

Atlanta Business Chronicle - December 18, 2006

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City halts digital billboards

Atlanta Business Chronicle - December 15, 2006

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The state of digital: Only a few hundred of the half-million billboards in the United States feature digital displays, and there are only two in the city of Atlanta.

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Mayor Shirley Franklin is putting the brakes on plans by the nation's largest billboard companies to bring Atlanta into the age of digital outdoor advertising.

Franklin signed an executive order Dec. 5 banning CBS Outdoor, Clear Channel Outdoor Holdings Inc. (NYSE: CCO), Lamar Advertising Co. (Nasdaq: LAMR) and others from erecting eye-catching electronic displays until the Atlanta City Council can figure out how to regulate them.

The council could extend Franklin's ban as far as mid-2007 at its next meeting, on Jan. 2.

Only two digital billboards are up and running within Atlanta's city limits today, according to council member Carla Smith, who is sponsoring the long-term ban, though there are others as far north as Forsyth County.

But the city's Bureau of Buildings recently received several applications for permits to convert traditional static billboards to the flashy LED displays, which resemble giant flat-panel television screens and could become a traffic hazard and an eyesore, Smith said.

The Franklin administration didn't want them slipping through during the council's holiday recess, she said.

"We don't have any laws for this," Smith said. "It's a free-for-all. We need to sit back, take a deep breath and get our legislation in order."

So far, only a few hundred of the half-million billboards in the United States are of the electronic variety.

These digital displays are significantly more expensive to build than their traditional counterparts, costing more than \$300,000 each. But the benefits are more than worth it, companies say.

They can sell the same high-demand space to six or more different advertisers, rotating the ads in 10-second shifts, yet charge each customer about as much as they would for a traditional ad.

There's no need to send out workers to change the sign every time a new advertiser signs on -- just hit a button, and the display updates automatically.

Advertisers can even change the content of their ads on the fly. For example, a restaurant can pitch different breakfast, lunch and dinner specials throughout the day.

And advertisers like having their names in lights. Forget a 50-inch TV; there's nothing like having your logo on the equivalent of a 50-foot TV to differentiate a company from its competitors (though full-motion video ads are not yet an option).

Billboard operators can also monitor how many people view the ads, helping advertisers determine their return on investment. And the displays can carry Amber Alerts and other public service announcements.

Lamar owns one of Atlanta's two digital billboards and about 250 others nationwide. Its prime location on Peachtree Road near Pharr Road, installed about six months ago, has already attracted such advertisers as ING Direct, Smith Barney and Georgia Tech's MBA program.

"It's been great," said Jim Fisher, general manager of Lamar's 800 Atlanta-area billboards.

"You can sell it weekly or monthly or yearly. Advertisers love it; we'd like to add more."

CBS Outdoor, which sought permits for several digital displays prior to Franklin's order, also wants in on the action. Electronic billboards can take advantage of Atlanta's traffic by drawing the attention of captive rush-hour commuters to more ads than ever, said spokeswoman Jodi Senese.

Even smaller firms like Boardworks Outdoor Advertising Co. are looking to switch, said Vice President Patti Reeves. Her company owns roughly 40 billboards in Atlanta.

It will take a few decades, but with cities allowing few new billboards, most of the existing ones will eventually go digital, said Neal Weinstock, founder of Weinstock Media Analysis in New York.

Not everyone is amenable to the new technology, however. As the digital displays spread from New York and Chicago to states as varied as South Carolina and Wisconsin, local governments have moved to control everything from their brightness to the number of ads that can be displayed and the frequency with which they can change.

Georgia passed its own regulations this year, and Atlanta's mayor is apparently a bit warier of outdoor advertising than predecessor Bill Campbell, under whom billboards of all shapes and sizes proliferated during the 1996 Olympic Games.

That's good, said Kevin Fry, president of anti-billboard group Scenic America.

"There are huge aesthetic and safety issues" behind the digital displays, Fry said. "They're very distracting, and they're beaming into living rooms and offices day and night."

But Gary Hack, dean of the design school at University of Pennsylvania, said the displays could help Atlanta's Peachtree Street corridor become a world-class boulevard, "just as in New York, where Times Square has many of them."

In that vein of thinking, some developers hope to install some form of the displays at their prime intown properties. Barry Real Estate Companies Inc., for example, plans a 100-foot sign for its Allen Plaza development downtown.

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