Benefits of Billboards
Community Work Group
November 3, 2014
Value
Billboards Connect Businesses to Consumers

In fact, Billboards are THE Voice of Small Business

Accessible – Low cost of entry

Affordable – Media costs are minimal compared to broadcast television and radio

Equalizer – Small businesses can compete with large businesses in share of voice

Scalable – Advertiser can buy from 1 or 100 based on budget and make big impact
Role Billboards Play

Report by Charles R. Taylor, Ph.D., Villanova University

Key Findings:
• 76.9% of businesses say they would lose sales without billboards
• Average sales decrease estimated at 18%
• Billboards offer unique advantages other mediums don’t offer
• Both large and small businesses would be impacted, but small businesses impacted more
The Multiplier Effect from Billboard Advertising

Billboard Advertising

- Increases Local Business Sales
- Improved Community Benefits & Services
- Thriving Economy = More Tax Revenue
- More Local Jobs
Perception vs. Reality
Perception: Billboards are Unsafe and Distract Drivers

Reality: FHWA’s research proves billboards and digital billboards are not a traffic safety problem

- “The present data suggest that the drivers in this study directed the majority of their visual attention to areas of the roadway that were relevant to the task at hand (e.g., the driving task).”

- “When billboards were present, the drivers in this study sometimes looked at them, but not such that overall attention to the forward roadway decreased.”
Reality: We Partner with WSDOT to Encourage Driver Safety

Billboards Help Driver Safety

We partner with Washington Traffic Safety Commission and WSDOT to support driver safety campaigns
- M.A.D.D.
- Move Over, Slow Down
- Buzzed Driving
- Motorcycle Safety
- Pedestrian Safety
- Anti-texting
- DUI

Clear Channel voluntarily removed texting as a call-to-action
Perception: Billboards are Dinosaurs

Billboards are Dinosaurs

Left over from an “auto-oriented” age built on speed, not walkable environments

Source: Paula Rees Presentation 10/20/14
# Reality: Billboards are More Relevant Today

**OOH - Second in Total Core Media Growth 2014-2019**

<table>
<thead>
<tr>
<th>Core Media Format</th>
<th>Growth Rate 2013A</th>
<th>Growth Rate 2014E</th>
<th>Projected Annual Growth Rate 2014-2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>OOH</td>
<td>4.3%</td>
<td>3.7%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Total TV</td>
<td>-0.6%</td>
<td>8.3%*</td>
<td>3.4%</td>
</tr>
<tr>
<td>Digital Media/Internet</td>
<td>17.0%</td>
<td>14.4%</td>
<td>11.6%</td>
</tr>
<tr>
<td>Radio</td>
<td>-1.2%</td>
<td>-0.1%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Newspaper</td>
<td>-8.2%</td>
<td>-7.3%</td>
<td>-5.7%</td>
</tr>
<tr>
<td>Magazine</td>
<td>-5.1%</td>
<td>-7.0%</td>
<td>-7.6%</td>
</tr>
<tr>
<td><strong>Total Core Media</strong></td>
<td><strong>2.4%</strong></td>
<td><strong>6.0%</strong></td>
<td><strong>4.3%</strong></td>
</tr>
<tr>
<td>OOH Variance to Total Core Media</td>
<td>1.9%</td>
<td>-2.3%</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

Source: MagnaGlobal

* Includes Olympics, World Cup, Political
Perception: Tacoma has more Billboards than other Cities

Reality: Compared to Top 3 Cities, Tacoma Ranks Lowest

Seattle 491
Spokane 367
Tacoma 343

Source: eTelmar Outdoor Planning System
Reality: Other West Coast Markets

Number of Billboards

- Los Angeles: 16,208
- San Francisco: 3,154
- Sacramento: 2,399
- Portland: 1,842

Source: eTelmar Outdoor Planning System
Perception: Billboards are Solely Responsible for Visual Clutter

Photos in last meeting’s presentation are on-premise signs, not off-premise signs

Off-premise signs are used for different purposes than on-premise signs

Pictures are misleading and misrepresenting the issue
Reality: All Represent On-Premise Signs

None of these pictures represent off-premise signs
Reality: Billboards are a Small Percentage of Signage

Typically billboards represent less than 10% of overall signage in a market.

Vast majority of signage in neighborhoods come from on-premise signs and transit.

Of over 12 signs, only 1 is a billboard.
Our Perspective
Brief History

We’re all in agreement...

- Billboards have been a part of the Tacoma community since the 1930’s
- Construction accelerated in 1970’s and 1980’s because of increased demand
- Billboards were approved and permitted by the City of Tacoma, and built according to City zoning and building codes

In 1997, the City of Tacoma voted to amortize all billboards giving Clear Channel ten years to recoup their entire investment with no compensation.
Amortization Explained

- You built a 2,500 sq. ft. house – permitted, zoned properly, and the City approved your plans
- Later, the City made all houses over 1,500 sq. ft. non-conforming (blocked views)
- The good news is the City will give you 10 years to enjoy your home before you will have to comply with the new regulations.
- After 10 years’ amortization each of you will have to do one of the following:
  - Remove 1,000 sq. ft. from your home
  - Remove 1,000 sq. ft. from your home and move the remainder 10’ to the right
  - Tear down your home altogether and move your family to another neighborhood.
  - Relocate your home to the Port of Tacoma at your own expense…if you can find an available parcel.
Actions beyond Tacoma also influence the dynamics:

- In 2012, the U.S. Congress enacted legislation known as MAP-21 ("Moving Ahead for Progress in the 21st Century"). MAP-21 significantly expanded the roadways included within the National Highway System. Now both federal and state laws require Tacoma to pay just compensation if it requires the removal of billboards located on protected roadways.

- Clear Channel Outdoor has around 200 Clear Channel Outdoor panels that fall into these protected roadways.
The FHWA and Courts have Ruled
Just Compensation is Cash, not Slow-Motion Confiscation

FHWA: Conflict Assessment, Jan. 2007

“Among many scenic and environmental interests, there is a strong desire for nonconforming signs to come down. Some continue to advocate amortization as a means to accomplish this, but widespread use of this approach was effectively prohibited with Federal legislation.”

Commitment to the Community
Tacoma Community Connections

Integrated into the Community

- Local businesses employ 500,000+ Washingtonians
- Neighbors who supplement business or family incomes

155 Businesses

128 Landlords

Clear Channel Outdoor

20+ Nonprofits & Community Organizations

- 10% of staff
- CCO pays 5 forms of fees & taxes
- Employees are taxpayers
- Tacoma office

- Over $800,000 is donated annually in pro bono media

Businesses

Landlords

Nonprofits & Community Organizations

Clear Channel Outdoor
Tacoma Community Connections

Businesses

- Local businesses employ 500,000+ Washingtonians
- Neighbors who supplement business or family incomes
- Over $800,000 donated annually in pro bono media
- 10% of staff
- CCO pays 5 forms of fees & taxes
- Employees are taxpayers
- Tacoma office

155 Businesses

128 Landlords

20+ Nonprofits & Community Organizations

Clear Channel Outdoor

• Over $800,000 is donated annually in pro bono media

Landlords

Nonprofits & Community Organizations

Clear Channel Outdoor

155 Businesses
Tacoma Community Connections
Landlords

- Over $800,000 is donated annually in pro bono media
- 10% of staff. CCO pays 5 forms of fees & taxes
- Employees are taxpayers
- Tacoma office

155 Businesses

128 Landlords

20+ Nonprofits & Community Organizations

- Neighbors who supplement business or family incomes
- Over $800,000 is donated annually in pro bono media

- Local businesses employ 500,000+ Washingtonians
- Clear Channel Outdoor

Businesses

Landlords

Nonprofits & Community Organizations
Tacoma Community Connections
Nonprofits and Community Organizations

- Over $800,000 is donated annually in pro bono media
- 10% of staff
- CCO pays 5 forms of fees & taxes
- Employees are taxpayers
- Tacoma office
- Neighbors who supplement business or family incomes
- Local businesses employ 500,000+ Washingtonians
- Clear Channel Outdoor
- Landlords
- Clear Channel Outdoor
- 20+ Nonprofits & Community Organizations
- Over $800,000 is donated annually in pro bono media

155 Businesses
128 Landlords
Clear Channel Outdoor
20+ Nonprofits & Community Organizations
Tacoma Community Connections
Clear Channel Outdoor

- Over $800,000 is donated annually in pro bono media
- 10% of staff
- CCO pays 5 forms of fees & taxes
- Employees are taxpayers
- Tacoma office
- Neighbors who supplement business or family incomes
- Local businesses employ 500,000+ Washingtonians
- Landlords
- Businesses
- Nonprofits & Community Organizations
- Over $800,000 is donated annually in pro bono media
“We are encouraged to know that we can depend on corporations like Clear Channel Outdoor and that you value children’s education and their pathway to success.”

Eric Wilson
President & CEO
Graduate Tacoma

“Spreading the word and expanding the reach of our campaign is extremely valuable to an event such as ours.”

Angela Jossy
Special Events Coordinator
Art on the Ave
Nonprofit and Community Partners
Clear Channel Partners with Municipalities
For Mutual Benefit

Community Campaigns
Joint Base Lewis McCord (JBLM)
City of Seattle
City of Kent
King County
City of Renton
City of Marysville
Washington State

Shared Advertising Revenue
Inter-City Transit/Olympia
Whatcom County Transit/Whatcom Cty.
Everett Transit/Everett
Seattle Tacoma Airport/Port of Seattle
Sound Transit/Regional Transit Authority

Landlords
Pierce County
King County
City of Tukwila
Port of Seattle
City of Lynnwood
City of Kent
Washington DOT
City of Burien
City of Everett
City of Bellingham
City of Puyallup
Example: City of Seattle
Stop Human Trafficking Campaign

Utilized traditional and digital billboards in three languages

Tapped assets in Seattle -Tacoma Airport

Joined with Sound Transit

Plus PSA’s on 7 Clear Channel Radio Stations and an Interview on Public Affairs Program
Solutions
Let’s Move Forward and Work Together

- Judge us by our actions as good corporate citizens
- A “just compensation” alternative is expensive and less desirable
- Let’s become allies not adversaries
- Let’s solidify a plan for improvements to begin
- Let’s stop wasting tax payers’ money and focus on critical community issues such as education, crosswalks, police and fire protection
Consolidation Has Already Begun

Clear Channel Inventory Over the Years

Inventory has decreased by 22% since 2007.

46,000 sq. ft. of potential billboard signage (183 billboard credits) were given back to the City.

Key
- Number of Faces
There is a Solution
Working Together

- Examine/reduce the impact in neighborhoods
- Strategically find appropriate areas to relocate signs
- Consolidate multiple smaller signs into larger formats*
- Grandfather the remaining signs and provide for reasonable maintenance and repairs

*Per Standstill Agreement
Let’s Collaborate

Find ways to partner for mutual benefit

Use billboards as tools for public good

Experience History
2015 U.S. Open Chambers Bay Golf Club
June 15 - 21, 2015

Go. See. Do.
Summary

Today, our goal was to shine a light on the issues:

✔ Value of billboards to local businesses and community groups
✔ The multiplier effect of billboard advertising to a thriving economy
✔ Variety of stakeholders tied to this issue – it’s not just one company
✔ Clear Channel strives to be a good corporate citizen and gives back
✔ Simplified explanation of amortization

Also, our goal was to correct misperceptions:

✔ Billboards are extremely relevant today
✔ Billboards do not impact driver safety – *in fact they’re used for public safety*
✔ Many signs labeled as “visual blight” are, in fact, on-premise signs
✔ The number of billboards in Tacoma is lower than other cities
Conclusion: It’s a New Day

Let’s collaborate:

- Focus on neighborhoods
- Consolidate smaller signs for larger ones
- Find appropriate areas for relocation
- Vest remaining signs
- Provide a plan for maintenance and repair
Thank you!