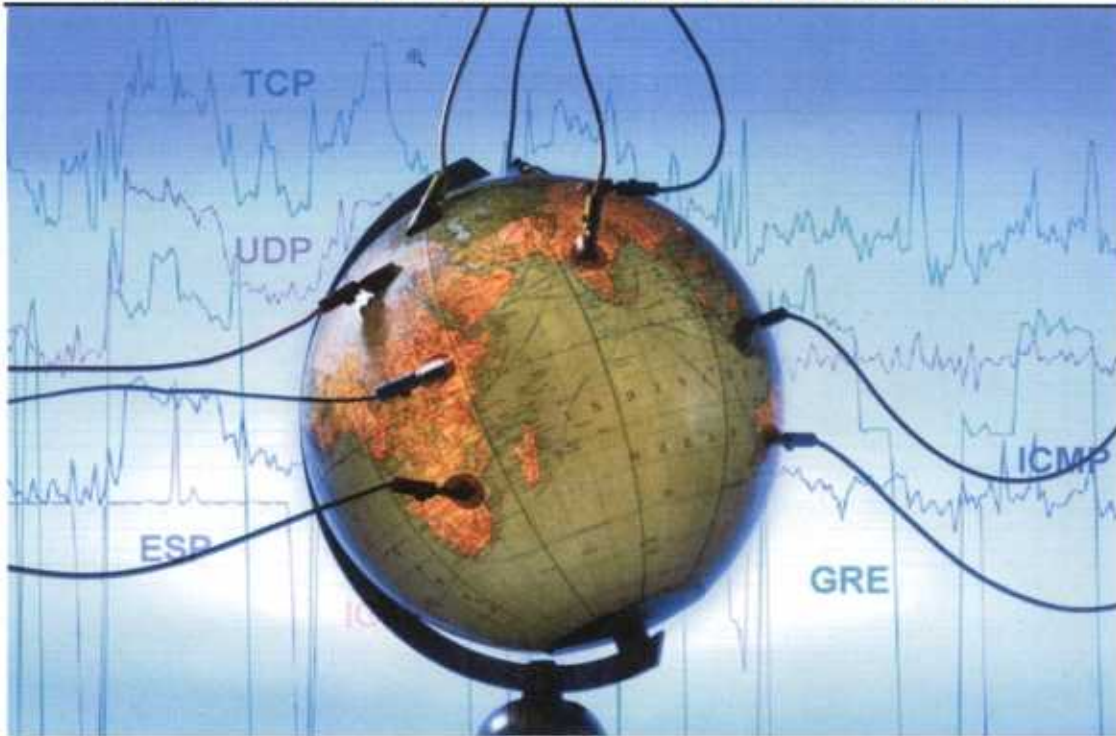


LONG BEACH MEDIA AND ARTS CENTER



BACKGROUND

The enactment of the Digital Infrastructure and Video Competition Act of 2006 (DIVCA) marked a major change in the regulation of video service providers in California. Essentially, DIVCA replaced the local franchising process with a State process under authority of the California Public Utilities Commission. The legislation allowed incumbent cable operators, such as Charter Communications (Charter), to vacate their local cable franchises and begin operating under a State-issued franchise on January 2, 2008. Currently, two State franchise holders; Charter and Verizon serve the City of Long Beach.

Under DIVCA, Long Beach retained its five percent franchise revenues and traditional control over the time, place, and manner in which public-rights-of-way are used in these matters. The legislation, however, brought significant changes. For example, it enabled the City to establish a fee levied on State franchise holders to support PEG channel facilities. In September 2007, the City Council adopted an ordinance that set the City's fee at 1.04 percent of the cable providers' locally generated gross revenues. The funds are restricted to capital uses and cannot be used for operational expenses such as staffing and rent. If the funds are used for any activity other than capital, the local cable/video providers can deduct that amount from their franchise fee payments to the

City. In Long Beach, the cable franchise fee is transferred to the General Fund to support traditional municipal services such as public safety, recreation, and libraries. As prescribed by DIVCA, the City collects the PEG fee revenues quarterly from the local cable/video providers. The providers are required to submit payment to the City within 45 days after the end of each quarter.

Another change from the legislation is that the incumbent cable operator is not required to provide public access facilities, equipment, and staff support for residents to produce their own cable programming. Pursuant to the old local cable franchise, Charter was obligated to provide public access television in Long Beach until January 1, 2009. Both Charter and Verizon are required, however, to provide a channel for public access programming as long as certain minimum hours of programming are met. The public access channel is dark today because there is no longer a way to transmit community programming to the cable operator, which was provided from Charter's Public Access studio facilities.

ANALYSIS

The media world has significantly changed since the foundations of cable rules were established. Funding for PEG channels were written into Franchise rules when there was a scarcity of distribution channels for information to underserved communities and constituencies. Now, the explosion of traditional and non-traditional distribution channels raises questions about the old paradigm and the need for antiquated views on media. From YouTube to Mogulous to FaceBook to MySpace, there is a crowd of alternate distribution systems. The heady days of a limited number of cable and now FIOS channels for distribution of programming for a limited audience utilizing capital intensive studios, production facilities and staff are gone. With a 100 dollar flip video camera or a camera on my mac and pre-installed software on my laptop, I can reach the world. Why spend 200-thousand dollars to produce programming that will reach a limited audience with a limited message.



The bottom line question is simple: How does this create economic, social and community development impacts that builds an industry, creates jobs, provides maximum opportunities for all people and spurs new growth?

Providing capital funds to the old paradigm does none of this. However, there is another strategy to create new opportunities. The goals are:

1. Train for the 21st Century media world where 1000 dollars can buy you a studio, post production resources and a door to the world
2. Develop a new media industry that is based anywhere and inspires new visions, new jobs, and a new future
3. Create a strategy that connects government, education, community, business in a proactive economic development and workforce development movement
4. Builds a new media network utilizing current and future tools that allows for the city's residents, business, government and education to communicate, share information and media resources, to interact on a level only now becoming possible because of the technology.
5. And most importantly, create a vision of a city that is light years ahead of other cities in building a infrastructure that is progressive, green, and places the power of new media in the hands of ordinary citizens.

If the plans for this PEG money only include a return to an antiquated paradigm, we will have missed an opportunity to become the New Media Center of the United States.



PROPOSED



Create a non-profit, state-of-the-art media and arts center and expand beyond the traditional paradigm of "Public Access" to build a network of local distribution hubs that take advantage of 21st Century technology and new media.

Additional tenants:

Commercial production facilities, after school training programs, arts organization office space, non-profit production facilities/classrooms

The Long Beach Media and Arts Center offers a unique opportunity to serve and strengthen the creative community of Long Beach. The convergence of new media and the creative arts comes at a time when the City of Long Beach is experiencing dynamic growth and diversity of the creative community. This project forms the foundation for a new direction and a new priority for the creative community of Long Beach.

The Media and Arts Center is a training center, a creative production facility, a new industry incubator and center for the creative community.

Further, by centering key arts resources within facility, the limited budgets of the various arts organizations can be shared and the creative networks of the City can be dramatically strengthened, without having to increase funding.

Training the Next Generation of New Media Users

Consolidating a number of existing community-based groups as well as creating new opportunities for additional users, the center can become a hub of training and workforce development for the next generation of new media users. The facility can be an incubator for economic development for new industries and a new workforce.

The Arts and New Media

The technologies and media of the 21st century are providing a new canvas on which artists can create and new tools with which to find expression. The marriage of traditional and new media is the future of the arts. By incorporating these arts into one state-of-the-art center, we can assure Long Beach a dynamic role in the next generation of the arts.

Commercial Production Studio / Additional Income Stream Generation

The City of Long Beach generates the third highest number of permits for television and movie production in the United States. This vibrant economic

engine has the potential to generate even greater opportunities for job training and new media industry development. As part of the Long Beach Media Arts Center, we propose to develop and build a full-feature Production Complex with pre- and post-production capabilities. In addition to providing professional services to members of the Media Center, the facilities would be made available to outside production companies and studios for rental. This model would serve as an important income generation mechanism for the Center allowing it to become fully self-sustaining.