



## Citizens for a Scenic Florida

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### Obie Media Corporation

Obie Media Corporation is an Oregon corporation, based in Eugene, Oregon and publicly traded on the Nasdaq National Market under the symbol "OBIE". Its website is located at <http://www.obie.com>.

According to its 1998 Form 10-K, for the year ended November 30, 1998, [see <http://www.sec.gov/Archives/edgar/data/1025169/0001025894-99-000061.txt>], as filed on March 1, 1999, Obie Media Corporation is an out-of-home advertising company which markets advertising space primarily on over 7,000 transit vehicles, as well as over 700 billboards and wallscapes. Obie Media reportedly owns approximately 760 displays consisting of billboards and wallscapes in four northwestern states: Washington, Oregon, California, and Idaho.

According to its website as of September, 1999, Obie sells advertising on nearly 1,000 transit shelters and bus benches in several markets (including Kansas City and Fort Worth).

Obie Media was formed in 1987 as a subsidiary of a family-owned corporation founded in 1960 and known as Obie Industries Incorporated. Brian Obie has served as president of Obie Industries since 1968. In 1979, Obie Industries sold all of its outdoor advertising assets consisting of 1,700 advertising displays to 3M Media Corporation. In 1996, Obie Media was spun off from Obie Industries as a separate entity as part of an initial public offering, or IPO.

Obie Media reports that most of its billboards were installed between 1990 and 1998, and almost all were built of steel. Its displays are insured against damage caused to them by storms, vandalism and other causes. Obie Media reports that it has 7 wallscapes in Seattle and, pending regulatory approval, is developing 19 wallscapes in Spokane. It reports that it has a 50% interest in a corporation that leases 18 walls for wallscapes in Portland.

Obie Media has a Canadian subsidiary, Obie Media Limited, which sells transit displays in British Columbia, and has acquired P&C, which has transit agreements covering approximately 3,200 vehicles.

Obie Media's president, Brian B. Obie, reportedly owned 49% of its common stock, or 2,119,270 shares as of November 30, 1998. Seven other officers and directors collectively owned another 500,000 shares. Based upon a reported stock price of over \$10 per share as of September 13, 1999, Brian Obie's stock has a value of over \$21 million.

Obie Media reports: "Property and equipment are stated at cost. Depreciation is provided on the straight-line method over the estimated useful lives. Additions and improvements, including interest incurred during construction, are capitalized. Normal repairs and maintenance are expensed as incurred." In the financial statements accompanying its 1996, 1997, and 1998 Form 10-Ks, Obie Media identified the asset lives of its (primarily steel) outdoor advertising structures as 20 years.

In 1997, Obie Media reported in its 1996 Form 10-K that "to date, the Company's experience is that the regulatory environment can be effectively managed." Obie Media did not describe what is meant by the term "managed."

According to its website posting as of September 13, 1999, Obie Media's painted bulletins

are available as 8' x 20', 10' x 30' or 14' x 48' displays and are made of highly durable vinyl that outlasts posters. . . . All feature brilliant, colorful artwork that is designed to **grab motorists' attention**. It describes its Tri-Vision Display as an **eye-catching advertising opportunity** that can carry three different messages, "attracting motorists' attention as the displays change."

Note: In the 1960's, Obie Outdoor Advertising, Inc. along with other billboard companies brought suit against the State of Washington in an effort to strike down the state's laws regulating billboards. In *Markham Advertising Company [et al.] v. State of Washington*, 73 Wash.2d 405, 439 P.2d 248, 439 P.2d 248 (1968), the Washington Supreme Court rejected the billboard industry's attack. In that decision, the Washington Supreme Court stated and observed:

"Dr. Harold R. Blackwell, Professor of Biophysics, Physiological Optics, and Ophthalmology, and Director of the Institute for Research and Vision at Ohio State University testified for the defense concerning the amount of time a motorist requires to read a billboard--the driver's inattention interval. An experiment he had conducted indicated that this interval may be as long as 8 seconds. Dr. Blackwell explained that the driver's focusing his attention off the highway severely reduces his ability to detect and react to highway hazards. He described how a driver's nighttime vision is temporarily impaired when the driver shifts his eyes from the highway to a lighted signboard. Defendant also called Mr. William R. Curry, Assistant Traffic Engineer of the State Highway Department, who testified that an automobile moving at freeway speeds would travel between 470 and 800 feet during the time interval in which a motorist's eyes were diverted from the road by a billboard. His opinion was that driver inattention at high speeds and on heavily traveled highways is particularly dangerous. He testified that drivers must be very attentive to road conditions at intersections and interchanges and that billboards tend to be located in such areas. He concluded that outdoor advertising signs are a definite traffic safety hazard. The state also produced evidence that, despite repeated warnings from the Highway Department, outdoor advertising signs were serviced and maintained in such a way as to violate the access limitations on freeways."

\* \* \*

"A billboard is located in such a manner as to command public attention. Even though it may be on private property the viewer is on a public way. . . .

\* \* \*

In the instant case, the question is whether the public's right to enjoy the highways free of the dangerous, obtrusive, and unsolicited presence of advertising structures is outweighed by the minimal free speech interest claimed by plaintiffs. As Mr. Justice Brandeis observed in *Packer Corp. v. Utah*, 285 U.S. 105, 110, 52 S.Ct. 273, 274, 76 L.Ed. 643 (1932):

'Billboards, street car signs, and placards and such are in a class by themselves. \* \* \* Advertisements of this sort are constantly before the eyes of observers on the streets \* \* \* to be seen without the exercise of choice or volition on their part. Other forms of advertising are ordinarily seen as a matter of choice on the part of the observer. \* \* \* The radio can be turned off, but not so the billboard \* \* \*.'

Speaking of outdoor advertising, the court in *General Outdoor Advertising Co. v. Dept. of Public Works*, supra said at 289 Mass. 168, 193 N.E. at 808:

(I)t is forcibly thrust upon the attention of all such persons (who travel on the

highways), whether willing or averse. For such persons who strongly wish to avoid advertising intrusion, there is no escape; they cannot enjoy their natural and ordinary rights to proceed unmolested.

This intrusive quality of highway outdoor advertising, coupled with the hazard it poses to traffic safety and its purely commercial nature, all persuade us that RCW 47.42 is a reasonable regulation which does not violate the First Amendment."

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In ruling against the billboard industry's attack, the Washington Supreme Court quoted the following observations by other courts across the country:

They [billboard control regulations] are designed to promote safety of travel upon the highways, and enjoyment of resort to public parks and reservations, to shield travellers upon highways from the unwelcome obtrusion of business appeals, to protect property from depreciation, and to make the Commonwealth attractive to visitors from other States and countries as well as to her own citizens. . . . It is, in our opinion, within the reasonable scope of the police power to preserve from destruction the scenic beauties bestowed on the Commonwealth by nature in conjunction with the promotion of safety of travel on the public ways and the protection of travellers from the intrusion of unwelcome advertising.  
[MASSACHUSETTS]

In any event, in this day and age we do not believe that such [aesthetic considerations] can be entirely ignored and without stating that they are decisive, we hold that the maintenance of the natural beauty of areas along interstate highways is to be taken into account in determining whether the police power is properly exercised.  
[NEW HAMPSHIRE]

In considering whether a proposed statute prohibiting billboards adjacent to a highway bears a real and substantial relation to the public welfare, the General Assembly may properly give weight not only to its effect in promoting public safety but also to its effect in promoting the comfort, convenience and peace of mind of those who use the highway, by removing annoying intrusions upon that use.  
[OHIO]

We may take judicial notice of the fact that this state is richly endowed with scenic beauty and that one of the common purposes of travel along our highways is to enjoy that beauty. The public welfare embraces healthful recreation and the protection of our national resources. As the United States Supreme Court has said: The concept of the public welfare is broad and inclusive, \* \* \* The values it represents are spiritual as well as physical, aesthetic as well as monetary. It is within the power of the legislature to determine that the community should be beautiful as well as healthy, spacious as well as clean, well-balanced as well as carefully patrolled.  
[NEW YORK]

Today, there are four states where you will not find a billboard. The states of Hawaii, Maine, Alaska, and Vermont pride themselves on the scenic beauty preserved in their communities free from the intrusion of billboard advertising. Thousands of cities, townships, and counties throughout the rest of the country prohibit the construction of billboards.

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4401 Emerson Street, Suite 10, Jacksonville, FL  
Telephone: 904-396-0037 · Facsimile: 904-396-0038

