

Communication from Public

Name: chris van hook

Date Submitted: 05/28/2019 10:31 AM

Council File No: 11-1705

Comments for Public Posting: Please do not allow digital advertising on cars!!!!!!!!!!!!!! All digital advertising should be banned. It is ruining our visual environment in Los Angeles. The fact that you decided last minute, on a holiday weekend, to address this matter is very suspicious. You work for the people of Los Angeles. You are supposed to think of us in all that you do. You don't work for sign companies that give you money so you will support them. We are watching you. Unfortunately, enough of us can't attend a meeting called during the day, during the week, with very short notice. Most people are working to improve their, and their families lives. You are the ones elected to protect our environment on all different levels. Stop selling us out to advertisers. It's awful to drive a car, in traffic, while neon signs are flashing in front of you. Now you want to have them flashing in cars all around you. Wake up and stop this nightmare!!!!!!!!!!!!!!

Communication from Public

Name: Philip R. Recht
Date Submitted: 05/28/2019 10:43 AM
Council File No: 11-1705
Comments for Public Posting:

VIA E-MAIL AND FACSIMILE

May 28, 2019

The Honorable Marqueece Harris-Dawson
Chair, PLUM Committee
200 North Spring Street
Los Angeles, CA 90012

Re: Council File 11-1705; Billboard Blight
Reduction Program Options

Dear Chairman Harris-Dawson:

This firm represents Summit Media (“Summit”). We write concerning Council File 11-1705, Item No. 6 on today’s PLUM agenda, which addresses options for a billboard blight reduction (i.e., digital sign) program in the City.

We appreciate the effort of the Department of City Planning (“DCP”) and the City Attorney in preparing the report and draft guide to be considered at today’s hearing. The documents identify many of the key issues the Council must address in considering the wisdom, fairness, and legality of a digital sign program for the City. Towards that end, we provide here some preliminary comments for your consideration.

Before doing so, we commend the consensus that any digital sign program ultimately allowed in the City must encourage, allow, and realistically facilitate the participation of both large and small outdoor advertising companies. This Committee, in various prior hearings, has expressed its support of that goal. The report and draft guide equally acknowledge that any digital sign program should not be geared only towards a few large outdoor advertisers. Instead, it must bring smaller advertisers like Summit into the fold. We appreciate and support that consensus view.

As discussed below, however, the report and draft guide both contain policy proposals or options that, rather than facilitating the inclusion of small operators, would serve to shut them out of any digital sign program allowed in the City.

For example, the discussion of the public property option in the DCP report lays out the following three options to encourage a variety of companies to participate in the public procurement process: (1) limit a single company from buying more than a pre-determined number of billboards; (2) implement a fee on companies that own more than pre-determined

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number of billboards; and (3) require that each company from a pre-qualified list be selected once before any company is selected twice.

However, only options (1) and (3) ensure that multiple companies, including small companies, will be able to participate in a public property program. Option (2), in contrast, would allow a very few large and deep-pocketed companies to pay whatever fee is necessary to buy all the public property sign opportunities in the City and, thus, shut out smaller competitors. If the City chooses to utilize a fee system as suggested in option (2), the City should establish a maximum number of signs that any individual company can buy to prevent this from happening.¹

Similarly, while the DCP report indicates that a takedown requirement could be part of a public property sign procurement, the report does not indicate that such a procurement could also include an in-lieu public benefit option. Such an option is necessary for smaller companies without significant takedown inventories to participate in public bidding. There is no reason why the in-lieu public benefit approach, which is a significant component of the private property digital sign option, should not equally apply if a takedown requirement is included in a public property program.

The draft guide's discussion of the private property option similarly contains a proposal that could significantly impact the ability of smaller advertisers to participate. Specifically, the draft guide on pages 5-6 appears to indicate that an advertiser seeking to erect a digital display at an entirely new site must meet a minimum sign reduction ratio of at least 2:1. However, an advertiser seeking to convert an existing static display to digital at the existing location must meet a sign reduction ratio of at least 4:1.

It is unclear what rationale exists for requiring a higher takedown ratio for conversions at existing locations than for new digital displays at entirely new locations. Indeed, a conversion at a location where a sign already exists would seem to pose less impacts than a wholly new digital display at a location where a sign has not before existed. Further, a 4:1 takedown requirement constitutes a major barrier to entry to small operators like Summit. For all these reasons, conversions at existing locations should not be treated more harshly than new displays. Both should be available at the 2:1 takedown ratio.

In the same vein, it is unclear how the 40% in lieu revenue sharing requirement for companies utilizing the 2:1 takedown ratio was determined. On the surface, a 40% revenue sharing requirement over a 20 year period would seem to dwarf the cost of removing a larger amount of existing static signage, particularly since the proposed private property scheme would allow 50% of the takedowns to be as far as 5 miles away from the converted sign and the other

¹ To ensure participation by multiple companies, the City should also explore the lottery system that successfully was used in Miami to distribute a limited number of sign opportunity among pre-qualified companies.

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50% in any City location whatsoever. Under this scheme, the City's largest companies will be able to take down signs with minimal, if any, market value and pay no revenue sharing at all. In contrast, small operators like Summit that lack takedown inventory will be forced to pay exorbitant, if not confiscatory, amounts. Absent a concrete justification, the 40% revenue sharing requirement should be substantially reduced lest it pose an unreasonable and unjustifiable barrier to participation by smaller companies.

We also note that the draft guide contains a major loophole for large operators with inventories of unpermitted signs. Specifically, page 14 of the draft guides makes clear that "[o]nly legal off-site signs may count towards sign reduction requirements." Yet, page 7 of the draft guide effectively nullifies that statement for large operators by allowing them to offset up to 30% of their in-lieu payments by removing certain unpermitted signs that do not qualify for sign reduction credit. The law should not permit indirectly what it prohibits directly. Large operators should not be rewarded for removing unpermitted signs, be it with direct sign reduction credits or credit towards the public benefit payment alternative.

We hope these comments are helpful, and look forward to continued discussions on these and other important issues related to the proposed digital sign program.

Very truly yours,



Philip Recht

cc: The Honorable Bob Blumenfield
The Honorable Curren D. Price, Jr.
The Honorable Gilbert A. Cedillo
The Honorable Greig Smith