

RP00
Maryland Public Broadcasting Commission – Capital

Capital Budget Summary

State-owned Capital Improvement Program
(\$ in Millions)

Projects	Prior Auth.	2021 Request	2022 Est.	2023 Est.	2024 Est.	2025 Est.	Beyond CIP
MPT Transmission Systems Replacement	\$11.896	\$0.900	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Studio A Renovation and Addition	9.000	0.545	0.000	0.000	0.000	0.000	0.000
Total	\$20.896	\$1.445	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

Fund Source	Prior Auth.	2021 Request	2022 Est.	2023 Est.	2024 Est.	2025 Est.	Beyond CIP
GO Bonds	\$11.717	\$1.445	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
PAYGO FF	9.179	0.000	0.000	0.000	0.000	0.000	0.000
Total	\$20.896	\$1.445	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

CIP: *Capital Improvement Program*
FF: federal funds
GO: general obligation
MPT: Maryland Public Television
PAYGO: pay-as-you-go

Key Observations

The fiscal 2021 capital budget for the Maryland Public Broadcasting Commission (MPBC) includes funding to complete the Maryland Public Television (MPT) transmission systems replacement project and equip the MPT Studio A renovation and addition project.

Summary of Recommended Bond Actions

1. Maryland Public Television Transmission Systems Replacement

Approve the \$900,000 in general obligation bond funding for the Maryland Public Broadcasting Commission transmission systems replacement.

2. Studio A Renovation and Addition

Approve the \$545,000 in general obligation bond funding for the Maryland Public Broadcasting Commission Studio A renovation and expansion.

Budget Overview

Maryland Public Television Transmission Systems Replacement

The fiscal 2021 capital budget includes funding totaling \$900,000 to complete the replacement of antenna and transmission equipment at MPT’s Salisbury, Frederick, and Owings Mills transmitter sites. MPBC operates a total of six transmitter sites for MPT broadcasting in Annapolis, Frederick, Hagerstown, Oakland, Owings Mills, and Salisbury. MPT is the public broadcasting service member network for Maryland, and its six transmitters cover nearly all of the State and Washington, DC as well as parts of Delaware, Pennsylvania, Virginia, and West Virginia.

MPBC previously replaced much of its transmission equipment as part of the digital conversion project that began in 2000. Transmission equipment typically has a lifespan of 15 to 20 years, and the current equipment is nearing the end of its useful life. Replacement parts are difficult and expensive to obtain and must be custom built in some instances. This project will prevent future disruptions of MPT’s broadcasting services for viewers. In the event of an emergency loss of service caused by a failed transmitter, Federal Communications Commission (FCC) regulations state that a station only has one year to replace it or else they lose all rights to the channel. Given the specialized nature of the equipment involved, it is estimated that in the case of an emergency, an unplanned replacement could take 18 months or more. Without the replacement, MPT would face the risk of going off the air for the estimated 20% of viewers who obtain the station via over the air signal, which include many elderly and low-income households that do not have access to cable television or other paid television service.

Funding for the project in previous fiscal years included federal funding as part of the digital conversion project (also known as the repacking process) administered by FCC. In total, \$9,179,000 in federal funding was previously provided to the project to support the repacking process, along with \$2,717,000 in general obligation (GO) bond funding. The costs requiring funding in fiscal 2021 are in addition to the federal repacking process, and federal funds are not available for these replacements. Therefore, GO bond funding in the amount of \$900,000 is required in order to complete the project. **Exhibit 1** lists the allocation of this funding that consists of \$410,000 to replace the antenna and

transmission line at the Salisbury transmission site, \$225,000 to replace the antenna at the Frederick transmission site, and \$265,000 to replace the antenna at the Owings Mills transmission site. The fiscal 2021 funding request has increased by \$40,000 from last year’s estimate due to higher than anticipated labor costs associated with the installation of transmission equipment. The project is estimated to be completed in July 2021.

Exhibit 1
Cost Breakdown of Fiscal 2021 GO Bond Funding

<u>Transmission Site</u>	<u>Cost</u>
Salisbury – WCPB Antenna and Transmission Line	\$410,000
Frederick – WFPT Antenna	225,000
Owings Mills – WMPB Antenna	265,000
Total	\$900,000

GO: general obligation

Source: Maryland Public Broadcasting Commission

Studio A Renovation and Addition

The fiscal 2021 capital budget includes funding totaling \$545,000 for equipping the MPT Studio A renovation and addition, which will complete funding for this project. Funding authorized in fiscal 2020 was intended to complete the project funding. However, when bids came in higher than anticipated, the funds intended for equipment purchases were instead used to cover construction to allow the Board of Public Works to award the construction contract. Therefore, the total cost of this project has increased from \$9.0 million to \$9.545 million. Construction has commenced, and the schedule remains unchanged with an estimated completion date of February 2021.

The renovation and expansion of Studio A will allow MPT to keep up with technological advancements in television broadcasting, provide viewers with expanded programming and live tapings, and bring the building up to current code and Americans with Disabilities Act (ADA) standards. The current studio was constructed in 1969 and has not been substantially updated since then. The studio in its current form has many deficiencies including aging mechanical, electrical, and HVAC systems that are beyond their useful lives; lack of space or seating for live performances and town hall meetings; noncompliance with ADA standards; and a loading dock that is inaccessible to trucks and has low ceilings. Additionally, the current HVAC system cannot be run at the same time as filming, which causes extreme temperatures in the studio.

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While the main goal of this project is the renovation of the studio, expansion is also necessary to better accommodate studio equipment and update electrical and mechanical systems. Also, due to the current configuration and size of the studio space, there is no formal seating, and members of studio audiences sit on folding chairs. The ceiling in the studio is only eight feet high, which also creates complications for moving props and equipment in and out of the loading dock area. These size constraints limit the types of performances that can be held in the studio, and MPT is often required to rent space to accommodate larger audiences or more complicated performances. Therefore, MPT estimates that following an expansion of the studio, the number of live performances will increase from 4 to 12. The expansion of the studio will increase the net square footage from 7,480 square feet (SF) to 12,980 SF.

Exhibit 2 provides a breakdown of the components of the equipment costs associated with this project in fiscal 2021.

Exhibit 2
Cost Breakdown for MPT Studio A Equipment
Fiscal 2021

<u>Item</u>	<u>Quantity</u>	<u>Price</u>	<u>Total</u>
Seating – folding chairs similar to permanent seats	150	\$340	\$51,000
Stacking carts for chair storage	5	1,250	6,250
ShowLed Animated Fiber Curtain	2	76,000	152,000
Genie Lift	1	40,000	40,000
ETC light console	1	30,000	30,000
Public address system – speakers, mixer, amplifier	1	15,000	15,000
Sony projector	1	50,000	50,000
Da-Lite Fast Fold Truss Complete Screen – 16:9 portable screen	1	5,000	5,000
CycLights (LED)	30	4,000	120,000
Motion lights	6	10,500	63,000
LED luminaire – variable color light	6	2,000	12,000
Total			\$544,250

LED: light emitting diode

MPT: Maryland Public Television

Source: Maryland Public Broadcasting Commission

Operating Budget Impact Statement

Executive’s Operating Budget Impact Statement – State-owned Projects
Fiscal 2021-2025
(\$ in Millions)

	2021	2022	2023	2024	2025
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Maryland Public Television Studio A Renovation						
	Estimated Operating Cost	\$0.013	\$0.015	\$0.015	\$0.016	\$0.016
	Estimated Staffing	0.0	0.0	0.0	0.0	0.0

The MPT Studio A renovation project will result in an expansion of the square footage of the current studio. As a result, there will be additional fuel and utility costs associated with the additional space. It is anticipated that there will be an additional \$2.10 per SF cost that will cause an increase in the total operating costs for MPBC for utilities.

GO Bond Recommended Actions

1. Approve the \$900,000 in general obligation bond funding for the Maryland Public Broadcasting Commission transmission systems replacement.
2. Approve the \$545,000 in general obligation bond funding for the Maryland Public Broadcasting Commission Studio A renovation and expansion.