

MEMORANDUM

Holly Hansen Consulting
hmhansen@mn.rr.com

Date: January 11, 2007
To: Ann Strine, City of Tucson
From: Holly Hansen
Re: Addendum to PEG Community Needs Assessment Report

This memorandum is being provided to you as an Addendum to the PEG Community Needs Assessment Report that I submitted to the City in December and should be incorporated into that report.

Introduction

The City of Tucson released consultant's *City of Tucson PEG Community Needs Assessment Report* (Report) to the public for comment. Material received prior to the deadline for comments was provided to the consultant, and the consultant was asked to review her needs and interest report based on those comments.

Access Tucson and the Tucson Unified School District (TUSD), in particular, provided detailed comments or additional information bearing on the needs assessment. It is the consultant's understanding that no information was received from Cox. It is also the consultant's understanding that emails were received from some members of the public in support of and in opposition to PEG channels.

Much of the information provided by Access Tucson (such as its annual report and the letters of support) provides additional support for the findings made by the consultant. However, Access Tucson and TUSD also claim that the report contained certain errors, and understated community needs in some respects. In order to verify and evaluate the comments, the consultant sought additional information regarding the comments from TUSD and Access Tucson to better understand their needs and interests and to assess whether revisions to the original Report were warranted.

Based on the material submitted, the consultant concludes that minor revisions are required to the report, and that in addition, the report underestimated the capital that would be required to meet the needs and interests of the community. The consultant's findings in the original Report are not altered except as noted in this Addendum.

Report Comments

This section summarizes certain comments submitted to the City by Access Tucson and TUSD regarding the Report and the consultant's recommendations for revisions are based on these comments and the gathering and analysis of additional information regarding these comments.

Access Tucson

Access Tucson indicated that it had a positive response to the Report and suggested two corrections to the Report. The first correction was that the Access Tucson production truck was a 1975 model year vehicle, not a 1999 model year as cited in the Report. The second correction was that Pueblo High School was the correct name for a Tucson high school, not Pueblo Park High School as referenced in the Report.

In the Report, the consultant stated that although Access Tucson had included funds for a replacement video production truck, the consultant did not believe it would be necessary to replace the truck during the next ten years. This opinion was based on the erroneous belief that the truck was a 1999 model. Access Tucson acquired the truck in 1999 but it was not new at that time. When the consultant discovered that the truck was a 1975 vintage she sought additional information from Access Tucson regarding the truck and has revised her recommendation. Access Tucson indicated it is beginning to experience more truck repairs and expenses. Based on this information and the age of the truck, which is 32 years old, the consultant recommends that the truck be replaced. The consultant asked Access Tucson to obtain a cost estimate to replace the truck, which was provided by a local vendor. The van body is in good condition and does not need to be replaced; the body would be transferred to a new truck base. The total cost estimate for the new truck is \$55,180.00. The previous cost range estimates for Access Tucson should be increased accordingly; a revised version is included in this Addendum.

Tucson Unified School District

TUSD made comments in a December 22 letter regarding the Report and asked that two areas of the Report be amended. These amendments pertain to TUSD priorities for K-12 service and capital needs for K-12 educational access.

TUSD requested the addition of the following priorities referenced in page 18 of the Report. The consultant believes that they should be added. These additions are detailed below and do not alter other recommendations or findings in the Report. These priorities are consistent with the ultimate findings the consultant made regarding the needs and interest of the community, and simply provide additional support for those findings.

- The continued development and use of the K12 channel as multi-district, including services to the new Joint Technology Education District.
- The use of Video-On-Demand services for distance learning delivery of language and other classes.
- The development of a tiered internship program with the Joint Technological Education District, Pima Community College and the University of Arizona.
- The development of video-streaming capability for educational programming.

In its comments, TUSD cited three sections (below) from the Report, noted that it had additional capital needs, and asked that the total costs be amended to reflect these additional K-12 educational access capital needs.

- *Page 34, EQUIPMENT:* “The consultant asked the PEG entities to describe their capital needs over the next ten year period and asked Channel 12 and Access Tucson to provide detailed replacement costs and copies of their equipment inventories. These two entities were asked to provide this detail because they are the entities that have received funding through the cable license.”
- *Page 37, COSTS:* “Additional educational access capital will be needed to assist the educational access entities in maintaining and upgrading their systems to new technologies over the next ten year period.”
- *Page 53, PEG SUPPORT - OVERVIEW:* “There is a substantial need and interest in having PEG equipment and facilities that are specifically allocated to each of the PEG entities (City, Access Tucson, TUSD, UA and PCC).”

TUSD submitted a spreadsheet of capital needs that included the video production van recommended in the Report. Additional funds and equipment for studio and field production, editing, playback, and duplication were requested as part of a Ten Year Equipment Plan. This request totaled \$997,842.00 and is attached per TUSD’s request as Model 1a. In reviewing the TUSD spreadsheet, the consultant noted some mathematical errors; the correct total of the TUSD request is \$1,021,842.

The consultant asked TUSD to provide additional information, including who would be using the equipment, and the purposes for which it would be used. Because at some points there has not been operational funding for the TUSD channel, and capital requirements may vary depending on levels of operation, the consultant also asked TUSD for information regarding plans and commitments for future staff and operational support to TUSD-TV.

TUSD’s responses indicated that the van would be used by TUSD, Pima Community College (PCC) and the University of Arizona (UA) and that this had been confirmed through conversations with those entities. TUSD indicated that other equipment, including studio and field equipment, would be used primarily by TUSD staff in the production of educational and community programming. During the current year the studio was used by one high school class and one middle school class; it is possible classes would continue to use this facility in the future. The TUSD indicated that it assumed the new Joint Technological Education District (JTED) that begins operations July 1, 2007 would participate in using the equipment and K-12 channel, but the extent of their future involvement is unknown at this time. TUSD also indicated that it anticipates being able to maintain its current level of financial commitment for the “life of the channel service.” This funding provides for staffing levels of one full-time management position, one full-time administrative position and a part-time producer position that is a shared. The funding also provides for supplies and other operating costs.

Based on this data, the consultant concludes that her estimates of the capital requirements for PEG for a renewal term in the original Report are understated. The consultant reviewed TUSD’s responses and equipment request and developed a revised version of

the TUSD Ten Year Equipment Plan that totals \$939,842 and is attached as Model 2. Revisions were made based on the consultant's experience, estimates of the number of people who would be using the equipment on a regular basis, uses of the equipment, and the lifespan and cost of some systems compared to similar systems in the Access Tucson and Channel 12 equipment plans that appear in the Report. The changes from the equipment list provided by TUSD in its comments primarily involve:

- Adding a headset/intercom system to the studio equipment package.
- Adding a mobile edit workstation to the van equipment package.
- Increasing the estimated life span of studio cameras to ten years.
- Reducing the number of field camera systems from three to two.
- Adding two field lighting kits.
- Adding cases for field system equipment.
- Reducing the number of edit systems from four to two and reducing system costs.

While reasonable people could disagree, the consultant believes these changes result in a reasonable estimate for capital requirements under the assumptions outlined in the original report.

The comments submitted by the TUSD also underline the point that it is difficult to predict the extent of future involvement by the JTED and its impact on the amount of equipment that would be required to meet K-12 needs. It is unknown what additional resources may be provided by the JTED or other school districts to support the K-12 channel and productions. In addition to justifying a revision to the consultant's capital estimates, the comments also provide additional support for the consultant's needs and interest findings. The Report states on page 38 that "There is a need and interest in having periodic reviews of capital requirements, and making reasonable adjustments upward (or downward)." Such periodic reviews and adjustments are important and would serve to identify and satisfy needs that might arise due to increased equipment use and JTED involvement in the future.

Revised Estimates for Capital Cost Requirements

At pp. 34-38 of the original report, the consultant provided her estimate of the capital that will be required to continue to support PEG over a ten-year franchise term, assuming the PEG channels continue to be used as they are being used now, and without significant growth in use (the assumptions underlying the estimates were stated at p. 35). The estimates for PEG capital support identified in the Report appear below and are restated to facilitate comparison of the original cost estimates to the revised capital cost estimates (also below). The amount of funding for "Other Educational Access" has been reduced by approximately one-third in the revised estimates. The consultant's original intention was that "Other Educational Access" funding would be shared by TUSD, PCC and the UA. In the revised estimate, this funding is intended for PCC and the UA since the funding estimate for TUSD has been increased.

Original Estimate:

▪ City Channel 12	\$2,780,750 - \$ 3,601,500
▪ Access Tucson	\$4,612,850 - \$ 6,225,850
▪ TUSD (van)	\$ 250,000 \$ 250,000
▪ PCC (playback)	\$ 150,000 - \$ 200,000
▪ Other Educational Access	\$ 500,000 \$ 500,000
Total	<u>\$8,293,600</u> <u>\$10,773,350</u>

Revised Estimate:

▪ City Channel 12	\$2,780,750 - \$ 3,601,500
▪ Access Tucson	\$4,668,030 - \$ 6,281,030
▪ TUSD	\$ 939,842 \$ 1,021,842
▪ PCC (playback)	\$ 150,000 - \$ 200,000
▪ Other Educational Access	\$ 335,000 \$ 335,000
Total	<u>\$8,873,622</u> <u>\$11,439,372</u>

These changes to the capital estimates do not require a change to the consultant's findings with respect to needs and interests.

**K12 Channel 10 Year Capital Plan
Model 1a - TUSD 12/22/06 Request**

Item	Quantity	Cost per unit	Lifespan	Total Cost
<u>Studio</u>				
Lights	1	\$25,000	10	\$25,000
HD cameras	3	\$10,000	5	\$60,000
Monitors A/V	1	\$2,500	5	\$5,000
Microphones	10	\$300	5	\$6,000
PA system	1	\$1,500	10	\$1,500
Tripods	3	\$2,500	10	\$7,500
Cycloramas	2	\$5,000	10	\$10,000
Subtotal				\$115,000
<u>Control room</u>				
Switcher	1	\$15,000	5	\$30,000
Monitors	1	\$10,000	5	\$20,000
Quality test equipment	1	\$10,000	5	\$20,000
A/V source & record decks	4	\$5,000	5	\$20,000
Audio processing	1	\$10,000	5	\$20,000
Graphics	1	\$12,000	5	\$24,000
Router	1	\$8,000	5	\$16,000
Subtotal				\$150,000
<u>Presentation equipment</u>				
	1	\$3,500	5	\$7,000
Subtotal				\$7,000
<u>Field production</u>				
HD cameras	3	\$10,000	5	\$60,000
Tripods	3	\$1,200	5	\$7,200
Microphones	10	\$300	5	\$6,000
Boom poles	3	\$250	5	\$1,500
Steady cam	1	\$5,000	5	\$10,000
Dollies	3	\$1,000	5	\$6,000
HD monitors	3	\$2,500	5	\$15,000
Subtotal				\$105,700
<u>Editing</u>				
Video editors	4	\$6,000	5	\$48,000
Monitors	8	\$500	5	\$4,000
Source decks	4	\$3,500	5	\$28,000
Storage	1	\$3,000	5	\$6,000
Subtotal				\$86,000
<u>Duplication</u>				
DVD duplicator	2	\$2,500	5	\$10,000
Subtotal				\$10,000

Item	Quantity	Cost per unit	Lifespan	Total Cost
<u>Video server</u>	2	\$50,000	10	\$100,000
Subtotal				\$100,000
<u>Playback facilities</u>				
Server	1	\$50,000	5	\$100,000
Video decks	4	\$2,500	5	\$20,000
Streaming	1	\$15,000	5	\$30,000
Router	1	\$10,000	5	\$20,000
Monitors	8	\$4,000	5	\$8,000
Subtotal				\$178,000
Wolf Coach Production Van	1	\$246,142	10	\$246,142
Subtotal				\$246,142
TOTAL				\$997,842

K12 Channel 10 Year Capital Plan
Model 2 - TUSD 12/22/06 Request Revised

Item	Quantity	Cost per unit	Lifespan	Total Cost
<u>Studio</u>				
Lights		\$25,000	10	\$25,000
HD cameras	3	\$10,000	10	\$30,000
Monitors A/V	1	\$2,500	5	\$5,000
Microphones	10	\$300	5	\$6,000
PA system	1	\$1,500	10	\$1,500
Tripods	3	\$2,500	10	\$7,500
Cycloramas	2	\$5,000	10	\$10,000
Communications System	1	\$10,000	5	\$20,000
Subtotal				\$105,000
<u>Control room</u>				
Switcher	1	\$15,000	5	\$30,000
Monitors	6	\$10,000	5	\$20,000
Quality control test equipment	1	\$10,000	5	\$20,000
A/V source & record systems	4	\$5,000	5	\$40,000
Audio processing & mixing	1	\$10,000	5	\$20,000
Graphics	1	\$12,000	5	\$24,000
Routing system	1	\$8,000	5	\$16,000
Subtotal				\$170,000
<u>Presentation equipment</u>				
	1	\$3,500	5	\$7,000
Subtotal				\$7,000
<u>Field production</u>				
HD cameras	2	\$10,000	5	\$40,000
Tripods	2	\$1,200	5	\$4,800
Microphones - lavalier	5	\$300	5	\$3,000
Microphones - shotgun, hand held	4	\$300	5	\$2,400
Boom poles	3	\$250	5	\$1,500
Steady cam	1	\$5,000	10	\$5,000
Dollies	2	\$1,000	5	\$4,000
HD monitors	2	\$2,500	5	\$10,000
Field lighting kits	2	\$2,000	5	\$8,000
Cases, misc. cables		\$6,000	10	\$6,000
Subtotal				\$84,700
<u>Editing</u>				
Video source/record systems	2	\$5,000	5	\$20,000
Monitor systems	2	\$2,000	5	\$8,000
Storage	1	\$3,000	5	\$6,000
Subtotal				\$34,000
<u>Duplication & Other Production</u>				
DVD duplicator	2	\$2,500	5	\$10,000
Video server	2	\$50,000	10	\$100,000
Subtotal				\$110,000

Item	Quantity	Cost per unit	Lifespan	Total Cost
<u>Playback facilities</u>				
Server	1	\$50,000	5	\$100,000
Video decks	4	\$2,500	5	\$20,000
Streaming equipment	1	\$15,000	5	\$30,000
Routing system	1	\$10,000	5	\$20,000
Monitors	7	\$500	5	\$7,000
Subtotal				\$177,000
<u>Mobile production van</u>				
Wolf Coach Production Van	1	\$246,142	10	\$246,142
Mobile edit station	1	\$6,000	10	\$6,000
Subtotal				\$252,142
TOTAL				\$939,842