

United States District Court  
For the Northern District of California

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E-FILED on 3/10/2009

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

STOTT OUTDOOR ADVERTISING, a  
California General Partnership,  
  
Plaintiff,  
  
v.  
  
COUNTY OF MONTEREY, and DOES 1-100,  
inclusive,  
  
Defendants.

No. C-06-00891 RMW  
  
ORDER GRANTING DEFENDANT'S  
MOTION FOR SUMMARY JUDGMENT  
AND DENYING PLAINTIFF'S MOTION  
FOR SUMMARY JUDGMENT  
  
[Re Docket Nos. 71, 86]

The parties have filed cross-motions for summary judgment. Plaintiff Stott Outdoor Advertising ("Stott") moves for summary judgment as to its first and second claims that defendant County of Monterey's (the "County") ordinance regarding permits for the erecting of billboards constitutes a prior restraint on speech and restricts commercial and non-commercial speech in violation of the First Amendment of the United States Constitution. Plaintiff also seeks summary judgment on its third claim that it was denied procedural due process in violation of its Fourteenth Amendment rights under the United States Constitution. The County moves for summary judgment as to all eight of Stott's claims on the grounds that this action has been rendered moot by a recent interim ordinance that bans all billboards and that the County's ordinance and the denial of Stott's

ORDER GRANTING DEFENDANT'S MOTION FOR SUMMARY JUDGMENT AND DENYING PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT—No. C-06-00891 RMW  
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1 permit applications did not constitute violations of the First Amendment. Each party opposes the  
2 other party's motion. The court has read the moving and responding papers. For the reasons set  
3 forth below, the court GRANTS defendant's motion for summary judgment and DENIES plaintiff's  
4 motion for summary judgment.

### 5 I. BACKGROUND

6 Stott is engaged in the outdoor advertising business. Decl. of Jim Moravec Supp. Pl.'s Mot.  
7 Summ. J. ("Moravec Decl."), ¶ 3. Stott generally leases property, constructs and erects an outdoor  
8 advertising structure, and then sells the space to the public for advertising. *Id.* ¶ 4. The signs may  
9 be used to convey both commercial and noncommercial messages, and the contents of the messages  
10 change periodically, typically one to three times a year. *Id.* ¶¶ 4-5.

11 As part of its efforts to erect advertising billboards in Monterey County, Stott entered into  
12 three ground leases for property upon which it intended to build billboards. Decl. of Brian Daubert  
13 Supp. Pl.'s Mot. Summ. J. ("Daubert Decl."), ¶ 2. The first parcel is adjacent to Highway 68,  
14 approximately one mile west of the City of Salinas (the "Eastman Property"), the second parcel is  
15 along Highway 101 south ("Borba Property"), and the third is along Highway 101 north ("Tannahill  
16 Property"). *Id.* ¶ 5. According to Stott's applications, the Eastman Property billboard would be "an  
17 illuminated outdoor advertising sign with back to back 10'6" x 36' faces supported by a single sign  
18 pole with an overall height of 35'." *Id.* at Ex. A. The Borba Property billboard would be "an  
19 illuminated outdoor advertising sign with 10' x 40' back to back sign faces with an overall height of  
20 35' supported by a single sign pole reading to traffic on Highway 101." *Id.* at Ex. O. The Tannahill  
21 Property billboard would be "an illuminated outdoor advertising sign with back to back 10'6" x 36'  
22 faces supported by a single sign pole with an overall height of 35'." *Id.* at Ex. T.

23 A permit was needed at the time of Stott's applications needed in order to construct an off-  
24 site outdoor billboard in Monterey County. *See* Def.'s RJN, Ex. A at § 21.74. Section 21.74.050  
25 provides in relevant part that before issuing a use permit, the findings of the Appropriate Authority  
26 shall be that:

27 The establishment, maintenance, or operation of the use or structure applied for, will  
28 not, under the circumstances of the particular case, be detrimental to health, safety,  
peace, morals, comfort, and general welfare of persons residing or working in the

1 neighborhood of such proposed use; or be detrimental or injurious to property and  
2 improvement in the neighborhood; or to the general welfare of the County.

3 Def.'s RJN, Ex. A § 21.74.050.

4 **A. Eastman Property Billboard**

5 The County's Planning Department conducted a preliminary review of the Eastman Property  
6 and Borba Property locations and indicated that the County would accept applications for billboards  
7 on those locations. *Id.* ¶ 6. Stott then prepared applications for billboards on all three locations. *Id.*  
8 The three applications were processed and set for separate hearings. *Id.* Therese Schmidt  
9 ("Schmidt"), a senior planner in the County's Building and Inspection Department advised Stott that  
10 she was recommending approval of the Eastman Property application. *Id.* ¶¶ 7, 9. Stott also  
11 received a staff report from the County's Planning Department which indicated that approval would  
12 be recommended by the staff. *Id.* ¶ 9, Ex. D.

13 Thereafter, Schmidt requested a continuance of the scheduled hearing in order to contact and  
14 receive comments from the City of Salinas and CalTrans regarding the project. *Id.* ¶ 11. A second  
15 staff report from the Planning Department prepared in advance of the hearing indicated that the staff  
16 would recommend a denial of the project. *Id.* ¶ 12. The second report noted that the project is "in  
17 close proximity to the scenic corridor and would detract from the visually sensitive transition from  
18 urban development to rural open space while traveling on Highway 68." *Id.* ¶ 13. The report  
19 recommended a finding that the site was not suitable for the proposed use partially because of the  
20 "negative impacts of the aesthetics of the City's established 'gateway'" and the close proximity to the  
21 scenic corridor. *Id.* ¶ 14.

22 On December 8, 2004 the Planning Commission held a hearing on the Eastman Property  
23 application. *Id.* ¶ 21. No persons living or working near the property spoke in opposition of the  
24 application. *Id.* Several commissioners commented that they were opposed to billboards under any  
25 circumstances. *Id.* The Commission denied the application. *Id.* Stott then appealed the denial to  
26 the Board of Supervisors ("Board"). The Board held a hearing on March 1, 2005. An official with  
27 the City of Salinas spoke in opposition to the application. *Id.* ¶ 23. No other person spoke in  
28 opposition to the application, although several supervisors expressed opposition to new billboards in

1 the County. *Id.* The Board denied the appeal. *Id.*

2 **B. Borba Property Application**

3 During the processing of Stott's Borba Property application, Schmidt informed Stott that her  
4 tentative decision was to recommend approval of the project. *Id.* ¶ 25. The Planning Department's  
5 staff report sent to Stott in advance of the Planning Commission hearing indicated that the staff  
6 recommended denial of the project on the basis that the area is designated as a proposed scenic  
7 highway. *Id.* ¶ 26. On February 23, 2005 the Planning Commission held a hearing on the proposal.  
8 The Commission denied the application. *Id.* ¶ 28. Several commissioners expressed their  
9 categorical opposition to billboards in the County. *Id.* Stott appealed the denial to the Board, which  
10 held a hearing on May 3, 2005. *Id.* ¶ 29. The Board denied the appeal. *Id.*

11 **C. Tannahill Property Application**

12 Comments regarding the Tannahill Property Application were solicited and obtained from  
13 CalTrans. *Id.* at Ex. Z. CalTrans indicated that the placing of any display visible from a state or  
14 interstate highway required a permit from CalTrans. *Id.* The Planning Department's staff report was  
15 issued prior to the Planning Commission hearing indicated that the staff recommended approval of  
16 the project with certain conditions. *Id.* ¶ 31. These conditions included (1) obtaining an outdoor  
17 advertising permit from CalTrans, (2) submitting revised plans showing a reduction of the billboard  
18 from 35' to 25' in height, (3) setting hours of operation for the lighting to be from dusk to midnight,  
19 (4) indemnifying the County and its employees and agents from any claim attacking the approval of  
20 the application, and (5) recording a notice indicating that the property use is subject to the foregoing  
21 conditions which run with the land. *Id.* at Ex. Z. In addition, the staff recommended that the  
22 application be approved with the additional condition that the permit would be granted only for 2  
23 years, to expire April 27, 2007. *Id.* The Planning Commission denied this application and Stott's  
24 subsequent appeal to the Board was also denied. *Id.* ¶ 34.

25 **D. Ordinance 5069**

26 On May 8, 2007 the County adopted an interim ordinance banning all new billboards  
27 ("Ordinance 5069"). Decl. Dale Ellis Supp. Def.'s Mot. Summ. J. ("Ellis Decl."), ¶ 9. As an interim  
28 ordinance adopted through an urgency measure, Ordinance 5069 was valid only for forty-five days

1 after adoption, subject to two possible extensions for up to a maximum of two years. On June 19,  
2 2007 the Board adopted Interim Ordinance 5072, which extends Ordinance 5069 for an additional  
3 period of ten months and fifteen days. *Id.* ¶ 10. According to the text of Ordinance 5069, the ban is  
4 to remain in effect "pending the final resolution of the June 2007 election ballot measures related to  
5 Monterey County's 2006 General Plan and the Community General Plan." Def.'s Req. Judicial  
6 Notice Opp'n Pl.s' Mot. Summ. J. ("Def.'s RJN"), Ex. B.

7 The County's 1982 General Plan includes the following policy: "The placement of off-site  
8 advertising shall be discouraged due to visual clutter, scenic intrusion, and safety concerns, and may  
9 be considered only within the County's retail, general commercial, and industrial zoning districts.  
10 Ellis Decl. ¶ 5. The adoption of Ordinance 5069 follows what appears to be a trend by the County in  
11 modifying the 1982 General Plan to increasingly restrict outdoor, off-site advertising since the  
12 adoption of the 1982 General Plan. *See id.* ¶¶ 6-8. In January 2007 the County adopted an updated  
13 General Plan (the "2006 General Plan") with a policy more restrictive of outdoor, off-site advertising  
14 than the 1982 General Plan. *Id.* ¶ 8. The 2006 General Plan has been challenged in court and  
15 through the referendum process. *Id.*

16 One of the reasons Ordinance 5069 was adopted appears to be the possibility that the 2006  
17 General Plan might be repealed. After the County adopted the 2006 General Plan, the Board placed  
18 a measure on the June 2007 ballot asking whether the Plan should be repealed. Def.'s RJN, Ex. B.  
19 At the same time, local citizen groups have placed by referendum a similar measure on the June  
20 2007 ballot asking whether voters should approve the Plan. *Id.* In addition, citizen groups have  
21 proposed an alternative Community General Plan and have placed a measure on the June 2007 ballot  
22 for adoption of the Community General Plan. *Id.* Although the Board recognizes that pending the  
23 resolution of the ballot measures, the 1982 General Plan remains the operative plan, the Board  
24 nevertheless notes that an interim ban on all billboards should be adopted to avoid potential  
25 inconsistencies between permit actions and the 1982 General Plan prior to the resolution of the  
26 issues in the June 2007 ballot. Although the County did not submit any facts regarding the results of  
27 the June 2007 vote, it mentions in its moving papers that "[t]he results are inconclusive and  
28 confusing, and will almost certainly produce litigation." Def.'s Mot. Summ. J. at 6:19-20. Neither

1 party, despite some later filings, has indicated what the current status of Ordinances 5069 and 5072  
2 or their replacements, if any, are. The court considers the issues based upon the facts as set forth in  
3 the briefing before the court.

4 The text of Ordinance 5069 indicates that it was enacted also to permit the Board time to  
5 study and consider "land use actions and mitigation measures" and to "promote and protect the  
6 public health, safety, and welfare, . . . and community esthetics and visual environment of Monterey  
7 County from the visual clutter which billboards inevitably cause." *Id.* Further, "there is a current  
8 and immediate threat to the public health, safety, and welfare in general, and in particular to the  
9 visual environment of Monterey County." *Id.* Although unclear, the ordinance suggests that this  
10 "immediate" harm stems from the possibility that the approval of use permits for billboards might be  
11 inconsistent with the pending general plan ballot measures because such approvals would allow the  
12 "erection of permanent structures that by their very nature cause esthetic harm."

13 The County indicates that it will re-evaluate its regulations for signs after it is determined,  
14 based on the outcome of the June 2007 election. *Id.* However, the Board's express intent is to  
15 continue the ban on new billboards through the new ordinance, whatever the result of the June 2007  
16 measures and that the County has no intention to return to "a sign regulation system in which new  
17 billboards are allowed or tolerated, either as a matter of right or subject to discretionary review  
18 and/or conditions." *Id.*

19 In addition to the adoption of Ordinance 5069, the County directed its planning staff to  
20 continue working on a new sign regulation ordinance that would, *inter alia*, prohibit any new off-site  
21 advertising sign greater than 24 square feet in size. Ellis Decl., ¶ 9. The County is working on a  
22 proposed ordinance that is consistent with Ordinance 5069. *See* Decl. of Mike Novo Supp. Def.'s  
23 Mot. Summ. J., Ex. A at 21.60.060(J). Ordinance 5069 does not affect billboards which already  
24 legally exist in the County, billboards for which a valid permit has been issued and not yet expired,  
25 and the change of message or graphic display on any presently, existing legal billboards. Def.'s  
26 RJN, Ex. B. Further, the ordinance does not bar agreements to relocate presently existing legal  
27 billboards. *Id.*

1  
2 **II. ANALYSIS**

3 **A. Legal Standard**

4 Summary judgment is granted if there is no genuine issue as to any material fact. FED. R.  
5 Civ. P. 56(c); *Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986). In a motion for summary  
6 judgment, the court draws all reasonable inferences that may be taken from the underlying facts in  
7 the light most favorable to the nonmovant. *Matsushita Elec. Indus. Co., Ltd. v. Zenith Radio Corp.*,  
8 475 U.S. 574, 587 (1986). In *Nissan Fire & Marine Ins. Co., Ltd. v. Fritz Companies, Inc.*, the  
9 Ninth Circuit elaborated:

10 In order to carry its burden of production, the moving party must either produce  
11 evidence negating an essential element of the nonmoving party's claim or defense or  
12 show that the nonmoving party does not have enough evidence of an essential  
13 element to carry its ultimate burden of persuasion at trial. In order to carry its  
14 ultimate burden of persuasion on the motion, the moving party must persuade the  
15 court that there is no genuine issue of material fact.

16 If a moving party fails to carry its initial burden of production, the nonmoving party  
17 has no obligation to produce anything, even if the nonmoving party would have the  
18 ultimate burden of persuasion at trial. In such a case, the nonmoving party may  
19 defeat the motion for summary judgment without producing anything. If, however, a  
20 moving party carries its burden of production, the nonmoving party must produce  
21 evidence to support its claim or defense. If the nonmoving party fails to produce  
22 enough evidence to create a genuine issue of material fact, the moving party wins the  
23 motion for summary judgment.

24 210 F.3d 1099, 1102-03 (9th Cir. 2000) (citations omitted).

25 **B. Mootness**

26 The County moves for summary judgment in its favor on the basis that Stott's action has been  
27 rendered moot by the County's May 8, 2007 adoption of Ordinance 5069. In particular, Ordinance  
28 5069 prohibits the processing or issuance of any new or pending permit applications for new  
billboards. Stott argues that because Ordinance 5069 was enacted as an emergency measure  
essentially to frustrate its plans to obtain a permit and construct three billboards in Monterey  
County, it is invalid. Further, Stott contends that because Ordinance 5069 is only an interim  
ordinance placing a temporary moratorium on new billboards, the alleged conduct may occur again.  
The parties also dispute whether plaintiff obtained any vested rights in its applications.

"Mootness is the doctrine of standing set in a time frame: The requisite personal interest that  
must exist at the commencement of the litigation (standing) must continue throughout its existence

1 (mootness)." *Native Village of Noatak v. Blatchford*, 38 F.3d 1505, 1509 (9th Cir. 1994) (internal  
2 quotations and citation omitted). "Under Article III of the Constitution, federal courts may  
3 adjudicate only actual, ongoing cases or controversies." *Lewis v. Continental Bank Corp.*, 494 U.S.  
4 472, 477 (1990) (citations omitted). "To invoke the jurisdiction of a federal court, a litigant must  
5 have suffered, or be threatened with, an actual injury traceable to the defendant and likely to be  
6 redressed by a favorable judicial decision." *Id.*

7 "A statutory change . . . is usually enough to render a case moot, even if the legislature  
8 possesses the power to reenact the statute after the lawsuit is dismissed. As a general rule, if a  
9 challenged law is repealed or expires, the case becomes moot." *Native Village of Noatak*, 38 F.3d at  
10 1510. Further, there are only rare exceptions to this general rule. *Id.* Such exceptions "typically  
11 involve situations where it is virtually certain that the repealed law will be enacted." *Id.*; *see, e.g.,*  
12 *City of Mesquite v. Alladin's Castle, Inc.*, 455 U.S. 283, 289 & n.11 (1982) (finding that case not  
13 rendered moot by new ordinance where city had previously amended an ordinance but subsequently  
14 reverted to the old regulations once the state court judgment issued and had announced that it was  
15 not prohibited from reenacting precisely the same provision if the district court's judgment was  
16 vacated).

### 17 1. Temporary Nature of Ordinance 5069

18 Stott first argues that because Ordinance 5069 is only an interim ordinance, there is a  
19 likelihood that the County will revert to the allegedly unconstitutional sign ordinance in place prior  
20 to Ordinance 5069. In other words, plaintiff contends Ordinance 5069 is nothing more than a  
21 moratorium on the allegedly unconstitutional County sign regulation. The court finds that in light of  
22 all the facts in the record, this argument is not persuasive. Although Ordinance 5069 is only an  
23 interim ordinance, which has an initial term of forty-five days and may be extended for up to two  
24 years, the accompanying text of the ordinance indicates that the purpose of Ordinance 5069 is not  
25 merely a moratorium on the existing sign regulations as plaintiff argues. The text of Ordinance 5069  
26 suggests that it was enacted to allow the Board time to study and consider implementing new  
27 regulations related to new off-site advertising signs in light of land use, health and safety, and  
28 esthetics concerns. A draft of a proposed new ordinance appears consistent with the prohibition in

1 Ordinance 5069. Moreover, the Board has expressed an explicit intent to not revert to the existing  
2 regulations. Stott has offered no factual support to show that the County will revert to its existing  
3 regulations. *Compare City of Mesquite*, 455 U.S. at 389 & n.11 (mootness not found where city had  
4 previously reverted to the old regulations once it received a court judgment and announced that it  
5 was not prohibited from reenacting the alleged unconstitutional regulations if the district court  
6 judgment was vacated). Therefore, the court cannot conclude that there has been a showing  
7 warranting an exception to the general rule that if the challenged law is repealed or expires the case  
8 becomes moot.

9 A court may also permit "suits for prospective relief to go forward despite abatement of the  
10 underlying injury where the following two circumstances were simultaneously present: (1) the  
11 challenged action is in its duration too short to be fully litigated prior to its cessation or expiration,  
12 and (2) there was a reasonable expectation that the same complaining party would be subjected to  
13 the same action again." *Lewis v. Continental Bank Corp.*, 494 U.S. 472, 481 (1990) (internal  
14 quotations, edit, and citation omitted). However, this exception is not met where "there is no  
15 'reasonable expectation' that [plaintiff] will suffer the same wrong again." Here, the facts do not  
16 support a finding that Stott will suffer the same wrong. As alleged, its permits were denied because  
17 the County exercised biased discretion against its proposed billboards. However, as the County  
18 argues, under Ordinance 5069 as extended by Ordinance 5072, new billboards will be prohibited as  
19 a matter of local law rather than as a matter of discretion. Such billboard prohibiting ordinances  
20 have been upheld against constitutional challenge. *See Maldonado v. Morales*, — F.3d — 2009 WL  
21 455526 \*6 (9th Cir. 2009); *Metro Lights, L.L.C. v. City of Los Angeles*, 551 F.3d 898, 914 (9th Cir.  
22 2009).

## 23 2. Bad Faith

24 Stott also argues that the County enacted Ordinance 5069 expressly to frustrate Stott's plans  
25 to obtain permits to construct three billboard structures in Monterey County and, therefore, the  
26 Ordinance is invalid as against Stott. Mootness may be avoided "where a repeal or amendment is  
27 part of a bad faith attempt by the government to avoid judicial review or where the government has  
28 enacted a substantially similar law." *Get Outdoors II, L.L.C. v. City of Lemon Grove*, 378 F. Supp.

1 2d 1232, 1239 (S.D. Cal. 2005) (citing *City of Mesquite*, 455 U.S. at 289). Stott argues that the  
2 County acted in bad faith based primarily on the timing of Ordinance 5069's enactment three days  
3 before Stott filed its motion for summary judgment.

4 The court acknowledges that the text of Ordinance 5069 is not clear as to its purpose and  
5 timing. The text, as drafted by County Counsel, expresses that the Ordinance was necessary in light  
6 of the potential inconsistencies presented by the various measures placed on the June 2007 ballot,  
7 yet purports that the Board's intent is to ensure that a new ordinance will continue the ban on all new  
8 billboards *whatever the results of the June ballot*. Thus, it is unclear whether the Board intends to  
9 perform a study to determine whether all new billboards should be banned or whether it will seek to  
10 do so regardless of any studies. Nevertheless, it is not the role of the court to second guess the  
11 legislature's decisions. Moreover, although Ordinance 5069 prohibits any further permits for new  
12 billboards, it appears to be only another enactment in a succession of actions by the County since the  
13 1980s (and well before Stott's applications and suit) to restrict the addition of new billboards. These  
14 actions appear to have been taken primarily to further the County's interest in esthetics which, as  
15 discussed further below, is a valid basis for restricting the construction of new billboards. The  
16 County's disdain is not for Stott but for billboards generally.

### 17 3. Allegation that Stott was Singled Out

18 Stott argues that because the ordinances were enacted as an emergency measure and  
19 essentially to frustrate its plans to obtain its permits, the ordinances are invalid. Stott points to the  
20 line of cases beginning with *Yick Wo v. Hopkins*, 118 U.S. 356 (1886) for the principle that even a  
21 facially neutral law can deny a person equal protection if applied in a way that singles him out.  
22 More applicable to these facts, Stott cites *Sunset View Cemetery Association v. Kraintz*, 196 Cal.  
23 App. 2d 115 (1961), in which the court ordered a county to authorize a cemetery's construction of a  
24 mortuary where the county had changed its regulations to specifically frustrate the cemetery's plans.  
25 The general rule, however, is that "an administrative body ordinarily may deny a building permit  
26 when there is a zoning change after the permit application is made and the contemplated use is no  
27 longer permitted." *Delta Wetlands Properties v. County of San Joaquin*, 121 Cal. App. 4th 128, 147  
28 (2004) (upholding ordinance imposing limits on water storage projects). A constitutional concern

1 arises only where the administrative body's "sole purpose" in enacting the laws is to frustrate a  
2 particular person. *Id.* Such cases are distinguishable from Stott's situation because the County's  
3 ordinances banning billboards apply countywide. *Cf. id.*, at 150. As the California Court of Appeal  
4 distinguished in *Delta Wetlands Properties*, the current case is distinct from the *Sunset View* lines of  
5 cases because here no "particular property was targeted with greater restrictions than similarly  
6 situated property." *Id.* at 149. Indeed, the County has been quite clear in expressing its disdain not  
7 for Stott, but for billboards generally. Accordingly, the ordinances are not invalid as violating Stott's  
8 right to equal protection.

9 **4. Claims Mooted**

10 The court therefore concludes that defendants have adequately shown that plaintiff's first  
11 through third claims for declaratory and injunctive relief are rendered moot by the County's adoption  
12 of Ordinance 5069. In addition, plaintiff's fourth claim for damages derives from its contentions that  
13 it should have been granted the applied-for permits but for defendant's violations of its First and  
14 Fourteenth Amendment rights. These claimed losses are "loss of income, profits, business  
15 reputation and other general damages" in excess of \$250,000. Compl. ¶50. These appear to be  
16 losses incurred by Stott in pursuing its permit applications and estimated loss of profits it would  
17 have secured had it been granted the permits. *See, e.g.*, Moravec Decl. ¶¶ 17-21. However, as  
18 defendant argues, under California law, which governs plaintiff's property rights, a party has a  
19 vested right in a permit only after the permit is issued and the party has incurred substantial expense  
20 in reliance on the permit. *Avco Cmty. Developers, Inc. v. South Coast Reg'l Comm'n*, 17 Cal. 3d  
21 785, 791 (1976); *see also Davidson v. County of San Diego*, 49 Cal. App. 4th 639, 646 (1996).<sup>1</sup>

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22  
23 <sup>1</sup> Although it is unclear from the County's briefings whether it moves for summary judgment  
24 on plaintiff's fourth claim for damages based on an alleged violation of the First Amendment and the  
25 Due Process Clause only on mootness grounds or on the merits, the court concludes that plaintiff's  
26 fourth claim has been rendered moot because the primary contention at issue—that is plaintiff's  
27 request for declaratory and injunctive relief that its permits be issued—has been rendered moot by  
28 Ordinance 5069. *See Lewis*, 494 U.S. at 480 ("Where on the face of the record it appears that the  
only concrete interest in the controversy has terminated, reasonable caution is needed to be sure that  
mooted litigation is not pressed forward, and unnecessary judicial pronouncements on even  
constitutional issues obtained, solely in order to obtain reimbursements of sunk costs."); *see also Get  
Outdoors v. City of Chula Vista*, 407 F. Supp. 2d 1172, 1179 (S.D. Cal. 2005) (same). In any event,  
the court addresses the merits of plaintiff's First Amendment and Due Process Clause claims  
separately in *infra* §§ C-D based on plaintiff's motion for partial summary judgment.

1 Finally, the court finds that plaintiff's remaining claims are rendered moot for the same  
2 reasons that its first through fourth claims are rendered moot. Plaintiff's fifth through eighth claims  
3 seek (1) a traditional writ of mandate ordering defendant to vacate the Board's decisions denying  
4 plaintiff's appeals, ordering defendant to approve plaintiff's applications, and ordering defendant to  
5 pay plaintiff's damages claim; and (2) administrative mandamus as to all three permit applications  
6 ordering the County to vacate its denial of plaintiff's permit applications, ordering defendant to issue  
7 the requested permits, and ordering defendant to pay plaintiff's damages claim. *See* Compl. ¶¶ 7-18.  
8 These claims seek relief that has been rendered moot by Ordinance 5069. *See Lewis*, 494 U.S. at  
9 477 ("To invoke the jurisdiction of a federal court, a litigant must have suffered, or be threatened  
10 with, an actual injury traceable to the defendant and likely to be redressed by a favorable judicial  
11 decision.").

12 However, even if Ordinance 5069 does not moot plaintiff's claims, the court concludes, for  
13 the reasons set forth below, that there is no genuine issue of material fact with respect to plaintiff's  
14 claims that the County has violated plaintiff's First Amendment rights or its rights under the Due  
15 Process Clause.

16 **C. First Amendment**

17 Plaintiff's first claim alleges that the County's sign ordinance is unconstitutional "insofar as it  
18 requires a use permit" because such a permit is a prior restraint on "its right to engage in a protected  
19 First Amendment activity." Plaintiff claims the County's ordinance does not set forth "narrow,  
20 objective and definite standards" and "grant[s] to County officials unfettered discretion to allow or  
21 deny persons the right to engage in protected First Amendment speech." Compl. ¶ 22. Plaintiff's  
22 second claim challenges the County's ordinance as applied. The County argues that because Stott  
23 only constructs billboards, its claims do not involve speech, but only one medium of speech.  
24 However, as the Supreme Court has held, "billboards . . . like other media of communication,  
25 combine communicative and noncommunicative aspects" and "regulation of the noncommunicative  
26 aspects of a medium often impinges to some degree on the communicative aspects." *Metromedia,*  
27 *Inc. v. City of San Diego*, 453 U.S. 490, 502 (1981). Thus, a court "must reconcile the government's

1 regulatory interests with the individual's right to expression." *Id.* As noted above, Stott's billboards  
2 are used to display both commercial and non-commercial speech. The constitutional protection  
3 afforded commercial speech differs from that afforded non-commercial speech and thus warrants  
4 separate discussion. *Id.* at 513.

5 **1. Commercial Speech**

6 The County's ordinance provides that before issuing a use permit, the findings of the  
7 Appropriate Authority shall be:

8 The establishment, maintenance, or operation of the use or structure applied for, will  
9 not, under the circumstances of the particular case, be detrimental to health, safety,  
10 peace, morals, comfort, and general welfare of persons residing or working in the  
neighborhood of such proposed use; or be detrimental or injurious to property and  
improvement in the neighborhood; or to the general welfare of the County.

11 Def.'s RJN, Ex. A § 21.74.050. Stott submits that this provision confers "unbridled discretion" upon  
12 County officials because it "does not set forth any fixed, objective standards for determining whether  
13 a particular project may be 'detrimental to health, safety, peace, morals, comfort and the general  
14 welfare of persons residing or working in the neighborhood.'" *See* Pl.'s Mot. Summ. J. at 8:19-24.  
15 "[I]n the area of free expression a licensing statute placing unbridled discretion in the hands of a  
16 government official or agency constitutes a prior restraint and may result in censorship." *City of*  
17 *Lakewood v. Plain Dealer Pub. Co.*, 486 U.S. 750, 757 (1988). This applies to city ordinances  
18 pertaining to restraints on the methods of communication. *See id.* ("[A] law or policy permitting  
19 communication *in a certain manner* for some but not for others raises the specter of content and  
20 viewpoint censorship.") (emphasis added). Although a city "may constitutionally impose  
21 content-neutral prohibitions on a particular manner of speech, it may not condition that speech on  
22 obtaining a license or permit from a government official in that official's boundless discretion." *Id.*  
23 at 764. Here, however, the court concludes that the County's ordinance does not constitute a prior  
24 restraint on speech as plaintiff proposes.

25 First, the ordinance is not facially unconstitutional. Although not a case concerning First  
26 Amendment rights with respect to billboards, the Supreme Court's holding in *City of Lakewood* is  
27 instructive. There, the city's ordinance set forth *no standards* upon which city officials based  
28 decisions regarding permits: "The Mayor shall either deny the application [for a permit], stating the

1 reasons for such denial or grant said permit subject to the following terms. . . . [These] terms,  
2 includ[e]: (7) such other terms and conditions deemed necessary and reasonable by the Mayor." *Id.*  
3 at 769 (internal quotations omitted) (first edit in original). In concluding that the ordinance  
4 constituted a prior restraint on speech, the Court held that it was "apparent on the face of the  
5 ordinance itself contains no explicit limits on the mayor's discretion" and "nothing in the law as  
6 written requires the mayor to do more than make the statement 'it is not in the public interest' when  
7 denying a permit application." *Id.*

8 Here, the ordinance requires the appropriate County official to make *findings* that there will  
9 not be any detrimental effects to health, safety, peace, morals, comfort, and general welfare of  
10 persons residing or working in the neighborhood, or detrimental or injurious to property and  
11 improvement in the neighborhood or to the general welfare of the County. Rather than being  
12 conferred with unbridled discretion, the official is charged with making findings affecting specific  
13 concerns enumerated in the ordinance. By contrast, the ordinance in *City of Lakewood* contained no  
14 enumeration of the city's interests that would justify denying a permit. As the *City of Lakewood*  
15 Court explained, it cannot be presumed that the city officials would deny a permit only based on  
16 "reasons related to the health, safety, or welfare of Lakewood citizens." Rather, "[t]he doctrine  
17 requires that the limits the city claims are implicit in its law be made explicit by textual  
18 incorporation, binding judicial or administrative construction, or well-established practice." *Id.* at  
19 770. Here, unlike in *City of Lakewood*, the "limits" are made implicit in the text of the ordinance. In  
20 other words, the ordinance does not require the court to presume that denial of a permit is based on  
21 findings of detriment to health, safety, welfare, or property.

22 Second, applying the test and reasoning set forth in *Metromedia*, the ordinance's restrictions  
23 are not unconstitutional. *Metromedia* involved the constitutionality of the City of San Diego's  
24 prohibition of all new outdoor advertising display signs, which include billboards. As to the  
25 resulting effect of the billboard ban on commercial speech, the Court held that a city's esthetic and  
26 traffic safety interests are sufficiently substantial to ban the construction of billboards. The Court  
27 reaffirmed that the applicable test for determining the validity of government restrictions on  
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1 commercial speech is as set forth in *Central Hudson Gas & Elec. Corp. v. Pub. Serv. Comm'n*, 447  
2 U.S. 557, 563-66 (1980):

3 (1) The First Amendment protects commercial speech only if that speech concerns  
4 lawful activity and is not misleading. A restriction on otherwise protected commercial  
5 speech is valid only if it (2) seeks to implement a substantial governmental interest,  
6 (3) directly advances that interest, and (4) reaches no further than necessary to  
7 accomplish the given objective.

8 453 U.S. at 507. The City of San Diego's ordinance prohibited all "outdoor advertising display  
9 signs," subject to certain exceptions, to eliminate traffic hazards to pedestrians and motorists and to  
10 preserve and improve the appearance of the city. *Id.* at 493. The Court applied the *Central Hudson*  
11 test and concluded that the ordinance was valid as to commercial speech. Specifically, the Court  
12 held that traffic safety and appearance of the city were substantial governmental goals. *Id.* at 507-  
13 08. The Court also reasoned that the ordinance is not broader than necessary because, "[i]f the city  
14 has a sufficient basis for believing that billboards are traffic hazards and are unattractive, then  
15 obviously the most direct and perhaps the only effective approach to solving the problems they  
16 create is to prohibit them." *Id.* at 508.

17 The Court then considered whether the ordinance "directly advanced" the expressed  
18 governmental interests. The Court noted that it hesitated to disagree with the common-sense  
19 judgments of local lawmakers as to concerns of traffic hazards and esthetics. *Id.* at 509-10. In  
20 particular, the Court stated "[i]t is not speculative to recognize that billboards by their very nature,  
21 wherever located and however constructed, can be perceived as an 'esthetic harm.'" *Id.* at 510.  
22 While the Court acknowledged that "[s]uch esthetic judgments are necessarily subjective, defying  
23 objective evaluation," and thus "must be carefully scrutinized to determine if they are only a public  
24 rationalization of an impermissible purpose," the Court noted that there was no claim in that case  
25 that the city had the ulterior motive of suppressing speech. *Id.*

26 Here, the reasoning utilized by the *Metromedia* Court in evaluating the governmental  
27 interests and the breadth of the ordinance show that the County's ordinance is not unconstitutional.  
28 The ordinance expresses that the concerns that may support a denial of a permit are safety, health,  
general welfare, and injury to property or improvement in the neighborhood and County. An  
ordinance setting forth that a permit may not be granted upon findings of such detriments does not

1 appear to be broader than necessary based on the same rationale set forth in *Metromedia*. It is not  
2 disputed that the County has consistently expressed concern over the visual clutter and detriment to  
3 esthetics caused by additional billboards. Moreover, as in *Metromedia*, there is no contention of an  
4 ulterior motive to suppress speech and the facts do not suggest such a motive. Indeed, the  
5 applications for permits request information only regarding the size, appearance, and location of the  
6 proposed billboards. The parties do not dispute that there is and has not been any reference in Stott's  
7 applications, the public hearings, or elsewhere, identifying the messages proposed for any of the  
8 billboards.

9 **2. As Applied**

10 Stott also argues that the ordinance, as applied, violates the First Amendment in that it serves  
11 as a *de facto* prohibition against all off-site billboards. To the extent Stott argues that the County has  
12 instituted a *de facto* ban on all billboard, *Metromedia* involved a complete ban on new billboards  
13 and is squarely on point. Thus, the same reasoning discussed in *supra* § C.1 applies. As the *City of*  
14 *Lakewood* Court explained, an ordinance that allows some to speak but not others, such as an  
15 ordinance that prohibits the use of sound trucks without permission from the Chief of Police was  
16 unconstitutional, but an ordinance absolutely banning the use of sound trucks is constitutional. *See*  
17 *City of Lakewood*, 486 U.S. at 750 (comparing *Saia v. New York*, 334 U.S. 558 (1948), with *Kovacs*  
18 *v. Cooper*, 336 U.S. 77 (1949)).

19 **3. Noncommercial Speech**

20 Although the County's ordinance may also affect non-commercial speech, it does not do so in  
21 an unconstitutional manner here. As noted above, Stott's billboards serve as a medium for both  
22 commercial and non-commercial speech. With respect to noncommercial speech, the government  
23 "may not choose the appropriate subjects for public discourse." *Metromedia*, 453 U.S. at 515. In  
24 *Metromedia*, the Court found that the City of San Diego's ordinance unconstitutionally restricted  
25 noncommercial speech because the ordinance specifically permitted on-site commercial messages  
26 related to the commercial use of the premises, but prohibited the use of otherwise identical  
27 billboards to carry noncommercial messages. *Id.* at 513. Here, the situation is different. The  
28 County's ordinance does not distinguish between the type of speech or content of the message in the

1 determination of whether a permit is issued. Moreover, although exceptions to the permit  
2 requirement are made for various noncommercial speech, Stott fails to point to any particular  
3 exception that renders the permit ordinance unconstitutional. Unlike in *Metromedia*, there is no  
4 contention or showing that the ordinance improperly restricts noncommercial speech more  
5 stringently than commercial speech.

6 **D. Due Process**

7 Plaintiff also claims that it was denied due process because it did not receive a fair and  
8 impartial hearing with respect to its permit applications because several of the commissioners and  
9 supervisors were biased against billboards in general. "The Fourteenth Amendment's Due Process  
10 Clause protects persons against deprivations of life, liberty, or property; and those who seek to  
11 invoke its procedural protection must establish that one of these interests is at stake. *Wilkinson v.*  
12 *Austin*, 545 U.S. 209, 221 (2005). "[T]he existence of a protected property interest hinges on  
13 whether state law confers a 'reasonable expectation of entitlement.'" *Stivers v. Pierce*, 71 F.3d 732,  
14 740 n.4 (9th Cir. 1995) (citation omitted). A plaintiff may establish that there has been a violation of  
15 its due process rights either by showing actual bias as demonstrated by the proceedings or  
16 surrounding circumstances or that the adjudicator has a pecuniary or personal interest in the outcome  
17 of the proceedings. *Id.* at 741. However, "[i]n attempting to make out a claim of unconstitutional  
18 bias, a plaintiff must 'overcome a presumption of honesty and integrity' on the part of  
19 decision-makers." *Id.*; *see also Bakalis v. Golembeski*, 35 F.3d 318, 326 (7th Cir. 1994) ("[T]here is  
20 a presumption that those making decisions affecting the public are doing so in the public interest.").

21 Here, plaintiff claims there was actual bias. Plaintiff points to comments made by  
22 Supervisors Calcagno and Potter at the hearing on the Eastman Property application. Supervisor  
23 Calcagno noted that the County had historically taken a strong position against billboards and that  
24 the people of Monterey County do not want commercial signs. *See Ex. N Supp. Pl.'s Mot. Summ. J.*  
25 *at 23-24.*<sup>2</sup> Supervisor Potter apparently concurred with these statements. Supervisor Potter also

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27 <sup>2</sup> The court notes that plaintiff's exhibit N as well as a number of exhibits submitted by  
28 plaintiff are not accompanied by a sworn declaration. The court need not credit these submissions as  
proper parts of the evidentiary record for the present motions. *See Fed. R. Civ. P. 56(e)*. Exhibit N  
is the transcript of the March 1, 2005 proceedings before the Board of Supervisors. Defendant does  
ORDER GRANTING DEFENDANT'S MOTION FOR SUMMARY JUDGMENT AND DENYING PLAINTIFF'S MOTION FOR  
SUMMARY JUDGMENT—No. C-06-00891 RMW

1 reiterated that there is a consistent policy of trying to reduce the number of billboards in the County  
2 in his deposition. On March 7, 2005, prior to the appeal of the Borba Property and Tannahill  
3 Property denials, Supervisor Calcagno responded to a citizen letter, stating that he shared her  
4 opposition to billboards along Highway 101, such as the proposed Tannahill billboard.<sup>3</sup> Finally,  
5 plaintiff notes that Supervisor Calcagno proposed and the County adopted a moratorium on  
6 billboards and endorsed a policy discouraging billboards and restricting them to heavy commercial  
7 and industrial zones shortly after the appeal as to the Tannahill billboard was denied.<sup>4</sup>

8 Even assuming plaintiff's proffered exhibits are credited as evidence properly before this  
9 court, the court is not persuaded that plaintiff has presented evidence to overcome the presumption  
10 that the Planning Commission or the Board of Supervisors acted with honesty and integrity.  
11 Plaintiff has pointed only to general statements made by supervisors of their personal viewpoints on  
12 the subject of the number of billboards in the County. *See Stivers*, 71 F.3d at 744 (holding that  
13 reports of derogatory statements by an adjudicator about the applicant while the application was  
14 pending before the Board, standing alone, was clearly insufficient to demonstrate actual bias); *cf.*  
15 *McCalden v. Cal. Library Ass'n*, 955 F.2d 1214, 1224 (9th Cir. 1990) ("Adverse rulings alone are  
16 not sufficient to require recusal, even if the number of such rulings is extraordinarily high.").  
17 Although these statements demonstrate that the County was working toward a policy to reduce the  
18 number of billboards for esthetic purposes, these statements do not show that the Board would not  
19 exercise their duties in accordance with the then-effective ordinance when evaluating Stott's  
20 applications. *Compare Taylor v. Hayes*, 418 U.S. 488, 501-02 (1974) (statements demonstrating  
21 adjudicator's unfavorable personal attitude toward the petitioner and the running controversy  
22 between the two support finding of actual bias). Moreover, concerns of local esthetics is a proper

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24  
25 not dispute the authenticity of this transcript. The court takes judicial notice of this document  
pursuant to Fed. R. Evid. 201.

26 <sup>3</sup> Plaintiff cites to its exhibit Y, which is not submitted in conformance with Fed. R. Civ. P.  
27 56(e). *See supra* note 2.

28 <sup>4</sup> Plaintiff cites to its exhibits CC and FF, which are not submitted in conformance with Fed.  
R. Civ. P. 56(e). *See supra* note 2.

1 grounds for denying an application to erect a billboard; the record does not support a finding that the  
2 supervisors opposed its billboard permit applications for any reason other than their concern of the  
3 visual clutter created by too many billboards. *Cf. Cunningham v. City of Overland*, 804 F.2d 1066,  
4 1069 (8th Cir. 1986) (due process violated where license was denied even after city attorney  
5 informed the board that there were no legal grounds for denial).

6 Finally, the record does not show that there were any irregularities in the treatment given  
7 Stott's applications compared to other applications. *See Stivers*, 71 F.3d at 745 ("It is appropriate to  
8 look to irregularities in the treatment that a license applicant receives from the Board in determining  
9 whether the decision-making process was affected by impermissible bias on the part of one of its  
10 members."). Stott's applications progressed through the usual channels without noted delays. A  
11 public hearing was held by the Planning Commission and by the Board of Supervisors.  
12 Accordingly, the court does not find that these statements raise an issue of triable fact as to whether  
13 plaintiff's due process right to a fair and impartial hearing was violated based on actual bias against  
14 it.

15 **E. Recent Decisions Uphold Bans of Billboards**

16 Stott in a supplemental submission calls the court's attention to *Metro Lights, LLC v. City of*  
17 *Los Angeles*, 488 F. Supp. 2d 927 (C.D. Cal) in which the district court held that the City's general  
18 prohibition of off-site signs was an unconstitutional restraint on commercial speech because the City  
19 allowed off site signs on the public right of way under the City's bus shelter program. However, that  
20 decision was reversed on appeal. The Ninth Circuit held that the ordinance was not  
21 unconstitutionally underinclusive under the First Amendment. *Metro Lights, L.L.C.*, 551 F.3d at  
22 904-11 . It acknowledged that if a city has a sufficient basis for believing that billboards are traffic  
23 hazards or unattractive, it can prohibit them. *Id.* at 907.

24 Similarly, in *Maldonado*, 2009 WL 455526 at \*6 the Ninth Circuit held that California's  
25 Outdoor Advertising Act, prohibiting all off-site billboard advertising, did not amount to a  
26 suppression of all signs, as would violate the First Amendment because non-commercial messages  
27 and on-site advertising were not prohibited.

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**III. ORDER**

For the foregoing reasons, the court GRANTS defendant's motion for summary judgment and DENIES plaintiff's motion for summary judgment.

DATED: 3/10/2009



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RONALD M. WHYTE  
United States District Judge

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8 Counsel are responsible for distributing copies of this document to co-counsel that have not  
9 registered for e-filing under the court's CM/ECF program.

10 **Dated:** 3/10/2009

11 TSF  
12 **Chambers of Judge Whyte**

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