

PASADENA COMMUNITY ACCESS CORPORATION
BOARD OF DIRECTORS

Proposed Business Plan—Phase I

April, 1999

Submitted to:

City of Pasadena City Council
April, 22, 1999

Executive Summary

The Pasadena Community Access Corporation (PCAC) presents our proposed Business Plan Phase I in the following pages. Due to circumstances affecting the Board (e.g., for a significant period of time there were insufficient members to make up the required quorum) as well as circumstances affecting the staff leadership of PCAC (which are now being addressed), the PCAC Board has been unable to undertake the necessary market analysis, organizational assessment and technology assessment to complete its business plan in a timely manner. In fact, for this reason, the PCAC Board is presenting only Phase I of the Business Plan—an element of the total plan which it is hoped will demonstrate our commitment to complete the work critical to the presentation of a credible and strategically focused business plan.

Phase I of the Business Plan provides the following: 1.) the mission and vision of the Board; 2.) a brief background/history of PCAC; 3.) a brief profile of accomplishments—PCAC *Is Making A Difference*; 4.) a description of the current situation; 5.) key success factors for the future; 6.) PCAC's strategy for the future; and 7.) a general statement of PCAC's financial situation/needs.

Phase II of the Business Plan will provide detailed information regarding: 1.) specific PCAC future goals and objectives; 2.) detailed financial information including proposed revenue and sources, operational and capital needs; and 3.) financial projections for the next 3 years—pro forma statements based upon the future goals/objectives and operational and capital needs.

In order to complete Phase II, the PCAC Board requires an additional 30 days time to complete a PCAC Board directed market analysis to ascertain if and what market exists that is capable of supporting the proposed expanded entrepreneurial activities of PCAC. A variety of analysis factors need to be considered and determined which may include: 1.) a profile of revenue generating activities and production facilities of other public access corporations in Southern California and other locations with similar environment and conditions as PCAC; 2.) current and potential producers' conditions for use of PCAC facilities (equipment, hours, access, etc.); and 3.) the needs/perceptions of specific publics in the greater Pasadena area. The intent of the market analysis is to identify additional methods of generating revenue, whether through memberships, fundraising, or through expanded services/products of PCAC.

It is the belief of the PCAC Board, that with the proposed analysis, we will be have sufficient data to complete a full business plan (with Phase II) within 30 days. It will be a plan based upon a far better understanding of operational, funding and technological potential of PCAC as well as the realities that exist in the PCAC service area. We recognize and embrace the need to become more entrepreneurial, and, as a result, become more self-sustaining in our operations in the future. We ask the Council's acceptance of our request for an additional 30 days so that our business plan can be completed in the manner described.

Mission and Vision

Our vision is that PCAC will be a self-sustaining corporation serving the entire greater Pasadena area efficiently, through advanced technology and recognized as the best public access corporation of its kind in the country.

The mission of the Pasadena Community Access Corporation (PCAC) is to provide a broadcast cable television facility to foster free speech in the greater Pasadena area. This is and can be accomplished through 1.) the development of a wide variety of production and access opportunities including the Internet, 2.) the establishment of a dedicated state of the art facility for television production and related services for community access, 3.) the training in television broadcast production—all of which will enhance communication between the City of Pasadena and the community.

Background/History

At one time, federal law required cable systems to offer public access channels, but the Supreme Court overturned that requirement. It is permitted, however, for local Television franchise authorities to require public, education and government (PEG) access on cable, and that the courts have upheld that right. In Pasadena, Charter Communications was awarded an exclusive contract to offer cable television services to Pasadena and Altadena residents. As a part of that contract, Charter televises programming from Channels 55 and 56.

Pasadena Community Access Corporation (PCAC), created by the City of Pasadena, was incorporated as a Non-Profit Public Benefit Corporation in December 1983. Under the policy leadership of a twelve (12) member Board of Directors, PCAC is responsible for administering production facilities and the programming of Pasadena's local public access cable television Channel 56 (PCAC).

In July 1998 the Pasadena City Council voted to have PCAC oversee Channel 55 (KPAS). It was intended that this merger would increase PCAC's entrepreneurial efforts and reduce its future dependency on the City of Pasadena for funding. It is noted, however, that the merger of the public access function with the government access function, PCAC has doubled the responsibility and services it provides.

As a charitable, non-profit corporation PCAC is organized for the purpose of Community-relevant television production. It is committed to the development of a variety of access and television production opportunities to enhance communication, promote education, foster self-expression and share information for the general benefit of all Pasadena citizens. Programs produced through both stations have received many awards.

PCAC Is Making A Difference

PCAC's primary responsibility remains to the citizens and non-profit community of the greater Pasadena area. PCAC will continue to build on its success and expand our capacity to provide service to those constituencies.

Education—During this operational year, 44 eager students from the Pasadena area, have attended PCAC training; 23 for introduction to studio operations, 21 for introduction to production; and 3 in advanced training in operations/production. This training encompasses the full scope of television production, from how the equipment works to how a show gets broadcast. Technical training for the production of a program also is contained in the technical assistance provided those who are producing their own programs.

Free Speech—In addition to training students, PCAC gave members of the public a unique opportunity to have their own voices heard. There were 76 studio productions/broadcasts facilitated by PCAC—shows created and produced by the citizens of Pasadena. In order to continue the tradition of providing the best service to the community, PCAC continues to develop new methods of attracting and producing programs to include Pasadena's wide areas of interest and diverse populations. For example, Windows provides weekly time slots and production capabilities for producers to air their programs in an organized fashion and increase viewership to include all segments of our community. The heart of the "Window Concept" is to draw new participants to our studios that would otherwise not have the time or technical know-how to produce a show. PCAC provides that expertise and trains these groups within the envelope of the production. Cablecast Windows categories include: the arts; multicultural issues/interests; general community information; labor issues; drama; literary information; special programming, information for the physically challenged, political and sports information (in addition to live sports programs.)

Public Issues—The stations under the administration of PCAC have been leaders in bringing important civic events into the living rooms of the citizens of the greater Pasadena area. The stations have provided extensive coverage of the historic race for Pasadena's first citywide elected Mayor since 1911. PCAC broadcast three candidates' forums allowing all citizens of Pasadena a chance to see and hear directly from candidates. In addition, four (4) Altadena Town Council Meetings were produced and televised.

Public Service Announcements—PCAC has been helping community groups reach the public since its inception. Some of the community groups we continue to work with, in addition to the Pasadena Police Department, are: American Red Cross, Jackie Robinson Center, Pasadena Journal, Armory Center for the Arts, Lake Avenue Congregational Church, Pasadena Pops Orchestra, Pasadena Humane Society, Coalition for a Non-Violent City, El Centro de Accion Social and Pasadena Senior Center.

City Council Meetings—KPAS, under the administration of PCAC has consistently broadcast city council meetings, including two remote meetings—one at John Muir and one at Beckman Auditorium. Also, City Beat programs have been cablecasted. Both types of programming allow people to stay informed about civic affairs from the comfort of their homes. Other City productions include the Mayor's State of the City Address and the California State Senate Judicial Commission. By providing full, unedited coverage of every city council meeting, PCAC has turned television sets of our citizens into miniature classrooms of democracy in action.

Current Situation

Coincident with assuming responsibility for overseeing for Channel 55 (KPAS), the offices and studio operations of PCAC were moved to 2061 North Los Robles, Suite 201. PCAC manages a physical facility that encompasses two floors—4,100 square feet. The production studio, located on the first floor, is equipped with a three-camera studio, utilizing a ¾ Umatic format. An on-line edit bay and off-line edit bay, audio sweetening rooms, dubbing capabilities and both master control booths for cablecasting are on the second floor with the administrative offices. At present, this equipment, mostly outdated, generates PCAC's product.

The physical plant and equipment become the basis for PCAC services. PCAC offers training in television production to the Pasadena community and invites the community to use the facility to produce their own programs. The government access station, KPAS Channel 55, is the medium the local city council uses to cablecast their public meetings and Cable Channel 56 is used for public access.

As noted above, the three-camera production studio format is outdated by today's standards, but is pervasive in the industry. Therefore, PCAC productions are accepted both in national and international markets. Next to the studio are a professional control room, a green room for guests, a make-up area, an engineering workshop, equipment checkout room and two set storage areas. The reception area is located in front of the studio.

One of the motivating factors behind public television is to facilitate and encourage the community to produce its own programs. Consequently the public is encouraged to utilize the facilities to produce programs. Among the areas of improvement that the PCAC needs to address, at its present location if this location is to be retained, is compliance with the Americans with Disabilities Act due to the present studio and administrative office location.

Key Success Factors

The future success of PCAC will be largely a result of the PCAC's intent and capacity to launch an entrepreneurial initiative which includes enhanced production capabilities, facilities, and products and the expansion of the PCAC's potential and ability generate revenues enabling the PCAC to become a self-sustaining, highly effective, competitive operation in five years.

Strategy for the Future

Key Competitive Capabilities

- PCAC's basis for future competitiveness is state of the art technology.
- Diverse and expanded funding sources are required to address significant capital needs.
- Promotion of free speech opportunities to people of all different walks of life through programming.
- Some type of fee for service, implementing a sliding scale based upon ability to pay.
- Expansion of production facility rentals
- Low cost operations and production training as an integral element.
- Partnerships with local organizations/nonprofit groups are essential as a service directive for PCAC.
- A dedicated facility which is in compliance with ADA requirements.
- Achieve a high level of outreach, for example working with Neighborhood Connections and expand coverage of public events.

Key Competitive Weaknesses

- Lack of state of the art technology.
- Lack of a dedicated facility.
- Inadequate funding resources to meet current and future operational and capital needs.
- Staff and Board capacity.
- Inadequate community recognition as vital community resource

Overall Strategy

Our strategy is simple—to become a valued partner with the City of Pasadena and to demonstrate the immeasurable value of public access—fostering free speech in the greater Pasadena area. And as defined in our vision: that PCAC will be a self-sustaining corporation serving the entire greater Pasadena area efficiently, through advanced technology and is recognized as the best public access corporation of its kind in the country.

Financial Situation/Needs

The primary challenge facing the Board and staff at PCAC concerns funding as it relates to general operations and capital equipment improvement. Currently, the City of Pasadena is contributing from the general fund \$237,000 annually for KPAS support, \$210,000 funding is received from the franchise agreement (2% of the 5% received by the city), and nearly \$10,000 from various other sources of revenue (rentals, dubbing, etc.).

However, to date those monies have been utilized to cover salaries and basic operating expenses, and insufficient funds have been available to modernize equipment. In a sense this is a "Catch 22" situation, because events that might produce revenue become harder to book, and failure to gain adequate revenue means the equipment simply becomes obsolete at an increasing rate. Technology is the driving force in television production. The acquisition of state-of-the-art digital television production equipment will influence PCAC's ability to identify and access key production markets, enhancing the revenue generating potential of PCAC.

An initial study of PCAC's operations and equipment in conjunction with a preliminary comparison of the state of the art technology operations necessary to achieve high quality productions and maximum community outreach, reveals an estimated \$1.5 to \$1.8 million to position PCAC as a strong competitor in the digital age of broadcast television well into the next millennium. These are rough estimates. We recognize that professional estimates and that the actual cost of projects which will be based upon the overall integration of location, analog/digital technology and, most importantly, the overall planning decisions for PCAC. We acknowledge that we will not be able to secure finite detail in 30 days, but that we will have a much clearer definition of our desired future and the resources necessary (financial and human) to achieve that future. A part of our financial assessment during the next 30-day period will be a preliminary financial audit that will assure that we are establishing our future financial projections on a solid base.

Conclusion

It is our hope that we have begun to create the vision and direction for the PCAC of the future—and to establish a foundation for the PCAC to realize its vision and mission. We look forward to the opportunity to submit Phase II of the business plan in 30 days—a document that will address many unanswered questions and provide a clear picture of what the PCAC Board proposes for the future of this important community asset.