



Peter Carlson, Carlson Sign Company, 02-08-12.  
Re: HB4031

Carlson Sign is a family owned business in Bend Oregon, est. in 1948. My Grandfather, Ted moved to Bend in 1948, and purchased an existing sign business. Ted died in 1949. My Grandmother, Irene ran the business in during 1950's. My Dad, Dick bought her out in 1968.

Not counting the summers that I worked for my Dad as a teenager, I started my sign career in 1997, buying the business from my father, becoming the 3<sup>rd</sup> generation owner. Prior to 1997 I worked for 15 years in Corporate Purchasing at Freightliner in Portland. Have a BA from OSU.

Carlson Sign currently employees 21 full time people. We manufacture and sell electrical ~~commercial~~ signs for customers all over the Pacific Northwest.

Carlson Sign also owns billboards in Bend, Redmond, Madras, Prineville and LaPine.

Carlson Sign currently owns 50 state permits. The Oregon permits originated in the early 1970's from signs that we owned at that time on state highways. The signs that met the Federal "Lady Bird Johnson "Highway Beautification criteria, and the rules Oregon established, with OMIA in the early 1970's received state permits. These permits could be used in a 100 mile radius of were they were issued.

The billboards that we owned that did not meet the new laws were removed, and the Federal Government paid fair market value for these business assets. The Federal Government did not take the signs from my family, they established a buy out value by looking at the future earning potential of the signs. This is how business assets are bought and sold between two willing parties. It would be very difficult to have meaningful contracts if the government can pass laws, that throw out the contents of any agreement between private parties.

Carlson Sign maintains over 60 ground leases with property owners in Central Oregon. I have never been in a lease negotiation with any of these people that includes ideas like what are suggested in HB 4031. This is a business deal between two private owners of property. The lease agreement is usually framed around these issues. I will give an example.

I talk to a property owner who not typically in the sign business and explain that I think I can get a permit approved to have a sign on their property and I think I can sell the advertising for X and will pay them Y.  
If we agree, we come to an understanding on the term and the payment amount.

The land owner by the nature of the deal becomes a business partner and receives a known annual payment. The sign company works to generate a profit margin after the following tasks are completed.

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- Invests the money at the local and state level to find out if a permit can be obtained.
- Engineers and builds the structure.
- Employs a sales person to sell the advertising.
- Employs a graphic artist to design the advertising
- Employs a sign install crew to take down and put up new adds
- Collects the money paid for the advertising.
- Insures the liability of the sign, and the workers comp for people who work on the sign.
- Fights the legal battles to keep the sign and participate in free speech.
- Pays the permit renewal fees and support the government agency tasked with administering the laws of Oregon.
- Pays the annual personal property tax to the local county.

I would not enter into a contract that states after performing this list of tasks for 10 years and paying the lease that I would sell the business for the cost of the steel that it takes to build a sign. I also don't think the property owner would agree to sell me a permanent easement on his land for a price determined by someone else after the term of the lease expires. If either of the parties expected that these contract provisions should be in the agreement they would ask for them at the beginning of the negotiation.

You have to recognize that these signs are just like any other type of business. Would the Legislature create a law that forces a McDonald's franchise owner to sell their restaurant at the end of a lease? Or would a law be passed that dictates that the land owner must sell their property for a discounted price because the McDonalds guy thinks he should own the land now? I don't think so.

My business, Carlson Sign has value because we deliver a product and have a reputation for being very honest and straight forward with people over the last 64 years. I think my business that has strong potential to provide future earnings and if someone wants to buy this business I am always open to a discussion. I am also very motivated to give my children the opportunity to be the a 4<sup>th</sup> generation owner of this business.

The concept of taking my property and giving to another private party for an arbitrary replacement cost is obviously very concerning to me, and I ask you to not give HB 4031 any more consideration. Thanks you for your time.

Peter Carlson