

Memorandum



CITY OF DALLAS

DATE March 29, 2022

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

SUBJECT **Update on WRR Radio Management Procurement**

WRR Classical 101.1 FM (WRR) is owned and operated by the City of Dallas as an advertising-revenue supported enterprise fund. The station is currently managed by the Office of Arts and Culture (OAC) as a service to residents and local arts organizations while also striving to maintain a sustainable business model. Due to the challenges of being a government-run radio station and headwinds in the radio industry, WRR has incurred a net operating loss in nine of the past ten years. Despite diligent cost containment and constant attention to sales revenues, these negative trends have continued and were exacerbated by the pandemic's negative impact on advertising budgets (especially among arts accounts) and radio listenership and media consumption trends.

The City 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 began to explore a change of station management through a formal procurement process. This plan to have a competitive procurement for the management of WRR as a City-owned, privately-managed classical radio station was shared by memorandum with the Quality of Life, Arts and Culture Committee and the Arts and Culture Advisory Commission in March 2021. Additionally, staff of WRR and the Friends of WRR nonprofit were notified of this intent shortly before the publication of the memorandum.

The Request for Proposals (RFP) for private management of WRR as a classical radio station opened on June 17, 2021. The RFP required that the City lease airtime for monetary payment with additional revenue in the arts fund, and that bidders manage and operate the station, maintain classical music programming, and support the arts. The procurement is in the negotiations stage and all proposals are confidential until the contract is awarded, per state law and City procurement rules.

Staff plans to brief the Quality of Life, Arts, and Culture Committee once the contract is finalized and seek City Council approval thereafter.

In conjunction with the proposed management agreement, OAC will bring forth a proposal to rescind the 1978 City Council Resolution 78-0309, which mandated broadcasts of City Council meetings on WRR. WRR has never been compensated for these 4-5 hours of prime airtime twice monthly, and the broadcasts were removed in spring 2020 when the Webex virtual broadcasts of City Council were found to be of insufficient audio quality for radio broadcast. OAC and WRR management have received no complaints regarding

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this removal. Rescinding the 1978 resolution will allow residents to have more classical listening hours and more sustainable station management by the private partner.

If you have questions, please contact Jennifer Scripps, Director of the Office of Arts and Culture.



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Assistant City Manager

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Chris Caso, City Attorney
Mark Swann, City Auditor
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