

**SANTA BARBARA COUNTY  
BOARD AGENDA LETTER**



Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Agenda Number:**

**Prepared on:** March 23, 2005  
**Department:** General Services  
**Budget Unit:**  
**Agenda Date:** April 5, 2005  
**Placement:** Administrative  
**Estimate Time:** 30 minutes  
**Continued Item:** NO  
**If Yes, date from:**

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**TO:** Board of Supervisors

**FROM:** Tom Alvarez, Director  
General Services Department

**STAFF CONTACT:** Bob Nisbet, Assistant Director  
560-1011

**SUBJECT:** South Coast Community Media Access Center  
2nd Supervisorial District

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**Recommendations:**

**It is recommended that the Board of Supervisors set a hearing for April 12, 2005 for 30 minutes to consider the following:**

- A. Approve the proposed site on the County Cathedral Oaks Campus for a Media Access Center (see site plan, Attachment #1); and
- B. Determine that the South Coast Community Access Center (CMAC), a California non-profit 501(c)3 corporation, serves a public purpose, thereby justifying their subsidized use of County property; and
- C. Conceptually approve the proposed model for financing and delivering the Media Access Center (see finance term sheet, Attachment #2).

**Alignment with Board Strategic Plan:**

The recommendations are primarily aligned with Goal No. 1: An Efficient Government Able to Respond Effectively to the Needs of the Community.

**Executive Summary and Discussion:**

On January 10, 2002, the County granted a cable television franchise agreement to Cox Communications for the unincorporated area of South Santa Barbara County. As part of the agreement, utilizing franchise fee funds, the City of Santa Barbara agreed to provide on-going (annual) funding for public access television and the County agreed to provide a combination of one-time funding and a site for a South

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Coast Community Access Center. In order to enhance the quality and opportunity for local public access television in the Cox Cable Franchise Area, under the new franchise, it was agreed that an independent non-profit corporation would be designated by the County and the City of Santa Barbara to manage the public access channel, the education access channel, and the associated facilities and resources formerly managed by Cox.

On January 1, 2003, CMAC assumed operations of these channels. CMAC's rights and responsibilities to operate these channels were consummated in an agreement with the County that was executed by the Board on November 12, 2002. The agreement requires CMAC to submit an operating budget to the County annually, and outlines a variety of other provisions as to their role, responsibility, and how they are funded. Section IX of this agreement stipulates that the County will make a site available to CMAC for the future construction of a Media Access Center providing studios where community television programs could be managed, produced, directed and telecast. The site is to be approved by the Board and is to be provided free of charge. Three sites were initially investigated and the site depicted on Attachment #1 was ultimately recommended by staff and CMAC.

The proposed model is that the County would manage the design and construction of the building like any other County building but using CMAC's funding for the cost of building and county project management cost. Normal contracting and permitting laws for the County would apply and the County would own the building. Under a lease to be prepared and executed later, CMAC would be allowed to reside in the facility as long as they exist as a non-profit, and in accordance with their current operating agreement with the County. (The current operating agreement terminates on January 10, 2015 but can be extended for two years to be coterminous with the Cox Franchise Agreement which terminate on January 10, 2017.)

The budget for the building is established at \$1,100,000. This budget includes all costs associated with constructing a 4,100 square foot facility except equipment and furniture. This budget was established by the County Architect and confirmed by an architect hired by CMAC. This architect has already prepared some conceptual design plans for the building and will most likely be retained by the County to complete the plans should the Board direct staff to proceed.

The financing proposal is that CMAC will put up \$500,000 in cash and the County will borrow \$600,000 over a 15 year term (see Attachment #2 for terms of financing). CMAC will pay rent over the initial 15 years of their use of the building in an amount that is equivalent to the debt service on the \$600,000. After the debt is retired, CMAC would have continued use of the building free of charge, as long as their operating agreement with the County is extended. Finally, CMAC would be responsible for all maintenance and utility costs associated with the building during their tenancy.

CMAC's board of directors discussed the finance concept outlined above at their meeting on March 24, 2005 and agreed with the approach. If the Board concurs, staff will route the debt proposal through the Debt Advisory Committee. The money will not be borrowed until just prior to beginning construction.

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**Mandates and Service Levels:**

Although there is no mandate to provide community access and education access channels, it is contemplated in Section 611 of the federal Cable Communications Act and in the County's cable franchise laws found in Chapter 43 of the Santa Barbara County Code. The Board has previously demonstrated its commitment to this public service by making the public, educational and government access programming a part of the existing cable television franchise and by establishing CMAC and executing a long-term operating agreement with them.

**Fiscal and Facilities Impacts:**

As indicated in Attachment #2, the estimated debt service is \$59,000 annually. (The actual debt service will be determined at the time of the issuance of the debt.) The County will execute a lease with CMAC whereby CMAC is required to pay this debt service. If at any time during the 15-year term, CMAC is unable to make the payment, the County would be obligated to make the payment. However, there is a \$1 million community and education access endowment fund that is available as "collateral".

The Cox Franchise required Cox to establish a \$1,000,000 endowment for the purpose of any capital requirements associated with the operation of CMAC. This endowment is held by the County, but the interest earned is allocated to CMAC and is an integral part of their budget. Although it has been determined that the principal of this endowment cannot be used today, at the end of franchise term in 2017, the principal of the trust endowment, which is held by the Santa Barbara Fund for Community and Educational Access (a non-profit corporation directed by the County), will be available for use and further investment in the public purposes of the trust. Repayment of any General Fund contribution could be made from this principal.

**Special Instructions:**

None

**Concurrence:**

County Counsel  
Auditor-Controller