Midpeninsula Community Media Center

2001 Annual Report Edition

Midpeninsula Community Media Center 3200 Park Boulevard Palo Alto, CA 94306 650 494-8686 www.communitymediacenter.net

The merger

A formula for the future:
MPAC + SVCC = “Media Center”

Combined organization to provide communication center
and resources to Midpeninsula communities of Palo Alto,
East Palo Alto, Menlo Park, Atherton and Stanford

“The Mid-Peninsula Access Corporation (MPAC) and
Silicon Valley Community Communications (SVCC) announced today that
they are merging to create a joint organization called the Midpeninsula
Community Media Center (‘Media Center’).”

This simple press release marked the marriage of two organizations
coming together to take advantage of emerging technologies and build
a state-of-the-art Community Media Center to meet the growing
needs of the midpeninsula. The
new organization is headed by
Board President, Seth Fearay, and
Executive Director, Annie Niehaus.

The Midpeninsula Community
Media Center capitalizes on the
convergence of community, media
and technology. The center is a
place where people can learn new
tools for communication and create
material that supports what makes

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Foundation for the new organization

The Media Center is a public benefit corporation that combines the talent
and assets of SVCC and MPAC to optimize communications resources and
services to the community. The Media Center continues to provide MPAC
and SVCC services, including outreach, hands-on training and production
assistance to individuals and community groups in both field and studio
video production, and staff produced venues for local issues, sports, policy-
makers and artists. In addition, the merged entity is exploring ways to help
public benefit organizations with web site development, providing staff to
develop and facilitate the creation of video programs for cities and schools,
and new opportunities to the community through the availability of tech-
nologies such as streaming media via the internet, and distance learning
and teleconferencing through the coming Institutional Network (a dedicat-
ed fiber network for use by local governments, public agencies and schools.)

Since 1990, MPAC operated the
public access channels, providing
video production training and
equipment for community produc-
tions, and staff produced programs
designed as a platform for commu-
nity groups. MPAC provided cover-
age of local government meetings
and fee-based production services.
MPAC’s biggest asset was the contri-
butions of its many volunteers.

Silicon Valley Community Commu-
nications (SVCC) was created in
2000 as a new public benefit corpo-
ration. It was funded by a charitable
contribution from AT&T and used
its working capital to continue to
produce Co-op’s local origination
programming, such as NewsWatch,
SportsAction and the Reel Review.
SVCC also provided facilities and
equipment to MPAC.

Initial directives

The following initial directives
were endorsed by Cable Co-op and
MPAC in October 1999, and later
by SVCC, and will be reviewed by
the new board to ensure that the
organization is well positioned to
meet the needs of the community
for years to come.

1. Create and maintain a facility
available to all members of the
community at which people have
access to resources that enable and
enhance communication and
expression.

2. Generate and maintain a public
forum that promotes civic engage-
ment, diversity awareness, a venue
for arts and a forum for many voic-
es.

3. Produce quality programming of
particular local interest, some of
which will be produced by center
staff and some by individuals and
groups assisted by center staff.
When members of the public pro-
duce programming they will be
assured the guarantees of the First
Amendment.

4. Enhance access to government
and the political process for all
members of the community and to
enhance dialogue between govern-
ment and members of the public.

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Message from the President and Executive Director

We are very pleased to present the first annual report of the Midpeninsula Com-
munity Media Center. The Media Center is new, but also old. The combination
of the Mid-Peninsula Access Corporation and Silicon Valley Community Communica-
tions means we have over 20 years of experience in bringing a wide variety of tele-
vision productions and internet services to the community. In 2001, we produced
a total of 741 new programs and cablecast a total of 5,633 hours of programming
over Channels 6 and 77.

Thanks to the working capital made possible by Cable Co-op’s Board and mem-
ers, we have a wonderful opportunity to serve the growing information and
communication needs of Atherton, East Palo Alto, Menlo Park, Palo Alto and Stanford.

Our mission will allow us to become an even stronger member of the commu-
ity. The merger has given us the opportunity to build a new board of directors that
includes representatives from local government agencies, the arts, and community
organizations.

We have exciting goals for 2002. Our top priority is to develop a new strategic
plan that reflects the needs of the community, the perspectives of the new board,
and new partnerships with local schools, the arts community, and other organiza-
tions. We also have to resolve the question of where to locate our new facility. Our
dreams will, no doubt, exceed our current financial resources, but our tradition of
fiscal responsibility will ensure that we achieve our goals realistically while develop-
ing new sources of funding.

2002 will be challenging. We need the support of the community to achieve our
dreams. We hope you will stop by our offices, visit our new website, and send us a
note with your thoughts on how we can be the best partner in our unique and won-
derful community.

Seth Fearay, Board President
Annie Niehaus, Executive Director

INSIDE
• Who We Are
• Sports Page
• Mission
• Community Programming
• Our Services
• Business Section
• Financial Page
The Media Center staff has grown. In September, MPAC had six full-time employees and a number of part-time workers and contractors, totaling the equivalent of almost 12 full-timers. After combining with SVCC’s staff and production crews, the full-time equivalency of staff members is 16.4 (seven full-time and 18 part-time). In addition, MPAC’s extensive network of over 200 volunteers who assist with many of the administrative and production-related assignments, continue to add fuel to the engine that keeps the Media Center moving.

The staff is directed by Annie Niehaus, a founding board member of MPAC, who has a background in industrial video production and conflict resolution. She also helped to develop an “Electronic Town Meeting” interactive dialogue process for broadcast TV. In November, she was elected to the Alliance for Community Media Western Region Board of Directors.

Board members:

Seth Fearcey — Board President; Cable Co-op Board President; President, Connected Communities
Andrew Mellows — Board Vice President; Director, Technical Support Group, Macrossion
Christine Shambora — Board Treasurer; Community Volunteer
Sally Kiester — Board Secretary; Educational Consultant
Jim Burch — Palo Alto City Council
Peter Carson — Cable Co-op Counsel (retired from board 12/31/01)
Jose Fernandez — Menlo Park Planning Commissioner; Architect
Joan King — Communications Specialist (retired from board 12/31/01)
Judy Kleinberg — Palo Alto City Council (retired from board 12/31/01)
Audrey Seymour — Assistant City Manager, City of Menlo Park, JPA representative from Menlo Park
Randy Adams — Managing Director, TheatreWorks
Mary Hanna — Public Communications Manager, City of Palo Alto, JPA representative from Palo Alto
Linda Kelly — Assistant to the City Manager, Town of Atherton, JPA representative from Atherton (elected 1/16/02)
Michael Stern — Attorney, head of Cooley Godward’s Technology Transactions group (elected 3/14/02)
Barbara Noparstak — Community Volunteer, JPA Representative from San Mateo County (elected 4/18/02)

Vision for a new community media center

5. Provide accessible and affordable training for community members in media production including but not limited to video, radio and website content.
6. Collaborate with schools, local governments, other public benefit organizations, and local arts organizations to produce and disseminate community communications.
7. Utilize any number of media, as resources allow, to accomplish the above goals.

Credits:
Photographs by
Mike Kahn, Ken Russell,
Nancy Brown
Graphic design by
Nancy Brown,
Blue Dog Productions
Community groups, individuals, and organizations share their stories and priorities with the community-at-large through a wide variety of programming. These productions are the result of many volunteer hours by dozens of community producers and hundreds of studio crew members, with some technical support from the Media Center staff. Many of the programs target a particular interest group in the community, providing unique and local information and entertainment that would not be found on a broadcast channel. In 2001 the community access productions included such series as:

- Seniors Fireside Chat
  Senior citizens express their concerns about social and political issues

- Other Voices
  Community forums and guest speakers discuss national and international issues. Sponsored by the Peninsula Peace and Justice Center

- 3rd Eye
  Local and national issues as seen through the eyes and minds of African Americans

- On Call
  Dr. Alexa Boer-Kimball answers viewers’ questions on this medical advice call-in show

- Studio Sessions
  Showcases new and established local bands and performers

With over 500 games under its belt, SportsAction has always produced a winner. Now entering its tenth season, SportsAction has become the dominant sports coverage provider on the Peninsula. Even with numerous Cable ACE, BACE, WAVE and Hometown awards on the shelf, the SportsAction crew never rests on its laurels. Tag-Team Producers Craig Jutson and Justin L. Atkin are continually innovating and sharpening the SportsAction machine. Team-work is key in sports, and there’s no better pairing than Play-by-Play Commentator Craig Wentz and Color Analyst Kurt Edwards, whose combined sports background spans 50 years! Add a group of veteran camera technicians who’ve shot for the likes of ESPN and FOX Sports, and you’ve got an All-Star Lineup guaranteed to bring home the Gold!

The Media Center makes electronic media available as a community forum for the widest range of public expression and communication. It produces programs of community interest and supports an online community discussion forum. It operates the public access channels that can be seen by about 26,000 cable television subscribing homes or businesses in the mid-peninsula region. In fulfilling its mission, the Media Center facilitates learning, fosters civic engagement, increases diversity awareness, and provides a stage for individual expression.

By Jesse Norfleet, Programming Director/Public Awareness

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- Studio Sessions
  Showcases new and established local bands and performers

The 3rd Annual Fight Against Hunger Telethon reached new heights. Less than three months following the tragic World Trade Center attack, local residents came together and continued the spirit of giving by donating over $25,000, to help eliminate local hunger. Once again, the Media Center teamed with the Ecumenical Hunger Program of East Palo Alto, to provide 48 hours of continuous programming, and to surpass last year’s total by over $5000.

The event showcased over 30 performers and involved thousands of volunteer hours from nearly 40 volunteers and staff.

By Jesse Norfleet
Programming Director
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Town of Atherton have both expressed interest in live coverage of their council meetings when the second government channel is made available following the completion of AT&T’s rebuild of the cable system.

NeighborSpace: New life for online community

NeighborSpace was reincarnated in 2001. The online community forum vanished from cyberspace when the ISP Channel - our host server - went bankrupt. The volunteer Steering Committee transformed the disruption into an opportunity to find a better conferencing software and custom design it for our community usage. We brought on an outstanding new Coordinator, Mike Kahn, to guide the technical transition and head up the outreach and publicity efforts. In August, with the invaluable help of Russ White, at Yolke.com, NeighborSpace went back online with an entirely new look and feel.

NeighborSpace serves as a valuable resource. In the November election for Palo Alto City Council and School Board all the candidate positions were posted on this website for voter comparison. By year’s end, the reincarnated NeighborSpace had 380 registered users. Meanwhile people continue to exchange opinions on movies, restaurants, and local issues, at the free and non-commercial website for people in Palo Alto, East Palo Alto, Menlo Park, Atherton, and Stanford. The site is also working to assist local public benefit organizations in creating public and private online discussions to help them fulfill their missions more effectively. NeighborSpace is a joint project of the Media Center, the Palo Alto Weekly/Palo Alto Online, and Yolke.com.

Production services: Video coverage of civic events

From a modest start 12 years ago providing live coverage of the Palo Alto City Council, we have expanded our service to local governments to the point that this fee based production work now contributes 38% towards our total operating budget. We now cover the governmental meetings for the cities of Palo Alto, Menlo Park, Belmont, Redwood City, San Mateo and the San Mateo County Board of Supervisors. In addition, other customers, primarily from the public benefit sector, request our “studio-in-a-box” remote production van and crew to cover their events.

The City of East Palo Alto and the Media Center buzzes with excitement and energy when it is taken over by high-spirited teams of young people enrolled in the Intern Program. The mix of local high school and college students coalesce into an outstanding crew under the enthusiastic guidance of Intern Coordinator, Karen Adams. After their training in studio and field production, these teams produce a series of programs related to youth as well as volunteer access shows. The summer interns also produced public service announcements for nineteen public benefit agencies.

In 2001, a total of 31 interns completed one of the three sessions. Program highlights included a fashion show and a Halloween Special. Karen Adams, a longtime instructor at the Media Center, assumed the Coordinator position for the summer and fall terms, from the previous director, Linda Rhodes.

Intern program: Focus on youth

On Friday nights the Media Center buzzes with excitement and energy when it is taken over by high-spirited teams of young people enrolled in the Intern Program. The mix of local high school and college students coalesce into an outstanding crew under the enthusiastic guidance of Intern Coordinator, Karen Adams. After their training in studio and field production, these teams produce a series of programs related to youth as well as volunteer access shows. The summer interns also produced public service announcements for nineteen public benefit agencies.

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Community Bulletin Board publicizes the community's resources

The Interactive Video Bulletin Board received 3,251 requests for information in 2001. Viewers who flip on to our community channels during non-programming hours can call in to request more information about community services and events. Calls about job opportunities top the list of most requested topics. Local community groups and government departments use the service to get their word out.

Staff productions

Providing venues for community voices

By Elliot Margolies

Executive Producer

In addition to the programs created by volunteer community producers, the Media Center staff produce a number of program series to meet community needs and interests and support greater civic awareness and participation. Staff productions generate a venue for many community groups, local artists, and teams who do not produce their own programs at the Media Center. With a combination of community access and staff productions the community cable channels truly reflect the diverse character and people of the mid-peninsula.

Truly local news with a twist

By Elliot Margolies

Executive Producer

The Community Journal is a new communications vehicle increasing civic awareness and engagement and generating a venue for the concerns of local seniors, youth, arts, health, environment, and education agencies. After years of requests, last June the Media Center launched the only TV news show focused on Palo Alto, East Palo Alto, Menlo Park, and Stanford. Unlike conventional news programs, all of the reporters are from local organizations and agencies. The stories (and visuals) are written and presented by these “civic reporters” after they complete a training workshop at the Media Center.

Each of the 20 local organizations who present their stories (on a rotating basis) represent a different category such as youth, transportation, arts, business, etc. After a year, a new set of groups will take their places, so that the Community Journal vehicle can be used by a very wide range of local groups. Reporting organizations include Avenidas, Acterra, Free At Last, Friends of the Palo Alto Library, the Linfield Oaks Neighborhood Association, the Menlo Park Police Department, Silicon Valley Manufacturing Group and the Palo Alto Medical Foundation. Our goal is to create a venue for increased local awareness and at the same time to generate a community-building vehicle.

Strategic priorities

By Christine Shambora

Board Treasurer

Thanks to the generosity of Cable Co-op and AT&T, both MPAC and SVCC operated rent-free until February 1, 2001. Our facility is old (and leaky) and the site has been zoned for residential development. We have to move. Finding a permanent, affordable, location for the Media Center is a major focus for the Board and Executive Director of the Media Center. Accomplishing this task in a volatile and expensive real estate market has presented a significant challenge. The Board evaluated refurbishing our current location, moving to a temporary location, and extending our lease to buy time to find a new, permanent facility. Extending our lease turned out to be the lowest cost alternative, but we must now sub-let the space now being used by AT&T.

Important criteria in identifying potential sites and possible partnerships that meet our criteria. Our hope is that within the next three to four years we will secure a permanent home for the Media Center that we will be able to dedicate to the community in perpetuity.

Equipment upgrade

In April 2001, SVCC put the finishing touches on a $176K studio and control room upgrade. Major improvements included new cameras and dollies, digital video tape recorders, character generator, monitors, special effects generator and audio mixing console. New lights, C-stands, flags and scrims rounded out the refurbishments. The new equipment has brought the look and feel of the Media Center’s programming into the 21st century.

Staff produced program series

<table>
<thead>
<tr>
<th>Arts and Minds</th>
<th>(biweekly) – profiles of local art groups and artists</th>
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<tbody>
<tr>
<td>NewsWatch</td>
<td>(weekly) – discussions of local issues with citizens and policymakers</td>
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<tr>
<td>Border Crossings</td>
<td>(biweekly) – discussions of local issues usually featuring policymakers</td>
</tr>
<tr>
<td>Community Journal</td>
<td>(biweekly) – midpeninsula news show where all the reporters are from local organizations and neighborhood associations</td>
</tr>
<tr>
<td>SportsAction</td>
<td>(weekly) – game of the week featuring local school teams; different sports</td>
</tr>
<tr>
<td>Speaking of Menlo Park</td>
<td>(biweekly) – profiles of people who live or work in Menlo Park</td>
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<tr>
<td>Police Beat</td>
<td>(biweekly) – news and information from the Palo Alto Police Dept.</td>
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<tr>
<td>The Quest</td>
<td>(biweekly) – discussions with local clergy and spiritual practitioners</td>
</tr>
<tr>
<td>Reel Review</td>
<td>(biweekly) – movie reviews and recommendations</td>
</tr>
<tr>
<td>Election Programs</td>
<td>(specials) – candidate forums in partnership with the Palo Alto Daily News</td>
</tr>
<tr>
<td>Election Wrap Up</td>
<td>(special) – returns and analysis</td>
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Financial reports

Media Center Balance Sheet
December 31, 2001

This statement reflects the combined assets and liabilities of MPAC and SVCC as a merged organization.

Assets:
- Current Assets:
  - Cash Accounts: $107,281
  - Working Capital: 8,887,560
  - Escrow Account: 7,347,979 (1)
- Total Current Assets: 16,342,820
- Accounts Receivable: 104,421 (2)
- Other Current Assets: 69,970 (3)
- Fixed Assets: 204,299
- Total Assets: $16,721,510

Liabilities and Net Assets:
- Current Liabilities:
  - Accounts Payable: $23,440
  - Menlo Park Grant for Jan- June 2002: 6,250
- Total Liabilities: $29,690
- Net Assets:
  - Restricted Escrow Funds: 7,347,979 (1)
  - Net Assets, Beginning of Period: 104,421
  - Net Retained Earnings: 9,117,236
- Total Net Assets: 16,691,820
- Total Liabilities and Net Assets: $16,721,510

(1) Funds held in escrow account awaiting IRS determination of the disposition of the $17M charitable contribution in connection with the sale of the principal assets of Co-op to AT&T.
(2) Of this amount, $22,402 is outstanding Cable Subscriber Pass-Through Fees and $57,517 is City of Palo Alto production services.
(3) Of this amount, $60,000 is a lease deposit.

Media Center Profit and Loss Figures
January 1, 2001 through December 31, 2001

Revenue
- 38% Cable subscriber pass-through fees
- 36% Income from government agencies
- 17% Interest and dividends
- 9% Other

Expenses
- 65% Personnel
- 22% Production, prof. and investment services
- 10% Operating expenses
- 2% Depreciation

Media Center Profit and Loss Statement
January 1, 2001 through December 31, 2001

This statement encompasses 01/01/01 to 09/25/01 of MPAC, and 09/26/01 to 12/31/01 of the merged organization of MPAC and SVCC, the Media Center.

Revenue:
- Cable Subscriber Pass-Through Fees: $274,292
- Gov’t Mgmt Coverage & Production Services: 255,649
- Other Production Services: 42,055
- Education and Outreach: 18,845
- Contributions and Net Tape Sales: 6,210
- Interest and Dividends: 119,212
- Total Revenue: $716,263

Expenses:
- Salaries: $377,883
- Salary Costs and Employee Benefits: 55,828
- Contract Services: 112,259
- Misc. Professional & Investment Services: 37,444
- Operating Expenses and Supplies: 17,425
- Insurance and Vehicle Expenses: 9,455
- Facility Expenses: 2,114
- Equipment: 24,201
- Depreciation: 25,064
- Conferences and Hospitality: 12,495
- PR and Outreach: 5,974
- Total Expenses: $668,028
- Net Income: $48,235

Note: Cooley Godward LLP provided SVCC and the Media Center with $71,500 in pro bono legal services related to the merger that is not reflected in the above statement.

Finances: past, present and future
By Seth Fearay, Board President

Merging the finances of two organizations is always a challenge. The above Profit and Loss Statement shows nine months of MPAC and three months of the merged organization of MPAC and SVCC, the Media Center. It cannot be used to estimate the Media Center’s profit and loss projection for 2002.

Income and Expense
In 2001, our income came principally from two sources: the $0.88 per subscriber pass-through fee from AT&T Broadband and contracts with local governments to tape public meetings. Our largest expenses were salary and contractor related.

Working Capital
SVCC was launched with a charitable contribution of $17 million from AT&T. Of this amount, $6,925,000 was deposited in an interest-bearing escrow account. These funds will be used to pay the Internal Revenue Service if it determines that the $17 million should be treated as part of the price AT&T paid for the principal assets of Cable Co-op. At the time of the transaction, both Cable Co-op’s and AT&T’s attorneys believed the IRS would deem the $17 million a charitable contribution, but we can not count on it. We are advised that we may not receive a ruling for several years.

The Board of SVCC invested the remaining $10,075,000 with the Community Foundation of Silicon Valley. The Foundation manages over $580 million on behalf of local public benefit corporations and philanthropists. In December of 2000, the SVCC Board allocated 50% to a balanced investment fund, 20% to a technology fund, and 30% to a money market fund. The interest earned on the money market fund was used to fund some of our operations.

As of December 31, 2001, our balance at the Foundation was $8,887,560, due to withdrawals of $640,000 for operations, between July 2000 and December 2001, including $176,000 to upgrade our production equipment, $60,000 for our rental deposit, and the decline in the value of our investments.

Looking Ahead
As of February 1, 2002, the Media Center took over the lease for the entire building and began paying rent and utilities for the first time. We are currently seeking sub-tenants, but if we are unable to find any, we are looking at rental costs of $586,000 in 2002. The only rental relief we have achieved so far this year was from a two-month sub-lease with AT&T Broadband.

The Board of Directors has embarked on a strategic planning process. Top priorities include finding new sources of funding that will put us on a firm foundation for the future. The Board is also reviewing the investment strategy for the working capital. It recognizes that an investment strategy that was appropriate for SVCC may not be appropriate for the Media Center.