

Financing Capacity of PEG Fees for Development of a TV Studio at a New City Hall/Town Hall

Item 15

May 19, 2014

PEG Fee Introduction

- Public, Educational, and Government (PEG) Access Fees
- Paid by local cable TV franchise holders (AT&T and Time Warner); 2% of gross revenue
- Only can be used by the City to pay for capital costs for providing public, educational, or governmental access facilities
 - Cannot be used for salaries or services

PEG Fee Revenue

- City receives approximately \$28,000 per year
- City currently has \$160,000 in PEG revenue available
- At 5% interest for 30 years, the annual revenue can finance up to \$430,000 in PEG-eligible expenditures.

Del Mar TV Operations

- City contracts with the Del Mar Television Foundation to operate, broadcast, and provide production services for the TV Studio
- City staff worked with the Foundation to assess the needs of a TV studio in a new City Hall/Town Hall.

TV Studio Needs

- Estimate needing a space of around 480 square feet, plus storage space, for a total of 600 square feet
 - Separate rooms for the cablecast equipment and control room.
- Currently operate in about 900 square feet (600 square foot control room and approximately 300 square feet of storage space)

Equipment Needs

- Del Mar TV Foundation estimates total cost for equipment would be around \$293,000.
- Alternative is to simply install sufficient equipment to broadcast the public meetings
 - Rough estimate is around \$130,000, could be up to \$200,000.

Staff Recommendation

1. City Council direct staff to designate the PEG fees to pay for the TV studio portion of the Town Hall; remaining funds to be used to pay for equipment
2. City Council request the Del Mar Television Foundation to fundraise and/or implement other revenue generating options to help pay for the costs of a new TV Studio that are not covered by the PEG fees.