

Midpeninsula Community Media Center

Strategic Priorities 2005 - 2007



Media Center
Serving the Midpeninsula Community

Adopted by Board of Directors
Feb. 27, 2006

Sustainable community access.

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1. SUMMARY AND GOALS

Our first priority in our 2002-2004 strategic plan was to find a new facility. We purchased an existing building, refurbished it, and moved in with minimal disruption to our operations. The new building is beautiful, highly functional, and very economical.

With that dramatic change behind us, it is time to look outward at the needs of the community and changing environment for media, and look inward at the mix of resources brought about by the move and the merger with Silicon Valley Community Communications.

- Thanks to the Cable Co-op Legacy Grants program, our community received an infusion of media technology. Our city governments are building a high-speed, fiber optic institutional network to connect public facilities, 16 public schools are acquiring video equipment, our libraries have more computers, East Palo Alto can install video cameras in council chambers, and a new non-profit will soon go live with affordable, wireless broadband data communications for all of East Palo Alto.
- Over half the homes in our community now have broadband connections to the Internet. This means we can reach homes that do not subscribe to cable television with city council meetings, high schools sports, student productions, and all the rest of our shows.
- After three years of dipping into reserves to fund the transition to the new building and financial independence from Cable Co-op, we must return to financial sustainability. This means implementing a combination of cutting costs and increasing revenues.

The Media Center is the caretaker of tremendous community assets, including a television studio, five channels on the cable system, and a talented, experienced staff. Our challenge is to ensure that the community is getting the maximum benefit from these assets without depleting them for future generations. To that end we are setting the following *four* strategic priorities for 2005 -2007:

- Achieve financial breakeven by the fourth quarter of 2005.
- Develop new programming and services that attract and support young people's interest in video communications.
- Develop new services for the community that leverage our assets and bring in enough income to cover costs.
- Develop cost-effective programming for the cable channels and Internet that is useful and valued by target audiences within our community.

Our core functions and operations are not being cut off by this strategy, but by 2007 the community should notice some changes.

1. We will expand our reach into our diverse community by bringing in 10 new producers each year.
2. We will build our reputation as an outstanding media training facility. We will develop new classes and graduate at least 800 students from our classes between 2005 and 2007.
3. We will offer new programs that target young people, developing their skills, encouraging the use of media for self expression, and recognizing their accomplishments.
4. We will build one new programming partnership each year around community issues.

The next three years will bring many challenges. To reach our goals while balancing the budget, we will shift resources from current programs. We will need the support, feedback, and inspiration of the community to help us deliver on this vision.

2. ABOUT THE MEDIA CENTER

The Media Center is a 501(c)(3) public benefit corporation. It began operations in 1990 as the Mid-Peninsula Access Corporation (MPAC).

Mission

The mission of the Midpeninsula Community Media Center is to use video to inform, inspire and empower people to speak and act on behalf of their communities.

Community Served

The Media Center is officially designated as the Cable Access Organization to bring community media services to the communities serviced by the Cable Joint Powers Authority. The service territory includes Atherton, East Palo Alto, Menlo Park, Palo Alto, Stanford, and portions of San Mateo and Santa Clara counties. This designation gives the Media Center the right to use the cable access channels and receive \$0.88 per subscriber per month, as negotiated in the Joint Powers Cable Franchise agreement with Comcast.

Potential Viewers



	Population (2000 Census)	Households (2000 Census)	Penetration Rate 9/2001
Atherton	7,194	2,505	68%
East Palo Alto	29,506	7,091	45%
Menlo Park	30,785	12,714	56%
Palo Alto	58,598	26,048	50%
Stanford	<u>13,315</u>	<u>3,315</u>	Unknown
Total	139,398	51,673	

As of September 2003, Comcast had about 28,000 subscribers in the communities we serve.

Services

The Media Center is best known for the programming seen on channels 26 through 30 on the Comcast cable system. Our most popular shows are city council and other public meetings, sporting events at local schools, and music and cultural performances by local talent.

Behind the scenes, the Media Center provides a variety of equipment, facilities, training programs, and video production services. These services are coordinated and delivered by a highly skilled professional staff supplemented by a loyal cadre of volunteers.

Equipment and Facilities:

- 1,050 sq. foot, sound insulated, production studio with modern control room for live and recorded productions
- Access to five television channels carried by the Comcast cable system
- Portable video production equipment available to be checked out for use in field
- Van outfitted for field productions
- Video editing equipment available for use at the Media Center
- Fully licensed music and sounds library
- Equipment for duplicating video tapes and DVDs
- "Auto Pilot Studio" for simple one camera announcements or productions
- A video server with a high-speed connection to the Internet

Training Programs:

- Affordable classes in studio and field production, digital and analog video editing, lighting, camera techniques, and the role of the producer
- Hands-on video production experience in support of degree and workforce development programs

Community Services:

- Scheduling and management of three public access channels and two government channels (cable channels 26, 27, 28, 29 and 30)

- Publication of schedules on our website, and by e-mail to 1,400 subscribers. Daily listings in the Palo Alto Daily News, highlights in the Palo Alto Weekly
- Coverage of public meetings, including city councils, school boards, planning commissions, and more for Palo Alto and Menlo Park
- Staff productions providing a venue for the community, such as
 - Arts and Events Coverage
 - Election Forums
 - Game of the Week
- Collaborations with community organizations to promote community discourse. For example:
 - Candidate forums with the local colleges
 - Public dialogues with the League of Women Voters
 - Training and support for teachers and youth in five school districts

Services for Hire:

- The studio and its equipment is available with and without crews
- Event and meeting coverage
- Video documentation
- Promotional video material
- Video and audio clips for web sites
- Video streaming on the Internet
- Training material production
- Scripting
- In studio productions
- Mobile remote productions
- Tape and DVD duplication
- Satellite down linking for access to closed circuit events, training programs

3. ACCOMPLISHMENTS IN 2002 - 2004

In the 2002 – 2004 strategic plan we identified five strategic priorities. We completed one goal, moving into a new facility. We made progress on the other goals, but we still have work to do.

1. Purchase a new facility and move in as quickly as possible.

In 2003, we purchased and refurbished a two-story building at 900 San Antonio Road on the southern border of Palo Alto, next to highway 101. The new facility is a dramatic improvement over our old space and we are saving about \$600,000 a year in lease costs.

2. Increase our revenues.

Excluding in-kind income and the Cable Co-op grant, we were able to increase revenues from \$573,973 in 2002 to \$714,720 in 2004. This occurred despite a decrease in government contracts from \$259,311 to \$170,735. The increase came through a combination of increased PEG fees, fees for services and grants.

We increased revenues from production services from \$13,198 to \$74,404 with the aid of a new marketing program and outreach to local community organizations.

We launched a membership program, asked board members to make donations, and raised our fees for classes. All of these efforts brought in \$46,163 in 2003 and \$60,707 in 2004. These contributions and fees tangibly demonstrate the community's support, and help diversify our funding base.

We also received a multi-year grant of \$345,000 from the Cable Co-op Legacy Grants program. The funds are being spent on capital equipment, such as a satellite dish farm and video server, and in support of community programming. Some of the funds are being used in support of the Youth Broadcasting Collaborative, a partnership of five public school districts. The grant funds will be fully expended by the end of 2007.

3. Develop a marketing strategy to raise our visibility in the community.

We hired a part-time marketing manager in early 2004 to develop new marketing programs. There were some signs of progress in this area, but she left after about seven months.

A telephone survey of residents was conducted in December 2004. Results are discussed in the Trends section.

4. Prepare to play a key role in the institutional network.

No significant progress has been made on this goal because of delays in the construction of the I-Net.

5. Review and update our programming mix.

We revamped our channel lineup to more clearly brand our programs.

- Channels **26** and **29** are for government programming.
- Channel **27** is for arts, issues and entertainment.
- Channel **28** is for youth, education and sports.
- Channel **30** is for diversity, lifestyles and health.

Financial pressures forced us to cut back on staff produced programming. We have laid the groundwork for additional youth programming in 2005 and new services based on the video server purchased with funds from the Cable Co-op Legacy grant.

4. THE CHANGING ENVIRONMENT

To help us develop our list of priorities we launched three initiatives:

- We commissioned a report from consultant Sue Dicile on national trends in community media.
- We held structured discussions with three groups of stakeholders – local governments, schools, and our producers.
- We commissioned a random telephone survey of residents in our service territory.

The following analysis is based on this research. It is important to note that while trends can be clear, the timing of changes is very difficult to predict. It can take many years for a new technology to achieve enough popularity for us to justify investing in tools to take advantage of it.

4.1 Changes in Community Media

Access centers that remain embedded in video equipment, television production training, and transmission on public access cable channels are on their way to obsolescence. – Sue Dicile

Thirty years ago, when community access was founded, access centers were limited to cable television in the local community. Today television is just one of several types of media, and the cable system is just one of several distribution options. The mission of community media centers remains community access, but there are now more tools and more ways to accomplish the mission.

- ❖ **Video equipment is smaller, cheaper, and easier to use.** Many more people can afford video cameras and video editing can be done on home computers. More video is being created, especially by parents and teenagers.

Implications for the Media Center:

- More people bringing content to media centers seeking ways to share it with others.
 - Potentially less demand for borrowing portable equipment.
 - Different training programs.
 - Interest in animation and other tools for story telling.
- ❖ **Communications channels are becoming more diverse and affordable.** As speeds increase, the Internet becomes more viable for distribution of video. The network can be used for live streaming of events and to distribute stored material. Digital Video Recorders (DVR) allow people to watch shows at their convenience instead of according to the broadcast schedule. Hours of video can be stored on DVD disks and iPod-like devices. Low power radio has been authorized by the FCC for non-commercial educational

broadcasting. Blogs (web logs) and Wikis are becoming tools for self expression that can include video.

Implications for the Media Center:

- Access centers can reach a larger audience, beyond cable television viewers, and beyond the geographic borders of the cable franchise agreement.
- The role of media centers as distributors of content grows in importance.
- Media centers need access to affordable, high-speed, network services.
- Customers will look to media centers for help with a variety of distribution channels, including DVDs, iPods, and video Blogs.
- Viewers need help finding community-oriented video material in an overabundance of communications channels.
- Media center staff members need new skills and new tools.

❖ **The major telephone companies are getting more serious about offering television, and affordable data network speeds could achieve 1 gigabit by 2010.**

Implications for the Media Center:

- Access centers need their own video on demand strategies.
- The cable system's monopoly over community television will be lost as access centers use video services to distribute their shows.
- Cable companies may strengthen their resolve to oppose funding community access as part of cable franchise negotiations.
- Access centers need to work with municipalities to find ways to protect and stabilize public funding.

❖ **Young people, from middle school through college, see video as their communications medium and creativity outlet.** Classes in media literacy, communications, film history and production are very popular. Schools are using closed circuit networks to carry daily, student-produced newscasts into the classrooms. Teachers are using more video, often rented from Blockbuster, to bring science, history and social studies programs to life in the classroom.

Implications for the Media Center:

- Media centers can become gathering places for students to share video techniques and learn new tools.
- Media center hours of operation may need to be adjusted.
- Studios can be used for screenings of student works and for competitions.
- Staff will spend more time on school campuses coaching teachers and parents in the use of video equipment.
- Schools will need technical consulting on network and studio design and operation.

4.2 Changes in Our Community

❖ Schools

A. The five school districts in our community are receiving two infusions of technology. The Cable Co-op Legacy Grants program provided \$743,000 for video equipment that will allow each school in the five school district Youth Broadcasting Collaborative (YBC) to provide more training for students and teachers and create more content. The Joint Powers Agreement is using funds from Comcast and a separate grant from Cable Co-op to connect the schools to a fiber optic Institutional Network (I-Net). The network will facilitate the sharing of educational material among the schools and provide a high-speed connection to the Media Center.

Implications for the Media Center:

- The Media Center is becoming a critical technical resource for the schools.
- There is strong interest in a video festival to showcase student productions.
- There is interest in summer video camps for students.
- There may be interest in televising the schools' battle of the bands events.
- Our studio is a great resource for community events such as an awards party for the student video competition.
- Growing demand for classes in how to use video equipment by teachers and parents helping out in the classroom.
- Potential demand for the Media Center to provide staff to capture events or record student teachers for training.

❖ Cities

A. Municipal budgets are tight and likely to stay that way through 2007. The City of Palo Alto wants to do more with video on its web site and there may be opportunities to videotape training programs for later use. Thanks to a \$150,000 grant from Cable Co-op, the City of East Palo Alto has funds to cable-cast public meetings. The City is also interested in using video to market city services.

Implications for the Media Center:

- We can expect reduced revenues from cities for producing public meetings through 2007.
- Contracts with cities outside our region, such as Belmont and San Mateo, will remain a small portion of our revenues.
- There may be opportunities to help cities, and specific departments within cities, put video on their websites.
- We need to be prepared to work with the City of East Palo Alto as soon as they are ready.

B. The Joint Powers Agreement is proceeding with construction of the Institutional Network. The network will provide high-speed connections between all public facilities, including the public schools and libraries, in the region. The network will be capable of transmitting digital video between any two subscriber entities. The Media Center will become a hub on the network that is capable of putting digital video that originates at I-Net subscriber locations onto the cable television system. We will also be able to deliver high quality digital video from the Media Center to I-Net subscriber locations.

Implications for the Media Center:

- The Media Center can play a technical consulting role to help subscriber entities configure their equipment to be “digital media friendly.” We can also play a role in on-site installation and assist with operations.
- We will need to acquire new technical skills to provide high quality, reliable support.

C. With the help of a \$770,000 grant from Cable Co-op, a new non-profit is building a high-speed wireless network that will provide more affordable Internet access to all of East Palo Alto.

Implications for the Media Center:

- The market for Video on Demand over the Internet will be larger, particularly for educational material as the schools in East Palo Alto use the network to connect to homes.
- The Media Center will need to broker a relationship between the Media Center’s Internet services provider and EPA-wireless’ ISP in order to have high-quality, direct access to the EPA wireless network.

D. Cable subscribership has remained reasonably stable over the last couple years. The cable franchise agreement expires in July 2010.

Implications for the Media Center:

- Barring major changes in the competitive environment, we can expect PEG fee income to stay reasonably stable through 2007.
- Cable franchise negotiations are not likely to begin until 2008.

E. The Joint Powers cities have agreed to allow the Media Center to serve people and organizations that reside outside of our service territory.

Implications for the Media Center:

- We will be able to tap into a larger pool of production talent and may be able to increase revenues from classes and services.
- We need to establish pricing and scheduling policies that give preference to local residents.

❖ Producers

A. Several of our producers told us that they have purchased their own video and editing equipment. They are doing more work at home and now use our equipment only when they need a special capability.

Implications for the Media Center:

- We need to understand what tools and technologies we need to have to help the producers and avoid stocking equipment the producers already have.

4.3 Results of the Community Survey

In November 2004 a professional survey company with experience in doing surveys for community media centers interviewed 400 households in our service territory by telephone. Respondents included both cable and non-cable subscribers. The following are highlights of the results of the survey.

- About 40% of respondents are aware of the Media Center.
- About 30% of respondents have watched our channels, and 40% of them say others in their homes also watch the channels. (Equivalent to about 9,300 households, and 12,000 people.)
- 30% of viewers (equivalent to about 2,500 households) watch our channels several times a month.
- Of the viewers, about 70% have watched city council and other public meetings, 30% have watched high school sports programming.
- 40% of households have access to a video camera, and 30% of them have access to video editing equipment.
- 74% of households access the Internet, and 75% of them, about 28,600 households (55% of total households), have a broadband connection. Computer access in East Palo Alto is half that of the other communities.
- 71% of viewers are over the age of 45. 18% of viewers are between 25 and 44 years old. 11% are under the age of 25.
- *Awareness* of the Media Center is highest in Palo Alto (50%) and East Palo Alto (44%). *Viewership* is highest by far in East Palo Alto (56%).

When asked about their viewing preferences, viewers favor *public meetings* and *information on local organizations*, non-viewers said they would like to see *educational programs* and *programs about arts and culture*. High school sports scored low, perhaps because our viewers are older, or possibly because the survey did not get the views of younger people in the households contacted.

When asked about programming preferences on the Internet, two thirds of respondents expressed no interest in using the Internet to see any kind of suggested content. About 30% said they had some interest, and of them, 6% to

8% said they were *very interested* in seeing community meetings, student videos, and school events at their convenience on the Internet.

Comments and Implications

- Given the relatively low penetration of cable television service in our community, 30% viewership is not bad, but it could be better.
- The high penetration rate of broadband (55%) provides us with a large opportunity, but the survey also says that most people do not know what web video is and are not sure if they would have any interest. We will have to develop a low cost but effective marketing strategy to spread the word.
- There are a lot of video cameras in people's homes. We have an opportunity to tap into that resource to create more local content.
- We do not have many younger viewers. They may prefer to watch our shows on the Internet.
- East Palo Alto appears to be a different market from the rest of our communities. We need to make sure we serve both groups.

5. STRENGTHS AND WEAKNESSES

MAJOR STRENGTHS

- A new facility that is clean, welcoming and safe.
- A studio with up-to-date equipment, including chroma-key and teleprompters.
- Five channels on the cable system.
- Staff skilled in studio and remote productions.
- Special strengths in producing sports shows.
- 4,000-5,000 graduates of our classes.
- An activist community that cares about local issues.
- Partnerships with the Youth Broadcasting Collaborative, the Palo Alto Weekly and Daily, and the League of Women Voters.
- Working capital reserves.

MAJOR WEAKNESSES

- We have been spending beyond our income for the last few years.
- Lack of Internet and video engineering skills on staff.
- Lack of resources for outreach and promotion of services.
- Difficulties in getting community feedback on viewing preferences.

6. STRATEGIC PRIORITIES

Our analysis of the situation and trends, and discussions with staff and stakeholders lead us to believe that the Media Center needs to establish *four* strategic priorities:

1. Achieve and maintain long-term financial sustainability.
2. Develop youth oriented programming and services.
3. Test and launch new services that can be self-supporting.
4. Develop cost effective programming for the cable channels and Internet that is useful and valued by target audiences within our community.

We believe these strategies will help us increase viewership by at least 50%, and increase the number of organizations and people of all ages taking advantage of the community resource that is the Media Center.

The strategic priorities should take us through 2007. The staff will develop specific objectives and tactical plans that are based on these priorities.

6.1 Achieve and maintain financial sustainability

Thanks to a generous donation by the members of Cable Co-op, the Media Center has a capital fund that has allowed us to purchase our own building and continue operations without operational support from the Co-op.¹

The board decided to reserve the use of Investment Funds for the following purposes.

- To pay for the costs of operating the building.
- To regularly replace and upgrade equipment.
- To support the development of new services that have the potential to become self-sustaining.
- To support operations after the prior obligations have been met.

The balance of the Investment Funds is set aside as a Reserve Fund. Reserves may be used with board approval for emergencies and for investment in the development of new services.

In 2003 the board set a goal of achieving breakeven for operations by the end of 2005. We made substantial progress toward that goal in 2004 and we plan to

¹ Prior to the sale to AT&T, Cable Co-op provided MPAC with free space, free use of the studio, funds for equipment purchases, and direct financial support. In addition, the Co-op had professional staff to produce local origination shows that were transferred to the Media Center at the time of the merger. AT&T donated \$17 million to help fund the Media Center. In 2002 we learned that AT&T decided to treat the \$17 million as part of the purchase price instead of as a donation, triggering a potential tax liability for the Co-op. Cable Co-op and the Media Center decided to use \$6 million of the fund to pay the tax and avoid potential penalties and interest.

achieve it in the fourth quarter of 2005. The changes have been difficult and we anticipate additional challenges as we learn how to live within our means.

During the last three years we drew down on the capital account to fill in for the loss of support from Cable Co-op and the addition of the Co-op's local origination programming. Our budget for 2005 calls for achieving breakeven on an operating basis (without depreciation) in the 4th quarter. Our goal is to be at break even in 2006 and 2007.

Our fundraising and earned income efforts will include:

- Building our membership program through our annual fundraising campaign.
- Developing a corporate sponsorship program. Opportunities for corporate sponsorship include high visibility screening events and summer sports production camps.
- Seeking grant funding by building community partnerships around community needs and local issues.
- Building and developing our production services, offering advanced classes at higher rates and new business services.

6.2 Develop new youth-oriented programming and services.

A "perfect storm" of opportunity is brewing with the convergence of smaller, more portable equipment, a societal focus on youth issues, and the infusion of video equipment through the Youth Broadcasting Collaborative.

We have generated many ideas for capitalizing on this opportunity. The following ideas will be explored and possibly implemented in the next one to two years.

- Provide technical consulting services.
- Organize a youth video festival with a major screening event.
- Develop a summer camp program to teach students video production techniques.
- Create training programs for teachers and parents on the use of video equipment in the classroom.
- Feed educational programming from our satellites to the classrooms.

We need to reach out to young people at their schools, to teachers of communications and film classes, and to students taking classes in iMovie at the Apple Computer store. We want them to produce video we can show on our channels and we want to encourage them to watch our programming on television and on the Web.

We need to continue and grow our partnerships with the League of Women Voters, the Girl Scouts, the Boys and Girls Club, Plugged In, and other community organizations that provide services to young people.

6.3 Test and launch new services that can be self-supporting

To maximize the community's return on the asset that is the Media Center we will explore and develop new services that will increase the numbers of people using our facility and enlarge our audience. The new services will need to generate enough income to recover their costs. Over the last year we have invested in equipment that can be used for this purpose, such as the satellite farm and a video server.

During the coming year we will evaluate the market for new services and launch several of them. Ideas under consideration include,

- Web streaming and Video on Demand for public meetings, high school sports events, student videos, and other programming
- Digital media classes
- Community events coverage with dubs
- Satellite downlink services for training programs and events
- Producer services, e.g. post-production, volunteers, crews
- Technical consulting
- I-Net support

Our goal will be to develop revenue generating business services that will in turn allow us to provide additional low cost services to our community. We will develop business plans for these services and market them through our channels, on our website, and by word of mouth advertising.

6.4 Develop cost-effective programming for the cable channels and internet that is useful and valued by target audiences within our community.

Our mission is to build community through media. Because of our balanced budget imperative, we must find ways to leverage the programs that are being produced by our community, increase and enhance the content of our channels, and build on current and new programming.

We will reach out to our diverse demographic community in the following ways:

- Partner with producers to boost their production values
- Help producers promote their shows
- Promote our channel brands with marketing efforts of our own
- Organize thematic nights on our channels
- Import programs
- Develop staff facilitated venues to help new groups get started
- Build a coalition of community organizations around an issue
- Promote local issues coverage
- Develop programming initiatives with a byproduct of finding grants

We will "lead with our vision" and strive to learn how we can fill the needs of groups in our community. We will develop program ideas that meet those needs and find funding sourced to make it happen as we move forward.