

Memorandum



CITY OF DALLAS

DATE March 17, 2021

TO Honorable Members of the Quality of Life, Arts & Culture Committee

SUBJECT **Proposed Procurement for Management of WRR Radio**

WRR 101.1FM, originally licensed to the City of Dallas in 1921, was the first licensed broadcast station in Texas and one of the first in the nation. It is currently the only radio station in the U.S. owned and operated by a municipality. Operated by the Office of Arts and Culture (OAC) as an enterprise fund, WRR is an integral component of the City's commitment to supporting our local arts organizations and providing information about arts experiences to Dallas residents and the nearly eight million North Texas residents capable of receiving the station's signal. WRR operates from studios inside Fair Park and is programmed 24/7 as a Classical station, utilizing a mix of local and syndicated programming.

In 2015, WRR did an extensive review of its programming. Retargeting its programming efforts has doubled its average audience share and grown the general listening audience. WRR typically ranks as the 5th-largest Classical station in the country. Modest revenue increases have followed, bringing a stabilization (pre-COVID19) to the station's operations and revenues.

However, its current operating model also presents some challenges to WRR, including:

- Compliance regulations that restrict revenue opportunities that are typically available to most other radio stations;
- Restrictions on contracts, contract negotiation ability, state jurisdictions, and licenses;
- Limits on marketing, incentive, and customer relationship practices that are common in the radio industry; and
- Financial charges and requirements related to governmental accounting, pension funds, and insurance.

As trends in the radio industry and City government have changed and evolved over the past two decades, the City has previously considered other operating models for the station, including frequency swaps, moving to a nonprofit model, and private management. In mid-2020, The Dallas Symphony Association (DSA) submitted an unsolicited proposal to the OAC, expressing a desire to explore the possibility of DSA managing the station for the City. After review, OAC would like to explore a change of station management through an wider procurement process.


To discover the level of interest and explore these possibilities, the OAC would seek proposers through a Request for Competitive Sealed Proposal (RFCSP) process to solicit ideas and proposals from a nonprofit 501(c)3 organization (or a business entity that would

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operate in a not-for-profit status) to potentially oversee the operations and management of the station.

There are no plans to sell the station, only to consider alternative management arrangement.

We are requesting the Committee's input on the staff recommendation for this procurement. We anticipate the review of proposals by the end of May and a recommendation to the Quality of Life, Arts & Culture Committee or City Council in August for its consideration.


Jennifer Scripps (Mar 17, 2021 19:54 MDT)

Jennifer H. Scripps
Director, Office of Arts and Culture

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Billieae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager

Majed A. Al-Ghafry, Assistant City Manager
Joey Zapata, Assistant City Manager
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Dr. Eric A. Johnson, Chief of Economic Development & Neighborhood Services
M. Elizabeth Reich, Chief Financial Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors