

*The following was submitted to CapitolRiver Council by Tom and Sandra Erickson, in support of their request for a variance to City regulations that require six billboards to be removed for every billboard that is converted to a dynamic digital display:*

We are requesting a variance to convert the billboard on the roof of the Allen Building from a lighted vinyl face to a digital face.

We believe it will be helpful to give a brief history of our billboard, the billboard industry and what industry experts are telling us is likely to happen in the future.

In the 1950's and 1960's billboards were largely unregulated. In many areas too many billboards were allowed to be built.

Billboard regulations were implemented throughout the United States in the 1970's and 1980's. Due to those restrictions, very few new billboards have been built since that time. Most billboards standing today were originally constructed before the regulations came into effect and are "grandfathered." The billboard on the roof of the Allen Building is grandfathered because it was built in 1968. Because of grandfathering, nearly all existing billboards will still be standing far into the future.

The limiting of new billboards, thus competition, encouraged an industry consolidation. This consolidation formed the "Big Three" of the United States billboard industry, Clear Channel, Outfront and Lamar.

The consolidation affected the Twin Cities billboard market. Before consolidation, Naegele Outdoor owned most of the billboards in the Twin Cities. Naegele Outdoor was bought by Clear Channel thus today most billboards in St. Paul are owned by Clear Channel. Outfront Media is a distant second in the Twin Cities market.

The billboard on the roof of the Allen Building is rare in St. Paul because we own only one billboard. This billboard is presently leased to Outfront.

There are 59 billboard faces mounted on 35 posts facing St. Paul's major highways (I-94, I-35E, Hwy. 61 and Hwy. 52). Six of these billboards are digital and the remaining 53 are lighted vinyl. The lighted vinyl billboard on the roof of the Allen Building is the only highway facing billboard not mounted on a post.

The current nationwide trend is the conversion from lighted vinyl billboard faces to digital faces. The first digital billboard in the United States was installed in 2003.

Initially the transition was slow because of concerns about increased accidents caused by driver distraction. Also there was concern digital billboards would cause annoyance and additional distraction because the faces would be too bright..

Since then, many studies have been done by the Federal Department of Transportation (DOT) and others which conclude there is no evidence of increased accidents caused by digital billboards. Many foreign studies have similar conclusions.

The concerns about lighting have been solved by billboard software and Federal DOT regulations. St. Paul's regulations state, "No sign with dynamic display may exceed a maximum illumination of 0.3

candles above ambient light level as measured from fifty (50) feet from the sign's face. All signs with dynamic display having illumination by means other than natural light must be equipped with an automatic dimmer control or other mechanism that automatically controls the sign's brightness to comply with this requirement."

St. Paul's ordinance is incorrect and does not apply to digital billboards. Candle lightening is only applicable to small signs, not digital billboards. Billboard lightning is measured in "nits" not "candles" and is controlled within the billboard's software to be X amount above ambient light level. The Federal DOT standard is digital billboards cannot be set to be more than 300 nits above the ambient level.

With the accident and lighting concerns resolved, there has been a significant worldwide transition to digital displays.

We have hired a consultant to advise us on how to convert our lighted billboard to digital. That consultant is Sign Value. They are based out of Phoenix, Arizona. Sign Value is the preeminent billboard advisor in the United States and Canada. In addition to consulting, they manage over 25,000 billboards.

Sign Value informed us that Europe is now 70% digital. Asia is also mostly digital. The United States is lagging behind the rest of the developed world but is in the process of increasing the speed of transition. In our consultant's opinion, nearly all vinyl billboards in the United States will converted to digital in the relatively near future, in part because of intense lobbying by the big three.

Our consultant has given us two options for converting our billboard from lighted vinyl to digital.

The first option is waiting for St. Paul to liberalize its sign ordinance which they believe is inevitable but the timing of this change cannot be predicted.

The second option is to use a tactic which is currently popular in the United States and Canada. This successful tactic would be to give the City of St. Paul free advertising on the digital billboard which would last forever, even after the sign ordinance is liberalized.

In addition, we are proposing a free lighted vinyl message welcoming people to St. Paul in the space between the bottom of the digital face and the roof of the building. This would have the additional benefit of covering the unsightly steel braces under the billboard.

Presently, too many people perceive downtown St. Paul as an uninviting, dreary place. Our proposal inviting people to downtown St. Paul would be an asset which would improve its image.

Downtown St. Paul's sign ordinance was enacted years ago and is not up to date. Many cities are modifying their sign ordinances, particularly those regulations which apply to their downtown areas. It is noteworthy that Minneapolis has created a Downtown Entertainment District which now allows digital billboards.

Again, we are proposing a variance to allow conversion of the billboard on the roof of the Allen Building from a lighted vinyl to digital display. This approval will contain conditions for the City of St. Paul to receive free advertising in perpetuity on the billboard display.

Tom and Sandra Erickson