manager, Department of Building and Safety  
Raymond Chan, Executive Officer, Department of Building and Safety  
Frank Bush, Code Enforcement Bureau Chief, Department of Building and Safety  
Michael LoGrande, Director, Department of City Planning  
Alan Bell, Deputy Director, Department of City Planning  
Deputy Mayor Matt Karatz  
Rogelio Navar, Senior Policy Director, Office of the Mayor  
Chief Deputy City Attorney William Carter  
Special Assistant City Attorney Jane Usher  
Deputy City Attorney Ken Fong  
Deputy City Attorney Kim Rodgers Westhoff  
Deputy City Attorney Terry Kaufmann Macias  
Suzanne Grimes, President and Chief Operating Officer, Clear Channel Outdoor, Inc.  
Greg McGrath, President, Southern California Division, Clear Channel Outdoor, Inc.  
Layne Lawson, Director of Public Affairs, Clear Channel Outdoor, Inc.  
Lucinda Starrett, Esq.  
James L. Arnone, Esq.  
Gordon D. Todd, Esq.  
Douglas A. Axel, Esq.