

RADIO NEWS

Selected 1999 Transactions!

- WCOH-AM WMKJ-FM**
WMXY-AM WZLG-FM
Newnan-Peachtree City
Hogansville, GA \$4.4 Million

- WWRO-FM WCOA-AM**
Pensacola, FL \$9.0 Million

- WKJS-FM WSOJ-FM**
Richmond, VA \$12.0 Million

- WLRO-FM WLTO-FM**
WVLK-AM/FM WXZZ-FM
Lexington, KY \$44.5 Million

- WMEQ-AM/FM**
WBIZ-AM/FM
WQRB-FM WATO-FM
Menomonie-Eau Claire
Bloomer-Chetek, WI \$14.8 Million

- KXBX-AM/FM KQPM-FM**
KRED-FM KKHB-FM
KGOE-AM KFMI-FM
KATA-AM
Lakeport-Ukiah
Eureka-Arcadia, CA \$6.4 Million

- WYPA-AM**
Chicago, IL \$10.5 Million

- WCAV-FM**
Boston, MA \$10.0 Million

- KMGR-FM**
Salt Lake City, UT \$3.0 Million

- KONY-FM/AM**
Kanab-Washington, UT \$1.75 Million

- KKRO-FM KQEZ-FM**
Anchorage, AK \$2.4 Million

- KREC-FM**
Brian Head, UT \$1.75 Million

- KLSZ-FM KOMS-FM**
Van Buren, AR
Poteau, OK \$2.1 Million

- WKCD-FM**
Pawcatuck, CT \$2.05 Million

Senate anti-Bill bill would be FCC deal-breaker back-breaker 2
 Sens. McCain, Hatch and Ashcroft have introduced a bill which would leave media deal-breaking to the DOJ and FTC. The FCC would be able to comment only.

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McCain bill to stop FCC merger reviews

FCC Chairman **Bill Kennard** (D) says Congress "got it right with the 1996 Telecom Act." But apparently the Commission's implementation, on the other hand, may be way out of line. According to members of the Senate Commerce Committee, the FCC has no right to continue its practice of re-reviewing telecommunications mergers that either the DOJ or the FTC say they will not block.

Sens. **John McCain** (R-AZ), **Orrin Hatch** (R-UT) and **John Ashcroft** (R-MO) introduced the Telecom Merger Review Act (S. 1125) 5/26 which would allow the Commission to file comments with the DOJ or FTC, but would prohibit the FCC from imposing "any other term or condition on the assignment or transfer of the license."

"The FCC has bootstrapped itself into the unintended role of official federal deal breaker," said McCain. "The FCC is foisting needless burdens and restrictions on the merging companies that translate into higher costs for consumers."

During an FCC oversight hearing 5/26 with McCain's Commerce Committee, Commissioner **Susan Ness** (D) testified the agency is not duplicating the DOJ's review because "Our review is to look at public interest, which the DOJ does not consider in their analysis," she said.

McCain struck down that notion, saying everything the DOJ does in antitrust is consumer driven and in the interest of the public. "This bill is intended to...eliminate bureaucratic mismanagement while preserving essential federal review and enforcement prerogatives," he said.—TS

Debate over LPFM rages on

On the one side are the advocates who say LPFM is the best way to promote ownership diversity. Opposing that view are those who claim LPFM could be the death of spectrum integrity. But what is clear is what both sides are not talking about: commercial LPFM.

"It's virtually unarguable that LPFM will create interference and will result in listeners not getting the FM stations that they've been listening to for years," said attorney **John Fiorini** of Gardner, Carton & Douglas during the Media Institute Communications Forum in DC 5/27.

Advocates of LPFM are claiming non-commercial is the best means to provide churches, local governments, educational institutes and neighborhood groups the voice they do not have. "What we have is too quick a reaction before looking at the benefits," said **Cheryl Leanza** of the Media Access Project. "If these large radio corporations do not want to provide that voice, then we need to get someone who will."

"Low-power will harm the conversion to digital," added **Randy Odeneal** of Sconnix Broadcasting. "And low-power will not place stations in the hands of women and minorities as intended." Odeneal also said very few LPFM stations could be created and the study is a waste of everyone's time.—TS

CBS/Infinity invests in Redwood

Tiny Redwood Broadcasting (O:RWBD) may not be a thinly traded bulletin board stock for long. The company revealed last week (5/26) that CBS-controlled (N:CBS) Infinity Broadcasting (N:INF) had acquired an 18% stake in the company. Redwood also said that it would buy out all remaining shareholders of the Interactive Radio Group, a privately held company which designs Internet sites for radio stations, including Infinity's KROQ-FM L.A. and KITS-FM San Francisco.

At the same time, Redwood announced that **Frank Wood** had joined the company as Chairman of the Board of Directors. Wood continues as CEO of Secret Communications and is a former president of Jacor Communications. Also joining the Redwood board are **Bob Wilson**, founder of *Radio & Records*, who is now Redwood's Vice Chairman; **Jeff Pollack**, CEO of the Pollack Media Group consulting firm; **Vickie Ocheltree**, who formerly developed Internet strategies for Disney (N:DIS) and headed R&R's electronic publishing operations, she's now Redwood's Exec. VP; **Andrew Schuon**, Exec. VP at Warner Records and former programmer of MTV and KROQ-FM; and **John Gehron**, co-COO of Infinity.

On news of the Infinity investment and new board members, Redwood's stock gained 75¢ to close 5/26 at \$11.75.

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Redwood's stock traded as low as \$1.375 last December, after the company sold its last radio stations to Regent Communications (O:RGCIPI). The stock ended 1998 at \$5.50.—JM

Kenwood, BE officially on board with USADR

Another first for USADR: receiver manufacturer Kenwood Corporation has signed with the IBOC developer a joint technology and marketing agreement to manufacture home receivers and after-market car stereos with the USADR design. Kenwood is one of the top three manufacturers of US consumer electronics in both categories. Under the agreement, both companies will work together to develop, test and promote Kenwood IBOC receivers.

Calling *RBR* from a N.Y. briefing with consumer electronics magazines, USADR **Bob Struble** was positive on this latest step: "This is an extremely significant milestone. We've said all along that a broad industry coalition is going to be required. We've put together broadcasters, transmitter manufacturers, and this is the first receiver manufacturer to jump on board, so this moves us that much closer to implementation."

"We've been looking at this since last September, when we started our first round of meetings. In looking at the way that USADR has approached this and put together a strong coalition, they've been keeping in mind the regulatory process and the politics. And from a technology standpoint, they certainly have as good a handle on this as anybody does," said Kenwood USA VP **Bob Law**. "Our R&D people in Japan will be establishing a working relationship and setting up regular communication very quickly, I imagine."

Add another manufacturer to USADR's Technology and Marketing Alliance program: Broadcast Electronics. BE has already passed the FM IBOC waveform through its 500C1 model and has plans for more. "BE is committed to enabling our customers' transition to digital transmission technology for AM and FM, as we facilitated the transition to digital audio studio systems," said VP RF Systems **Rick Carpenter**.—CM

WNEW all Talk; WW1 to launch 24/7 Hot Talk net?

Howard Stern is not moving to WNEW-FM, as some have speculated. He's staying at WXRK-FM, according to an *RBR* source close to the N.Y. Infinity (N:INF) stations. However, heritage Rock WNEW is flipping to all Talk in mid June and will leverage numerous Westwood One (N:WON) programs, as with other Infinity stations. WNEW's morning jocks **Opie** and **Anthony** will stay.

Likely candidates for the new 24/7 Hot Talk (not to be named "Extreme Radio" as some have speculated) FM network, slated for launch "down the road" include Stern, **Don & Mike**, **Steve Dahl**, **G. Gordon Liddy**, **Tom Leykis**, "The Sports Junkies" (*RBR* 5/24 p. 6), "In the Huddle," "Loveline" and the MTV Radio Network.

Stern's agent, **Don Buchwald**, would neither confirm nor deny Stern heading up morning drive on the new net: "All I can say is that we're pleased with where we are and what we're doing."

Said an industry source: "We could start a Talk format with our existing [properties], but it doesn't have to be for existing CBS stations...it could be for anybody." With Infinity FM Talkers soon to be in five top-10 markets, the synergy is getting ripe for a new 24/7 Westwood net. Shoe-horns include WNEW, WJFK-FM Washington, KLSX-FM L.A., WCKG-FM Chicago and WKRK-FM Detroit.—CM

New box adds inventory space from thin air

It's new, it's patented, listeners can't tell. From Talk shows to complex symphonies, Prime Image's "Cash" allows any broadcaster to add one minute or more of inventory every 10 minutes. "The extreme would be you could literally insert an extra five minutes of commercials in a 60 minute program," said Prime Image President **Bill Hendershot**. "You just dial in how much extra time you want to insert and how long is the program." The unit also works in real time, during a live satellite feed.

In the past, "adding time" has been achieved through audio compression, which produced noticeable changes in pitch. "We don't squeeze. We take chunks out without you noticing it. Therefore, when you put it all back together, it's still the same frequency it was before."

Cash works by finding and taking out millisecond chunks of audio that don't need to be there. When each sound is brought back together, the phase is correctly matched to avoid any audio pops or spikes. These imperceptible chunks add up in an hour to allow extra time for extra spots. The spot (or spots) is added at the beginning of a show.

Explains Hendershot: "Let's say you want to insert an extra :30 seconds every 20 minutes. You can start it any time you want. You will have built in a :30 second audio solid state delay. So the program is coming in, but it's not coming out of the box for another 30 seconds. You insert your :30 second commercial in the beginning, then during the next 19.5 minutes the box is reducing the delay to zero, and you're back in real time. Then you can start all over again and insert another extra commercial."

Prime Image originally made its claim to fame 2 1/2 years ago with "The Time Machine," creating more space and inventory for TV stations. 77 units are in the market now, used by all the major networks, including Jacor's WKRC-TV (CBS). In fact, it was Jacor that originally contacted Hendershot to see if he could create a similar box for radio. When he did the initial demos for Jacor at WGST in Atlanta, the system was able to add an extra :30 sec. in four minutes of Dr. **Laura Schlessinger**.

"Technically, it's a fairly amazing device. It's a great thing to have in-house—you can do everything from play-by-play to **Casey Kasem**'s countdown show and it's indiscernible to the ear," said WGST PD **Gabe Hobbs**. "The downside is you don't want to get crazy and add too much commercial inventory to your programming. There has to be a very specific need and application that doesn't cheat the listener or program supplier. You've got to keep your sales manager from salivating too hard."

At NAB Vegas, Jacor pre-bought 10 units on the spot and wants more ASAP. CBS and Chancellor are also very interested in the unit. The first units were shipped last week.

Hendershot is finalizing dealer/distributor contracts, but isn't giving exclusivity. Harris, Broadcaster's General Store and Broadcast Supply Worldwide will be handling the product, with delivery in 1-2 weeks. Cash retails around \$12K.—CM

Changing workplace bodes well for radio

The changing landscape of the American workplace may spell more good news for an already robust radio industry. Interep Research has released a new study called "The American Workplace in the New Millennium/ Answering How, When and Where the Nation goes to Work." Author of the report, **Michele Skettino**, found that flex-time and telecommuting continue to be a popular trend in the workforce. The unprecedented number of women and working parents are boosting the popularity of these alternatives to the conventional workplace. This in turn is changing the dynamics of drive time marketing.

The study also confirms radio's ability to reach consumers at work. Skettino explains, "Statistics show that people are spending more time at work, and also that all household heads are now likely to be working. So if an advertiser is not reaching consumers in the workplace, the window of opportunity to reach them becomes smaller."

Presently, a worker spends an average of 18 hours a week or about three and a half hours a day listening to the radio at work. During the peak at work radio-listening time of 10 a.m. to 2:30 p.m., almost 20% of adults 18 and over are listening to the radio at their workplace.—KM

Highway to a bigger audience

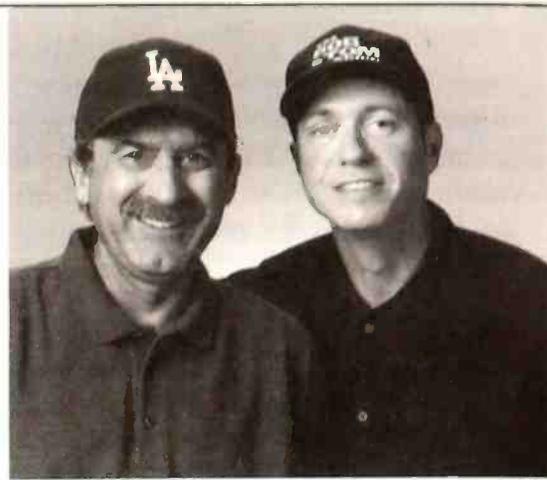
audiohighway.com (O:AHWY) and Clear Channel Communications (N:CCU), Los Angeles are teaming up to reach a larger audience for the latter's annual summer concert "Wild, Wild Wango Tango." The Internet entertainment company will have exclusive rights to simulcast the June 12 concert live. It can be heard on KIIS-FM in LA and 50 other sister stations across the country. A first for audiohighway.com, the concert will be archived on the web site for users to access it in the future.

Clear Channel is excited at the prospects of having the concert reach fans in the US and throughout the world. President and General Manager **Roy Laughlin** enthused, "audiohighway.com is exactly what Wild, Wild Wango Tango needs to reach a greater nationwide audience. audiohighway is one of the top Web

Popular talk hosts to emcee NAB awards show

Guests of the National Association of Broadcasters Marconi Radio Awards Dinner and Show will be treated to the comedy of **Bob Kevoian** and **Tom Griswold**. The pair from AMFM Radio Network's nationally syndicated "The Bob and Tom Show" will host the event 9/2 in Orlando.

The annual convention for radio (8/31-9/3) will feature more than 70 comprehensive sessions and more than 150 exhibitors.—KM



sites for diversified audio content on the Net."

This year's event will feature artists such as Blondie, UB40, **Ricky Martin** and **Will Smith**.—KM

Command Audio launching Q4

Want news, books and information delivered a la carte? Targeted to the commuter with limited time and options, a new service is launching Q4 in Denver and Phoenix, with plans to be in 40 markets by Q4 '00. "Command Audio" is a service that utilizes a handheld receiver (RCA) that downloads and stores personally-tailored programming and news from FM subcarrier signals. The receiver has a speaker, earphone jack, and transmits an FM signal to car stereos for full-sound. Users can play their choices anytime, skip through, rewind, etc..

Command Audio positions itself away from MP3-type players, ie. Audible Player, that download from the Internet. "We focus our efforts more on content that is urgent for people. We're focused on bringing consumers up-to-date editions of programs they need in their daily lives and allow them to pursue their individual interests while they commute," said CEO **Don Bogue**.

The company's Redwood City, CA HQ gathers programming, including newspaper and magazine articles read by an in-house staff and uplinks it to a satellite that transmits to local FM stations. Among the media choices offered so far: Premiere, NPR, Metro Networks (for traffic), ABC Radio Networks, SportsFan, *BusinessWeek*, *Fortune*, *Time*, *The Wall Street Journal*, *Sports Illustrated*, *Scientific American*, soap opera and TV news program updates—a total in the hundreds.—CM

NEWS BRIEFS

BP launches "Oldies That Jam"

Capitalizing on the latest format—R&B Oldies—to sweep the nation, Broadcast Programming recently launched "Oldies That Jam" to WWSY-FM Charlottesville, VA, KVRQ-FM Merced, CA, WQZZ-FM Tuscaloosa, AL, WBGE-FM Peoria, IL and WOVE-FM Flint, MI.—CM

CD Radio and GM back on track?

Last week's CD Radio (O:CDRD) 8-K filing indicated "substantive discussions" with GM have resumed. This after a previous 8-K (RBR 4/26, p.15) said rival XM Satellite Radio (O:SKYC) would likely be the exclusive OEM DARS service for GM's future models, and CD had broken off talks with the automaker.—CM

Radio Disney now on two FMs; WPB next market

ABC's (N:DIS) Radio Disney update: Two FM affiliates: WOLF-FM Syracuse (5/3) and WDNZ-FM Cumberland, MD (10/22/98). The latest to switch: WWMI-AM Tampa (5/3); WPOM-AM West Palm Beach will switch in mid-june, bringing the total to 42. The kids net is now in 14 of top 20 markets, with plans to be in all of the top 20 by mid to late 2000.—CM

Ready for the worst

NAB has teamed with the Salvation Army in a formal partnership to help communities in times of disaster.

"Communities turn to the Salvation Army and to broadcasters during disasters," said NAB CEO **Eddie Fritts**. "This partnership will help us both be more effective in times of dire community need."—JM

Top 50 Radio Group Owners

Who is big?

Mergers, takeovers and divestitures rebuilt the radio industry landscape in 1998, and the reshuffling isn't likely to stop soon. *RBR* asked BIA for an updated list of the top 50 radio groups, ranked by revenues.

With so much revenue now concentrated in the big three, five of the companies making the top 50 aren't groups at all—WEAZ-FM Radio Inc. owns only a single station, WBEB-FM Philadelphia, and four others have stations in only a single market.—JM

Rank	Parent Company	Parent # Stations	BIA's Estimated 1998 Parent Revenue (in \$000s)	Parent # Markets	BIA Rank	Parent Company	Parent # Stations	BIA's Estimated 1998 Parent Revenue (in \$000s)	Parent # Markets
1	Chancellor Media Corporation	465	1,857,655	101	26	Buckley Broadcasting Corporation	17	39,750	9
2	CBS Radio	163	1,667,550	35	27	Connoisseur Communications	39	38,675	10
3	Clear Channel Communications	459	1,210,786	81	28	Fisher Broadcasting	25	37,890	4
4	ABC Radio Incorporated	43	355,450	17	29	Barnstable Broadcasting Inc.	20	37,310	5
5	Cox Radio Inc.	56	284,450	12	30	Inner City Broadcasting Corporation	5	33,700	3
6	Entercom	43	199,700	8	31	Renda Broadcasting Corporation	17	30,225	6
7	Heftel Broadcasting Corporation	42	182,325	13	32	Bloomington Broadcasting	17	28,286	5
8	Citadel Communications Corporation	116	164,325	20	33	Lotus Communications Corporation	16	28,250	6
9	Susquehanna Radio Corporation	23	162,600	8	34	Sunburst Media LP	23	26,240	6
10	Emmis Communications	16	158,450	6	35	Nassau Broadcasting Partners LP	17	26,000	5
11	Cumulus Media Inc.	228	140,575	36	36	Z-Spanish Media Corporation	35	25,250	13
12	Sinclair Communications Inc.	53	138,970	10	37	EXCL Communications Inc.	16	24,975	9
13	Bonneville International Corporation	15	127,200	6	38	Blue Chip Broadcasting Ltd	13	23,100	5
14	Jefferson-Pilot Communications	17	112,050	5	39	Simmons Media Group Inc.	19	22,920	3
15	Greater Media	14	109,050	4	40	South Central Communications	11	22,775	3
16	Spanish Broadcasting System	15	99,050	6	41	Marathon Media LLC	88	22,175	10
17	Radio One Incorporated	25	96,950	9	42	Midwest TV Incorporated	2	21,100	1
18	Beasley Broadcast Group	28	87,500	6	43	Mid-West Family Broadcast Group	24	21,050	3
19	Saga Communications Inc.	42	77,825	10	44	Ackerley Group	6	20,700	1
20	Journal Broadcast Group Inc.	37	65,500	8	45	Forever Broadcasting Inc.	38	20,625	7
21	Tribune Broadcasting Company	4	53,650	2	46	WEAZ-FM Radio Incorporated	1	20,000	1
22	Sandusky Radio	10	46,850	2	47	Service Broadcasting Corporation	3	18,900	1
23	Hearst-Argyle	7	44,475	4	47	Liggett Broadcast Group	9	18,900	3
24	Dick Broadcasting Company Inc.	14	43,580	4	49	Hubbard Broadcasting Inc.	2	18,800	1
25	Broadcasting Partners Holdings LP	34	41,000	9	50	Big City Radio	13	18,750	8
					50	Albany Broadcasting Company Inc.	10	18,750	3

Ranked by BIA's 1998 Estimated Pro-Forma Revenues

Source: BIA's MEDIA Access Pro

by Tiffany Stevens

Golden ties to the community: Radio donates billions

Broadcasting—it's the way to link a society set on fast-forward. From the hectic daily commute to work, to the high-stress job centered on a computer-clad desktop, Americans are turning on their radios everywhere they go. Maybe it's the convenience of having one in the car, placing one next to the computer monitor, even the headphones for that workout at the gym. Despite the various reasons for turning on that little box with an antenna, Americans are simply dedicated to radio (which they should be since the first radio broadcast did happen here in the good ol' USA).

Now those radio corporations that bring millions of Americans their favorite formats, in turn, are committing resources, time and energy to serve the communities in which they

broadcast. According to a report released by the National Association of Broadcasters (NAB), radio and TV stations combined have donated more than \$6.8B a year to community service.

Broadcasters' community service has an enormous impact on their communities, in large part because the stations are able to tailor their commitments based on the needs of their listeners. Public service campaigns have become an enormous part of that effort. The NAB reports that each radio station donates, on average, roughly \$400K a year to public service announcements and campaigns. More than nine out of 10 stations surveyed by the NAB say they help charities, charitable causes or needy individuals by fundraising



Atlantic Star radio stations in Huntington, WV and their listeners exceeded their goal of raising 10K cans of food.



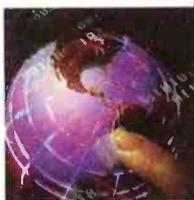
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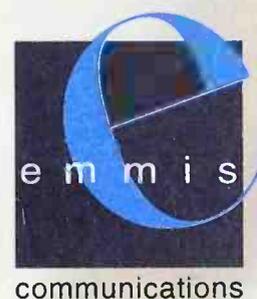
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Thousands of Hispanics showed up at last year's National Puerto Rican Day Parade in New York City to show off their heritage.

or offering other support.

There are as many different approaches to community service as there are different stations that serve different audiences. This is where Capstar Broadcasting (N:CRB) is among the leaders. The radio giant partnered with Project America earlier this year, to sponsor Radio Reaching Out, a nationwide volunteer initiative. Radio Reaching Out is the brainchild of Capstar's **Steve Hicks**, President/CEO, in which he asked each of Capstar's 350-plus stations to personalize its community outreach.

"It has become clear that we at Capstar have a golden opportunity to make a real difference in many lives," said Hicks. "Positive change in local communities must be made by citizens who care about these communities. Our goal is to use our radio stations to help make this possible."

While many of Capstar's stations already have on-going relationships with local volunteer organizations, others are just beginning their outreach programs. Whether it's a new

or old obligation, the goals remain the same: to create interest in volunteerism on a national and local scale, to provide numerous recruitment opportunities and to increase awareness of the importance of volunteerism among Capstar's employees and listeners.

"We are so proud of our employees and of the initiative that each market has taken in creating new and innovative ways to reach out to their communities and promote volunteerism as a way of life," remarked **Lisa Dollinger**, Capstar's Director of Corporate Communications.

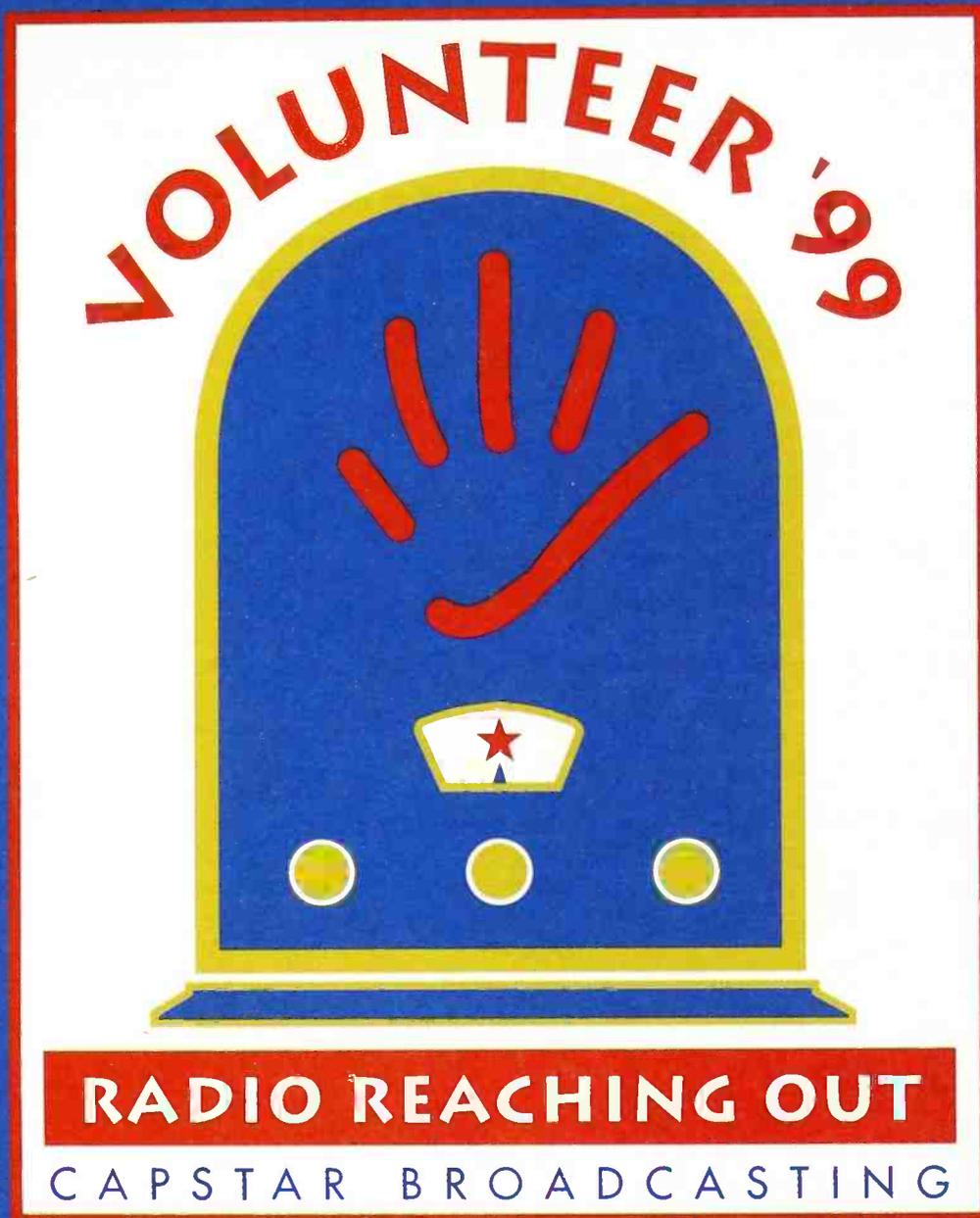
According to Dollinger, those unique ideas used to touch base with the citizens include a Rubber Ducky Derby, a Riverfest and a house built for Habitat for Humanity. Launched by Capstar's Beaumont, TX radio stations, thousands of rubber ducks were purchased by the public for \$5 apiece and placed into the Neches River, where they raced to the finish line. The event raised over \$50K (plus over \$16K worth of free airtime for 400 PSAs) for a local children's rehabilita-

tion center. In Columbia, SC more than 250 volunteers helped make Southern Star-Columbia's Riverfest a success, raising more than \$35K for the Epilepsy Foundation of South Carolina. The event, which attracted 40,000 people, featured the Mayor's 5K River Run, the Celebrity River Raft Race, live musical entertainment and an exotic petting zoo. And down in Tyler, TX, four of GulfStar's stations volunteered to build the first-ever Habitat for Humanity home in Kilgore, TX. More than 300 hours of volunteer work were needed to complete the home, so three of the stations broadcasted live from the building site, encouraging listeners to stop by and help build the home (plus broadcasting a few plugs for Radio Reaching Out).

So far, says Dollinger, with just over 25% of Capstar's markets reporting in, Radio Reaching Out has raised a total of \$1.5B for communities across the US. That figure includes employee volunteer hours, actual funds raised and PSAs. When the results of all 83 events that oc-

THANK YOU,

Capstar Employees!



You have made **Radio Reaching Out's** inaugural year a tremendous success through your commitment to volunteerism and community service. We want you to know you are deeply appreciated on every level. After all, *it's all about people who care.*

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curred in April are tallied, the figure could potentially triple.

But it's not only duck races and riverfests that are the driving forces behind groupwide public service campaigns. Ethnic pride was reason enough for Spanish Broadcasting System (SBS) to become the official voice for the National Puerto Rican Day Parade said **Ruben Estrada**, SBS Vice President for Government Relations.

According to Estrada, the Puerto Rican Day Parade (sans the word "national") has been held in New York City for 38 consecutive years. The event just went national in 1995. "The success of the parade was tremendous so it was time to expand the parade and remind Puerto Ricans of their heritage," he said. Under the terms of the partnership, all of SBS's 15 radio markets across the US and Puerto Rico will provide live broadcasts of the 14 parades, each in different cities on different days, plus talent and entertainment at parade sites.

Though it may seem on the surface that SBS is only sponsoring a parade, there is a deeper commitment. The broadcasting company is devoted to providing ongoing support of the parade's 1,000 Children Project (it's actually 1,500 kids) which provides mentors, leadership training and college education for children of Puerto Rican heritage. In order to fund the project, various recording artists have contributed songs to a CD, which SBS will promote by running spots. In addition, SBS has recruited 2,000 volunteers committed to raising \$2000 a year each for the next 10 years.

But as wonderful and needed as money is, it's not always the object. **Joaquin Blaya**, Radio Unica Chairman/CEO, explains: "It is more of a commitment to the cause than a dollar commitment to the budget. It's more than anything else the manpower and research and the amount of air-time dedicated, rather than the total dollar figure."

Radio Unica, practically a newcomer to the radio world, has gone

from zero to 12 stations, four to over 200 employees and 50 affiliates in over a year. "Not to brag or anything, but we've done a lot in the last few months," boasts Blaya. That track record also includes launching an aggressive anti-dropout campaign, "Saber es Poder," earlier this spring.

Broadcast nationwide on the Radio Unica Network, the campaign takes an in-depth look at the state of education and the dropout rate among US Hispanics, informing and educating parents and students on the causes and cures for the problem. Hispanic journalist **Maria Elena Salinas** anchored the series of network editorials and was chosen for her high profile and because a celebrity "lends weight and credibility to the campaign," said Blaya.

Regardless of the intentions and methods used, PSAs will always be a part of radio. As Blaya states, "It's a win-win situation for all involved: the community loves the attention and the stations walk away with a good image."

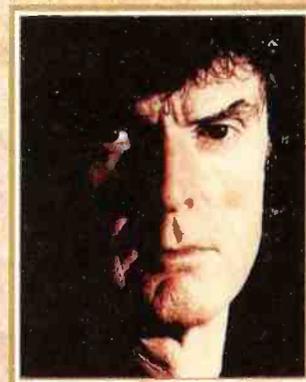
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KLOS-FM, Los Angeles, CA; KSL-AM, Salt Lake City, UT;
KUDL-FM, Westwood, KS; KUEL-FM, Fort Dodge, IA;
KZLA-FM, Los Angeles, CA; WGOH-AM, Grayson, KY;
WHUR-FM, Washington, DC; WYTZ/WZTY, St. Joseph, MI

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by Jack Messmer

Infinity buys Outdoor Systems for \$8.3B

It was the worst kept secret in the world (*RBR* 5/24, p. 13), so few were surprised when **Mel Karmazin** announced last week (5/27) that Infinity Broadcasting (N:INF) would acquire Outdoor Systems Inc. (N:OSI) in a deal valued at \$8.3B.

The tax-free stock swap will give OSI shareholders 1.25 shares of Infinity stock for each share of OSI. Based on Infinity's 5/26 closing price of \$26, that would value the stock portion of the deal at \$6.5B. In addition, Infinity will assume \$1.8B of OSI's debt. Karmazin said that the acquisition will be immediately accretive to Infinity on an after-tax cash flow basis.

OSI is the largest outdoor advertising company in the US. It has 112,000 billboards, mall and transit displays

in the US, Canada and Mexico, plus 125,000 New York City subway displays. Combined with Infinity's TDI, which has 2,000 billboards and 1M transit displays worldwide, Infinity is laying claim to surpassing Clear Channel (N:CCU) as the world's largest outdoor advertising company.

When the deal closes, OSI President/CEO **Arte Moreno** and Chairman **William Levine** will join the Infinity Board of Directors. Moreno will also become CEO of the new Outdoor Systems, a wholly owned subsidiary of Infinity. Infinity, in turn, is controlled by CBS (N:CBS) and Karmazin is CEO of both.

"Our new, industry-leading outdoor advertising company, combined with the biggest and best radio company in the business, will make Infin-

ity the premier local advertising platform," Karmazin declared. "One that is second to none."

Billings trio to New Northwest

Marathon Media's excess stations in Billings from its pending \$26M buy of Citadel's (O:CITC) small market operations (*RBR* 1/18, p. 18) will go to **Michael O'Shea's** and **Ivan Braiker's** New Northwest Broadcasters for \$3.9M. The stations are KGHL-AM, KIDX-FM & KRSQ-FM.

In the end, there won't be any change in the radio line-up in Billings. Citadel's current five stations—KBUL-AM, KCTR-FM, KKBR-FM, KMHK-FM & KBBB-FM—will end up with Marathon and Marathon's current three stations will end up with New Northwest. That should make everybody, including the FCC and DOJ, happy. Broker: **Peter Handy**, Star Media Group

Radio One into Boston

Boston, with only a 6.2% Black population, is about to lose its distinction of being the only top 10 market without an Urban FM. Radio One (O:ROIA) is paying \$10M for Aritaur's WCAV-FM. Broker: **Robert Maccini**, Media Services Group

Sleuths sniff out prices

RBR's sleuths have been tracking down contract information that got separated from transfer applications in the FCC's move to The Portals. Here's what we sniffed out:

- Clear Channel (N:CCU) is adding WYLT-FM Byhalia, MS to its Memphis superduopoly. It will pay the Estate of **Albert L. Crain** \$1.1M for the rimshotter on 94.9 MHz. Broker: **John W. Saunders**

- Myron Kunin's** Curtis Squire is paying \$2.35M, including \$2.1M in assumed liabilities, to add KZIU-FM & WWAX-FM to its Duluth operation, which currently includes KDDA-AM,

New Century Arizona, LLC

has agreed to transfer the assets of

KEDJ-FM and KDDJ-FM Phoenix, Arizona

for

\$22,000,000

to

Mike Kakoyiannis of
Big City Radio

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KQDS-FM & KNLD-TV (Ch. 21, Ind.). The sellers are related companies controlled by **J. Thomas Lijewski** and **Cheryl Pfeifer**. The price was originally announced as \$2.1M (RBR 3/22, p. 13). **Broker:** Kalil & Co.

Shepherd adds to flock

David Shepherd's The Shepherd Group is expanding to its sixth small market in Missouri. Shepherd will pay \$400K for KMRN-AM & KNOZ-FM Cameron, MS. The new combo is just 30 miles or so down I-35 toward Kansas City from Shepherd's Bethany, MO combo. **Broker:** **Ralph Meador**, R.E. Meador & Associates

Cumulus giving away station

Cumulus Media (O:CMLS) is donating WHQO-FM Skowhegan, ME to Maine Public Radio. Cumulus will buy the station, along with WSKW-AM & WCTB-FM, from Mountain Wireless, which previously sold WTOS-FM to Cumulus. Including another pending buy, Cumulus will end up with seven stations in the Augusta-Waterville market.

RBR observation: We couldn't help but notice that Cumulus' announcement of this donation included quotes of praise from two Congressmen. It never hurts to have friends on Capitol Hill.

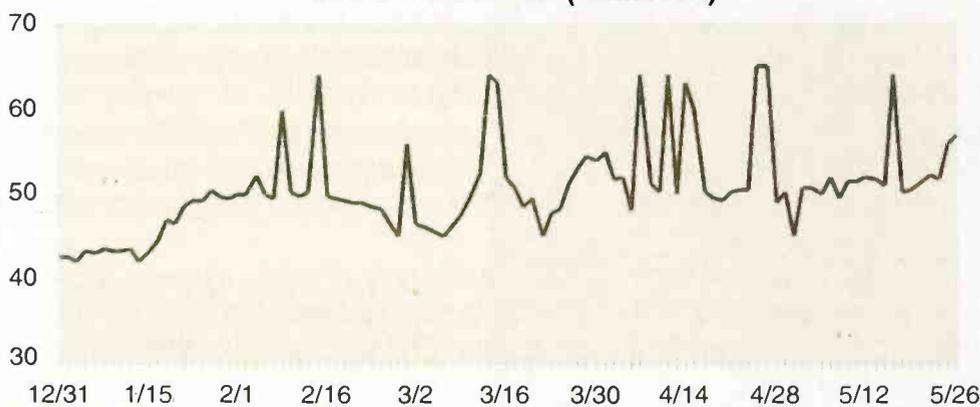
Is Metro Networks a takeover target?

Speculation that Metro Networks (O:MTNT) might be a takeover target has made the company's stock price quite volatile in recent weeks.

Since Westwood One (N:WON) owns Metro's chief competitor, Shadow, and thus has CBS (N:CBS)/Infinity (N:INF) tied up, there are only two likely buyers for Metro: Chancellor Media (O:AMFM) and Clear Channel (N:CCU). Either would be a good fit. Chancellor is said to have Metro's largest affiliate lineup, while Clear Channel already has its own traffic service in a few markets and owns quite a few regional news networks (which would give a boost to Metro Source and vice versa).

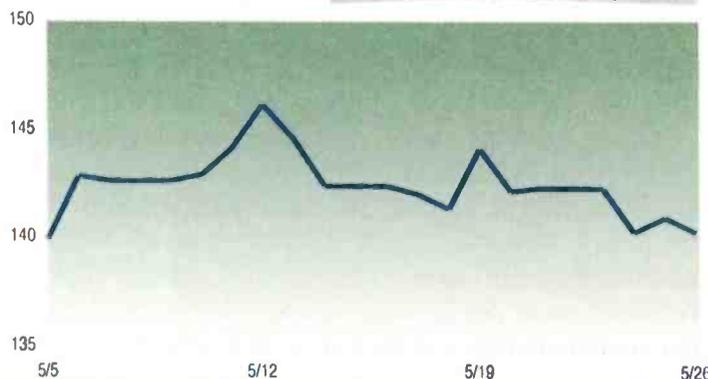
Still, CEO **David Saperstein** is under no pressure to sell Metro Networks and its business still has plenty of room to grow. Also, it would be cost-prohibitive for anyone to launch a third competitor, although Clear Channel could gradually add markets and eventually become a nationwide competitor.

Metro Networks (O:MTNT)



The Radio Index™

The Radio Index™ has been holding relatively steady. The index closed 5/26 at 140.34, down 3.79 from a week earlier.



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May 26—RBR Stock Index 1998

Company	Mkt:Symbol	5/19 Close	5/26 Close	Net Chg	Pct Chg	5/26 Vol (00)	Company	Mkt:Symbol	5/19 Close	5/26 Close	Net Chg	Pct Chg	5/26 Vol (00)
Ackerley	N:AK	17.875	19.000	1.125	6.29%	224	Hearst-Argyle	N:HTV	25.000	25.750	0.750	3.00%	481
Alliance Bcg.	O:RADO	0.562	0.718	0.156	27.76%	320	Heffel Bcg.	O:HBCCA	60.250	57.437	-2.813	-4.67%	1488
Am. Tower	N:AMT	24.187	22.500	-1.687	-6.97%	6356	Infinity	N:INF	29.437	26.000	-3.437	-11.68%	8202
AMSC	O:SKYC	15.125	13.250	-1.875	-12.40%	522	Jeff-Pilot	N:JP	67.500	65.250	-2.250	-3.33%	2885
Belo Corp.	N:BLC	23.125	22.562	-0.563	-2.43%	2209	Jones Intercable	O:JOINA	52.500	51.250	-1.250	-2.38%	122
Big City Radio	A:YFM	4.000	3.937	-0.063	-1.58%	207	Metro Networks	O:MTNT	50.500	57.000	6.500	12.87%	419
Broadcast.com	O:BCST	118.000	105.562	-12.438	-10.54%	6958	NBG Radio Nets	O:NSBD	3.000	2.562	-0.438	-14.60%	55
Capstar	N:CRB	27.437	24.375	-3.062	-11.16%	544	New York Times	N:NYT	34.812	34.312	-0.500	-1.44%	3788
CBS Corp.	N:CBS	44.250	41.000	-3.250	-7.34%	26026	Otter Tail Power	O:OTTR	38.375	38.937	0.562	1.46%	36
CD Radio	O:CDRD	26.500	23.375	-3.125	-11.79%	4122	Pacific R&E	A:PXE	90.750	70.187	-20.563	-22.66%	63890
Ceridian	N:GEN	35.625	33.000	-2.625	-7.37%	11338	Pinnacle Hldgs.	O:BIGT	1.500	1.125	-0.375	-25.00%	15
Chancellor	O:AMFM	56.687	50.625	-6.062	-10.69%	33492	Radio One	O:ROIA	19.062	18.687	-0.375	-1.97%	391
Citadel	O:CITC	32.250	29.000	-3.250	-10.08%	614	RealNetworks	O:RNWK	37.187	36.375	-0.812	-2.18%	2284
Clear Channel	N:CCU	70.500	69.000	-1.500	-2.13%	15664	Redwood Bcg.	O:RWBD	12.750	11.750	-1.000	-7.84%	113
Cox Radio	N:CXR	52.625	53.250	0.625	1.19%	487	Regent Pfd.	O:RGICIP	5.625	5.750	0.125	2.22%	0
Crown Castle	O:TWRS	21.000	19.000	-2.000	-9.52%	8757	Saga Commun.	A:SGA	20.125	19.875	-0.250	-1.24%	17
Cumulus	O:CMLS	17.625	17.750	0.125	0.71%	361	Sinclair	O:SBGI	14.187	13.250	-0.937	-6.60%	4082
DG Systems	O:DGIT	6.562	6.000	-0.562	-8.56%	268	SportsLine USA	O:SPLN	34.000	34.750	0.750	2.21%	4167
Disney	N:DIS	29.937	30.000	0.063	0.21%	61444	TM Century	O:TMCI	0.937	0.625	-0.312	-33.30%	0
Emmis	O:EMMS	44.250	46.125	1.875	4.24%	690	Triangle	O:GAAY	0.059	0.190	0.131	222.03%	234252
Entercom	N:ETM	32.687	32.875	0.188	0.58%	131	Tribune	N:TRB	78.812	74.687	-4.125	-5.23%	5594
Fisher	O:FSCI	62.000	61.000	-1.000	-1.61%	3	WesTower	A:WTW	26.250	24.500	-1.750	-6.67%	419
Gaylord	N:GET	31.875	32.375	0.500	1.57%	250	Westwood One	N:WON	34.875	33.312	-1.563	-4.48%	123
Granite	O:GBTVK	7.000	7.125	0.125	1.79%	1026	WinStar Comm.	O:WCII	50.750	47.000	-3.750	-7.39%	7213
Harris Corp.	N:HRS	40.000	38.000	-2.000	-5.00%	3497							

Citadel to sell 10M shares

Citadel Communications (O:CITC) filed with the SEC to sell 10M shares of common stock—5M new shares and 5M from long-time investors. Citadel plans to use its share of the proceeds to buy back some of its preferred stock and to fund acquisitions. **Underwriters:** CSFirst Boston, Prudential Securities, Salomon Smith Barney, Bear Stearns & Co., BT Alex. Brown, Donaldson, Lufkin & Jenrette, BancBoston Robertson Stephens, Lehman Bros., Merrill Lynch, Goldman Sachs & Co., First Union Capital Markets, Thomas Weisel Partners LLC

Sale of stations bumps Children's bottom line

A net profit this quarter compared to a year ago, thanks to Radio Unica's \$16.5M purchase of Children's Broadcasting's (O:AAHS) remaining radio stations. Net income was \$11.5M compared to a net loss of \$3.7M Q1 1998. Revenue was up \$1.2M from \$836K a year ago. Two newcomers to Children's boosted revenues significantly. Chelsea Pictures and Populuxe added \$1.1M to total revenue.—KM

CBS wins TV ratings race

Wall Street Journal—CBS Corp. (N:CBS) is expected to win this season's television ratings race for the first time in five years—but come in a distant fourth in the demographic group that advertisers say they want.

In a testimony to how splintered the TV landscape has become, CBS will be able to declare victory over General Electric's (N:GE) NBC in the network horse race for the season that ended last Wednesday (5/26). CBS is expected to finish the season with the most viewers and the most households watching, ending NBC's three-year run at the top.

In a season that held more bad news than good for network TV, CBS's expected victory comes even though the network's viewership will be down about 7% this season. Also, CBS is expected to come in dead last among the Big Four networks in the advertiser-friendly category of adults under 50.

NBC once again will come out on top in that category, despite a stunning 18% drop so far, as well as a 14% overall decline in viewership. NBC suffered last season from the loss of professional football, the decline of its top drama, "ER," and the lackluster performance of new shows such as "Encore!," "Conrad Bloom" and "Trinity," which have since been canceled.

News Corp.'s (N:NWS) Fox Broadcasting Co. (N:FOX), which was just emerging on the scene the last time CBS was on top in 1993, was the only one of the four major networks not to lose viewers during the season. Fox came in second among adults under 50, but fourth in total viewers. Though new Fox shows such as "Costello" and "Brimstone" failed to catch on, stalwarts such as "X-Files" and "The Simpsons" have kept the network in the ratings race. "This is a reality just because of how competitive things are," said **Giles Lundberg**, Fox's senior vice president of research. "Can you grow? Absolutely. Is it tough? Absolutely."

In the most telling sign of how the network world has changed, the biggest winner of the season was Time Warner's (N:TWX) WB network. The relative newcomer has made no secret of the fact that it doesn't compete in the same league as its bigger network brethren. With shows such as "Dawson's Creek" and "Buffy the Vampire Slayer," the WB is unabashedly a teen network, catering to a group that is currently the hottest prospect on Madison Avenue. The WB is expected to end the season up more than 13% among adults, the largest gain of any of the broadcast networks.

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\$400,000—KZBL-FM Natchitoches LA from Bundrick Communications Inc. (Hal Bundrick) to Baldrige-Dumas Communications Inc. (Edwin Baldrige, Tedd Dumas). \$50K escrow, additional \$325K in cash at closing, \$25K due 90 days after closing. **Duopoly** (barely) with KWLX-FM Many LA. **Broker:** Bill Whitley, Media Services Group

\$299,613—WKJV-AM Asheville NC from Anchor Baptist Broadcasting Association (Randy Barton) to International Baptist Outreach Missions Inc. (Dr. J. Wendell Runion & others). \$1 in cash at closing, new note for \$149,612 payable to George Buck Jr., note for \$150K payable to seller. **Broker:** G.M. Alderfer

\$237,450—WGNJ-FM CP (89.3 MHz) Champaign-Urbana (St. Joseph IL) from Cornerstone Community Radio Inc. (Richard Van Zandt) to Good News Radio Inc. (David Herriott, Mark Burns, David Dunn, Carrie Burns, Rve. David Jankowski, Janis Grace). \$10K downpayment, additional \$90K in cash at closing, \$137,450 due 10/1/99.

\$225,000—WHEW-AM Nashville (Franklin TN) from AJ Communications Inc. (Alice Jackson) to SG Communications Inc. (Salvador Guzman). \$16,602 credit for payments made under 1997 contract which did not close, \$208,378 note. Note: The buyer, who owns a chain of seven Mexican restaurants in the Nashville area, plans a Spanish format.

\$65,000—WMXN-AM Fort Payne AL from KEA Radio Inc. (Ron Livengood) to DelGiorno Broadcasting Corp. (Robert DelGiorno Jr.). \$32.5K escrow to transfer at closing, \$32.5K note. **Broker:** The Thorburn Co.

N/A—*WNTA-AM, WFRL-AM, WXRX-FM, WKMQ-FM & WFPS-FM Rockford (Rockford-Freepport-Belvidere-Winnebago IL) and **WKHY-FM** Lafayette IN from Airplay Broadcasting, Segueway Broadcasting, Stay tuned Broadcasting and Mayfair Broadcasting (various members of the Rhea family) to Radio Works Inc. (71.63% Robert Rhea Jr., remainder various

other family members). Reorganization to put all family-owned stations under a single structure.

N/A—WBJJ-FM CP (104.5 MHz) Baton Rouge (Jackson LA) from Pointe Coupee Broadcasting Company Inc. (Roosevelt Gremillion) to Newradco LLC (Michael Starr, Vincent Bruno, Roosevelt Gremillion). Creation of new entity, which will be owned 48% by the

seller, to build this new station. Creates combo with Gremillion's KCLF-AM.

N/A—WREY-FM CP (98.5 MHz, app. pending to change to 98.3 MHz) Frederiksted, US Virgin Islands from Frederick Gauthier de Castro d/b/a Sky Broadcasting Co. to Juan G. Padin and Jose J. Martinez d/b/a J and J Broadcasters. Exchange for W59CW, a low-power TV station in Ceiba, PR.

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by Jack Messmer & Dave Seyler

The deals listed below were taken from recent FCC filings. *RBR's* Transaction Digest reports on all deals that involve assignment of a station license (FCC Form 314) and substantial transfers of control of a licensee via a stock sale (FCC Form 315), but not internal corporate restructurings (FCC Form 316). All deals are listed in descending order of sales price.

Tom Kearney), a subsidiary of Alliance Broadcasting Group (O:RADO), to Praise Enterprises-Naples LLC (Frederick Mueller). \$100K downpayment, additional \$70K due upon FCC approval of transfer, two notes totalling \$830K at closing.

\$885,000—* WMYQ-FM Newton MS from Rainey Radio Inc. (Kenneth Rainey Sr.) to Broadcasters & Publishers Inc. (Houston Pearce). \$44.25K escrow, balance in cash at closing. **Superduopoly** with WFFX-AM & WJDQ-FM Meridian MS, WYYW-FM Marion MS & WZKS-FM Union MS. LMA since 4/30.

\$804,500—FM CP (102.1 mHz) Norfolk (Virginia Beach VA) from Craig L. Siebert to Virginia Faith Broadcasting Inc. (Bishop L.E. Willis), part of the Willis Broadcasting group. \$350K in payments to date, balance in cash at closing

\$793,000—* KLIS-FM Palestine TX from Nicol/Excel Broadcasting LLC (L. Tom Nicol) to Sunburst Media LP (Don Turner, John Borders, Media/Communications Partners III). \$37.5K escrow, \$685K (less escrow) in cash at closing, \$108K under consulting agreement. Note: This Class A station has a CP to upgrade to Class C2 and has also applied to change its city of license to Frankston TX. This contract is contingent upon FCC approval of the change. With the upgrade and new location, this station will have **superduopoly** contour overlaps with KYKX-FM, KPXI-FM & KBKV-FM in the Tyler-Longview market, but not with Sunburst's other two Tyler-Longview stations, KFRO-AM & FM.

\$475,000—KLVB-FM CP (88.5 mHz) San Luis Obispo from People of Action (Norwood Patterson) to Educational Media Foundation (K. Richard Jenkins, H. Roger Bothwell & others). \$46.5K escrow, additional \$152.5K in cash at closing, \$275K note.

*Transaction Digest
continued on page 15*

\$5,600,000—* KMYL-FM Phoenix (Wickenburg AZ) from Interstate Broadcasting System of Arizona Inc. (Paul Toberty) to Big City Radio-Phoenix LLC (Michael Kakoyiannis, Stuart & Anita Subotnick), a subsidiary of Big City Radio Inc. (A:YFM). \$275K escrow, balance in cash at closing. **Duopoly** with KEDJ-FM. **Broker:** Star Media Group; Gary Stevens & Co.

\$4,300,000—WZNZ-AM & WBGB-FM Jacksonville (Jacksonville-Ponte Vedra FL) from The Clear Channel Trust I (Charles Giddens, Trustee) to Concord Media Group Inc. (Mark Jorgenson). \$215K escrow, balance in cash at closing, with proceeds to Clear Channel Communications (N:CCU).

\$4,000,000—* KCDX-FM Phoenix (Florence AZ) from Desert West Air Ranchers Corp. (Ted & Jana Tucker) to KZLZ License Company LLC, a subsidiary of Z-Spanish Media (Amador Bustos, TSG Associates). Tax-free exchange for KZLZ-FM & KZNO-FM (below). **Superduopoly** with KUET-AM, KVVA-FM & KLNZ-FM.

\$4,000,000—KZNO-FM & KZLZ-FM Tucson (Nogales-Kearny AZ) from KZNO License Company LLC and KZLZ License Company LLC, subsidiaries of Z-Spanish Media (Amador Bustos, TSG Associates), to Desert West Air Ranchers Corp. (Ted & Jana Tucker). Note: These two FMs do not have a contour overlap.

\$1,000,000—WGCQ-FM Ft. Myers-Naples (Immokalee FL) from Naples Broadcasting Group Inc. (Joe Newman,

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