

**Quad Cities Cable Communications Commission**  
Anoka City Hall – Council Chambers

November 17, 2022, 10:00 AM

**Worksession Agenda**

- 1. Call to Order**
- 2. Roll Call**
- 3. Approval of Agenda**
- 4. Annual Technology Update**
  - 4.1. 5-Year Capital Plan**
  - 4.2. 2022 Capital Projects**
  - 4.3. 2023 Capital Projects**
  - 4.4. Other 2023 Projects**
  - 4.5. Lexica Phase 3 Input**
- 5. Other**
- 6. Adjourn**

**QCTV has declared a local emergency effective March 17, 2020. The worksession for the Quad Cities Cable Communications Commission will meet at Anoka City Hall, 10 am. Some or all commissioners will be attending remotely.**

# QCTV Supplemental Revenue Opportunities

## Background

In early 2020, QCTV launched a project aimed at increasing its involvement with and value to the communities it serves.

In Phase I, we developed an executable vision of program content, format, and delivery platforms. It focused on a social media first approach as means for effectively delivering content where today's viewers are getting their video content.

In Phase II, we developed an implementation plan for the new model; including a communications plan for the new approach.

In Phase III, we are exploring opportunities for generating additional revenue for the station's operations in an effort to be more self-sustaining. We have explored what other local and national stations are doing, conducted research on potential outside-the-box revenue options, and held a brainstorm session with QCTV staff. From those explorations, we identified several opportunities that have been deemed viable in that they have a reasonable cost to entry and have the potential to generate a revenue stream.

These opportunities fall into five categories: Paid Production, Maximization of Existing Assets, Sponsorships, Maximization of Existing Content, and Nonprofit Entity.

## Potential Revenue Opportunities

### 1. Paid Production

QCTV has the staff and equipment to be able to offer full video production services to external clients. Unlike many local competitors, QCTV has licensed drones and a sound stage (studio).

While no additional financial investment in equipment is required; considerations include managing staff capacity (and possibly contractors) and scheduling. Implementation would involve developing a production rate card, identifying a manager for external productions, and finding clients.

#### Options:

- In-studio – utilizing staff and equipment to do paid productions at QCTV's studio
- On-location – use of staff and remote production equipment

Other community stations have had success generating additional revenue with this approach. Some have aligned with just one or two clients for on-going projects rather than seeking out one-off projects. For example, a sister station has a contract to cover St. Paul Saints games.

Strengths: No additional financial investment for equipment.

Weaknesses: Identifying and signing clients. Without a client who provides regular work (e.g. sports team), revenue can fluctuate greatly. May redirect staff away from core services.

Opportunities: Increase in awareness of QCTV

Threats: Highly competitive Twin Cities market.

## 2. Maximization of Existing Assets

QCTV has several existing physical assets that could generate revenue: studio rental, gear rental, leasing office space, and sale of real estate.

### DIY Large Studio Rental

The main studio could be rented out for DIY productions or company meetings. No financial investment would be required.

There would be some staff involvement. At minimum, there would be a need for a staff member to manage the schedule and to supervise sessions and run the control room. This option is designed for clients who don't want to use a full "paid production" model and who want to bring in production professionals who lack the necessary equipment.

Strengths: No facility modifications are needed. Competition in this area is relatively low.

Weaknesses: Possible conflicts with staffing and equipment needs for QCTV projects. Need staff to manage process and productions.

Opportunities: Increase QCTV brand awareness.

Threats: Damage to equipment by outside users. Possible low demand.

### Options:

- DIY large studio rental
- DIY small studio rental
- Gear rental
- Office space
- Sale of real estate

### DIY Small Studio Rental

The QCTV building has under-utilized spaces that could be converted into small, secondary production studios. These could be particularly attractive to podcasters, makers, or gamers. Utilizing cameras, lights, and mics that are being phased out, the conversion would still require some financial investment. This option would require someone to manage the schedule and provide supervision of clients. This option is designed for clients who don't want to use a full "paid production" model and who want to bring in production professionals who lack the necessary equipment.

**Strengths:** Additional studio adds production capacity. Increases the perceived value of QCTV by adding new resources for community use.

**Weaknesses:** Would require financial investment for architect and building modifications. Need staff resources to manage schedule and production. Difficult to find clients.

**Opportunities:** Increase QCTV brand awareness.

**Threats:** Damage to equipment by outside users. Inconsistent demand.

### Gear Rental

As the studio upgrades its cameras, older cameras could be made available to residents and businesses who want to shoot their own footage. No additional financial investment would be required. Rental rates and staff to manage the rentals would need to be identified.

#### Options:

- Rental of older gear
- Purchase of new gear

**Strengths:** Increases QCTV's value as a community resource

**Weaknesses:** Need staff resources to manage. Small revenue potential.

**Opportunities:** Increases QCTV brand awareness. Low competition.

**Threats:** Damage to equipment by outside users. Possible low demand due to age of equipment.

### Leased Office Space

QCTV's building currently has office space that is under-utilized. Space could be rented, as a whole, to a small business, or to multiple 1-person businesses. A financial investment would be required for modifications to the facility (e.g. additional doors, security, etc.). Research on rental rates and city rental codes would be required.

**Strengths:** Consistent revenue stream. Increase overall value of QCTV's assets.

**Weaknesses:** Requires financial investment to make building modifications. Long time to recoup investment.

**Opportunities:** Tenants could be possible clients for paid production and/or gear/studio rental.

Long term potential for expansion to larger building with more rental revenue.

Threats: Tenants could be competition for paid video production work.

### Sale of Real Estate

QCTV has an unused parcel of land adjacent to the building for which there is no future usage plan. The sale of this property could provide a one-time cash infusion. An exploration of zoning would be required prior to embarking on this option. The infusion of cash could be invested in other revenue-generating options or invested in monetary instruments.

#### Options:

- New construction
- New park
- Solar field

Strengths: High revenue potential. Monetary savings created by reducing QCTV's land footprint.

Weaknesses: One-time cash infusion.

Opportunities: Use the cash infusion to fund other revenue-producing activities.

Threats: Decrease in value of QCTV's fixed assets. Limitations on potential use due to zoning regulations.

## 3. Sponsorships

Sponsorship packages for local event programming could bring in additional revenue by providing opportunities for businesses to increase their brand awareness. For example, when local teams make the playoffs or when there's a school graduation, a parade, or an arts performance, there's an audience of people who will want to watch online live and some who will want to watch later. This provides an opportunity to create revenue through sponsorship of these broadcasts and replays.

Additionally, various levels of sponsorship packages could be developed in the form of website sponsors and station sponsors. The packages could include the sponsor's logo on the website and preceding social media videos (e.g. "This video is brought to you by [sponsor].) It might also include a package of promos that would run during regular programming.

Creating sponsorship opportunities requires little to no financial investment and has the potential to generate a moderate amount of revenue.

#### Options:

- Community parades and other community events
- Sponsors for the website and for QCTV itself
- High school and postsecondary graduation ceremonies
- Sports tournaments for the four high schools, the postsecondary schools, and various clubs
- Arts performances

Strengths: Low cost to entry.

Weaknesses: Unknown demand. Requires staff time to prepare and to secure clients.

Opportunities: Enhances QCTV's image as a community business partner. Support local business by adding affordable exposure opportunities for new businesses.

Threats: Competition from other forms of advertising (e.g. social media). Limitations imposed by federal or state regulations.

## 4. Maximization of Existing Content

Existing content may provide opportunities for additional ongoing revenue. These options provide the potential for a small amount of revenue from a paywall for live content, providing paid video-on-demand, stock footage libraries, and social media platforms.

### Paywall for Live Content

There is a higher value for live content than taped content. QCTV could capitalize on this by introducing paywall access for live content. (e.g. pay-per-view for sports play-offs)

Strengths: Low barrier to entry.

Weaknesses: High level of fluctuations in demand. Would need to build infrastructure on the website to handle this.

Opportunities: Increase in perceived value of QCTV programming.

Threats: Low demand. Possible short term damage to QCTV brand. Initial viewer rejection of paid content model.

#### Options:

- Government meetings
- Special sporting events
- Performances

### Video on Demand

QCTV has a fairly extensive library of programs and video footage; both of which have value beyond their original use. Past programs could be made available as VOD (video on demand) with access via a paywall.

Strengths: Low barrier to entry.

Weaknesses: Requires staff time to develop and manage.

Opportunities: Monetizes content for growth.

Threats: Low demand. Possible short term damage to QCTV brand. Initial viewer rejection of paid content model.

#### Options:

- Video on Demand (VOD)
- Paywall for live content
- Stock footage libraries
- Social media partner programs

### Stock Footage Libraries

QCTV has a significant amount of city-specific footage and events that may be of use to external producers anywhere in the world. Footage of the Anoka water tower, a Champlin landmark, or a river would be examples of the footage that might be sought out. Stock footage libraries curate this type of footage and offer a commission each time the footage is licensed for use. Any footage that is free of licensing conflicts could be submitted to one or more stock footage libraries. Implementation would require a staff member to identify appropriate footage and submit it for acceptance to one or more footage libraries. Additionally, a form could be added to the QCTV website for direct inquiries.

Strengths: Generate revenue from past production work.

Weaknesses: Considerable amount of work for staff to identify footage and submit it to stock libraries for acceptance.

Opportunities: Initial entry into licensing revenue model.

Threats: Low demand. Market may be saturated. Investment of time must be made with the possibility of little to no return on investment. No control over how footage is used by licensee.

### Social Media Platform Revenue Programs

YouTube, Spotify, Apple, and several other social media platforms offer opportunities for revenue generation. QCTV could utilize existing content on these platforms. The most popular is the YouTube Partnership Program. The station can generate revenue from content posted to its YouTube channel. While YouTube content is primarily video-based, other social platforms like Spotify are mostly audio content. Some content could be adapted to an audio-only format (i.e. podcasts) and become potential revenue generators.

#### Options:

- YouTube
- Spotify
- Podcasts

Because podcasts are a highly utilized platform for content delivery, QCTV could adapt upcoming programming to fit an audio-only format with these platforms in mind.

Strengths: Low barrier to entry. Minimal staff requirement. Already have enough YouTube followers to qualify to monetize content.

Weaknesses: Anticipated revenue potential is small.

Opportunities: Entry into audio podcasting realm. Expansion of types of programming that appeals to YouTube audiences.

Threats: Auto-detected copyright infringements could de-monetize live content.

## 5. Non-Profit Entity 501(c)(3)

Several of QCTV's sister stations locally and nationally have a 501(c)(3) non-profit entity associated with their station. This allows them to solicit tax-deductible donations from viewers, create membership programs, and apply for grants accessible only to non-profits.

QCTV did have a non-profit entity, but it was consolidated in 2007.

Strengths: Allows QCTV to apply for grants. Tax-deductible donations/memberships attractive to donors. Other stations are having success with this approach to generating additional revenue.

Weaknesses: Complicated accounting. Dedicated staff required.

Opportunities: Creates potential for QCTV to expand services to its communities.

Threats: High competition for grants.

## Conclusion

The ideas presented here are designed to provide an overview of viable options for creating alternative revenue streams. Implementation of any of these ideas requires the development of a business plan as well as a change in QCTV's strategic vision.

The revenue potential for these ideas varies greatly. Providing an estimate of revenue potential would require more in-depth research.