USC Radio Buys Bay Area Stations, Investing in Northern California Classical Music

By Allison Engel

Gloria Spitzer ’57 was jubilant. The journalism graduate, who lives in Mountain View, California, near San Jose, wrote an email recently to the USC Alumni Association thanking the university for purchasing Classical KDFC radio in San Francisco, which recently returned its signal to the South Bay in mid-June after an 18-month absence.

“I want to let you know how absolutely splendid it is to have KDFC back again enriching our lives,” wrote Spitzer. “I am also a graduate of USC and proud that the school is associated with KDFC. I plan to contribute to the station but also wonder if, when I contribute to USC, there are matching gifts to the station. I want it to go on forever.”

Spitzer’s sentiments are shared by thousands throughout the Bay Area. Even before the signal went live, South Bay residents were bubbling over as they called in their support during the station’s pledge drive days before service was restored.

“We are thrilled to finally have KDFC available in Palo Alto — the long wait is finally over!” enthused Frederick.

“Thank you so much for bringing classical music back to my area for happy listening!” gushed Jeanette of Los Gatos.

“Missed you soooo much in Menlo Park,” said Kim.

“I’ve been waiting for the day when I could turn on my radio and receive your wonderful station,” said Mary of Fremont. “Best music in the world, wonderful, erudite and ever-personable DJs — who could ask for more?”

As for future matching gifts, the USC Board of Trustees already gave $11 million in January 2011 to purchase two stations serving San Francisco and areas north to Napa/Sonoma, as well as the intellectual property of FDFC. The station, with its stellar lineup of announcers, was one of the few classical stations in the country that was still had a commercial license. Nationwide, classical stations — both commercial and nonprofit — have been struggling, and cities as large as St. Louis and Kansas City are without one. San Francisco’s KDFC was profitable but faced an uncertain future, as its parent company was in the process of shuffling stations and formats.

The sale to USC (which was actually to an entity known as the Classical Public Radio Network, which is 90 percent owned by USC), allowed KDFC to convert from a commercial station to a public, nonprofit one. Plans are for KDFC and K USC to keep
their individual programming and announcers, but to save money by sharing some management functions such as membership and fundraising.

Classical KDFC’s newly purchased stations, however, only had coverage in San Francisco and north. The frequency did not extend to the South Bay, an area where KDFC long had broadcast.

“The overwhelming emotion from listeners in the South Bay at the initial announcement and transition was sadness that their beloved companion would no longer be there,” said USC Radio president Brenda Barnes, who was the spark behind the Bay Area expansion. Classical KDFC offered its listeners a number of technology options, including streaming over the Internet, to enable them to hear the station in the interim. KDFC president Bill Lueth noted that streaming numbers went from 70,000 unique online listeners per month to 125,000 listeners in the first month the signal stopped in the South Bay.

A public pledge was made by USC President C. L. Max Nikias that Classical KDFC would restore classical music to the South Bay, but an additional $7.5 million was needed from USC to make it happen. There were no South Bay stations officially for sale, and negotiations to purchase the multiple frequencies were complicated and took many months.

The university considers $10 million of its investment in Bay Area classical music to be a loan, and USC Radio president Barnes is confident the San Francisco station will be able to repay the university, thanks to enthusiastic listeners like Spitzer and a healthy community of arts philanthropists in the Bay Area. Even before the station had its first fund drive as a public station, it received $200,000 in the mail from listeners who were grateful that classical music would continue in San Francisco, as well as from listeners who were hopeful that it would return to the South Bay.

Barnes said the radio spectrum was valuable, as was the KDFC brand.

“KDFC lasted as long as it did because of the market it is in and also because of Bill (Lueth’s) strong leadership,” she said. “He kept making it profitable. It was the only commercial classical station in a top 50 market, and it was the number one music station in San Francisco more than once.”

Barnes gives great credit to president Nikias for being willing to take the risk. “He had a vision,” she said. “The Bay Area is USC’s second most important region behind Southern California in terms of alumni, prospective students and parents. The university had opened a San Francisco office and Max wanted a tangible presence in the Bay Area. He took it from ’Brenda’s crazy idea’ to something real.”

Barnes also credits USC Trustee Jeffrey Smulyan ’69, JD ’72, a veteran of the broadcast industry with whom she spoke almost daily during the negotiations, for a key role in making the purchases successful.
Mary Flaherty, director of major giving in the USC office downtown San Francisco, puts it this way. “USC made a big investment in San Jose and the South Bay. It came riding to the rescue on a big, white Trojan horse.”

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