



Legislation Text

File #: 17-992, **Version:** 3

Title

Ordinance No. 17-52 establishing the terms, fees, compensation, conditions and other matters relating to the granting of a cable franchise to Comcast of Colorado/ Pennsylvania/West Virginia, LLC and approving a cable franchise agreement between Comcast of Colorado/Pennsylvania/West Virginia, LLC and the City of Colorado Springs

Presenter:

Bret Waters, Deputy Chief of Staff
Ken Fellman, Outside Counsel
Renee Congdon, Senior Attorney,
Kelsey Hunt, Southern Colorado Educational Television Consortium

Summary:

The City of Colorado Springs granted a cable television franchise to the predecessor of Comcast of Colorado/Pennsylvania/West Virginia, LLC ("Comcast") on November 7, 2000 by the electors of Colorado Springs voting to approve Ordinance No. 00-119. The franchise has expired. The City administration, at the direction of City Council, has negotiated a renewal of the Comcast franchise agreement. The franchise agreement relates only to cable television and not to any other service provided by Comcast. The proposed 10-year franchise agreement allows Comcast to make use of City rights-of-way to construct, operate and maintain a cable system for the purpose of providing cable service in Colorado Springs in return for a percentage of Comcast's gross revenues. The proposed franchise agreement contains the terms, fees, compensation, conditions, and any other matters relating to the cable franchise for Comcast.

City Charter section 10-30(b) gives City Council the authority to establish the terms, fees, compensation, conditions, and any other matters relating to the granting of franchises by ordinance. By adopting the proposed ordinance, City Council would be approving the proposed franchise agreement and establishing the terms, fees, compensation, conditions, and any other matters relating to the cable franchise for Comcast.

Previous Council Action:

On July 28, 2015 City Council adopted Resolution No. 76-15, setting a public hearing to receive public comment concerning the City of Colorado Springs' future cable-related community needs and interests and concerning past performance of Comcast under the existing franchise. On August 10, 2015, City Council held a public hearing to receive public comment on the existing agreement. On October 13, 2015, City Council adopted Resolution 103-15, extending the term of the cable television franchise being operated by Comcast until June 30, 2016, and on June 14, 2016, City Council adopted Resolution 64-16, further extending the agreement until December 31, 2016. On December 13, 2016, City Council adopted a resolution setting two public hearings to receive public comment on the renewal of the City's cable television franchise agreement with Comcast. City Council held two public hearings to receive public comment on the proposed franchise on January 19, 2017 and

January 31, 2017

Background:

The City of Colorado Springs granted a cable television franchise to the predecessor of Comcast on November 7, 2000 by the electors of Colorado Springs voting to approve Ordinance No. 00-119. The franchise agreement relates only to cable television and not to any other service provided by Comcast. The franchise was due to expire on November 7, 2015 and Comcast had requested commencement of the franchise renewal procedures under Section 626 of the Cable Communications Policy Act of 1984 (the "Cable Act"), 47 U.S.C. § 546. Cable television franchises are subject to the regulations contained in the Cable Act and to the City Charter. City Charter section 10-30(b) states that City Council shall establish by ordinance the terms, fees, compensation, conditions, and any other matters relating to the granting of franchises.

At the direction of City Council, the City administration negotiated a renewal of the Comcast franchise agreement. The proposed 10-year renewal franchise agreement allows Comcast to make use of City rights-of-way to construct, operate and maintain a cable system for the purpose of providing cable service in Colorado Springs in return for a percentage of Comcast's gross revenues.

A compilation of the public comment is attached. Upon review of the public comment compilation, please note that some comments are positive, some are negative, some are neutral, and some are from outside the City, and as such are irrelevant.

By adopting the proposed ordinance, City Council would be approving the proposed franchise agreement and establishing the terms, fees, compensation, conditions, and any other matters relating to the cable franchise for Comcast.

This item supports the City's strategic goal relating to investing in infrastructure and building community and collaborative relationships.

Financial Implications:

The proposed franchise agreement is estimated to generate approximately \$3 million in year one, increasing to approximately \$4.5 million in year three.

Board/Commission Recommendation:

N/A

Stakeholder Process:

The City Administration negotiated the proposed franchise agreement at the direction of City Council. The City had two public comment periods as part of the negotiations. The City received public comments during the period of July 14, 2015 through August 24, 2015 and from December 19, 2016 through February 10, 2017. The City accepted public comments during these periods by a dedicated email address, by mail, and in person. In addition, during the 2015 comment period, the City provided comment cards and an online survey. In addition to those methods of soliciting public comment, the City held public hearings on the proposed franchise agreement on August 11, 2015, January 19, 2017, and January 31, 2017. Additionally, City staff has worked with the following constituent groups: City Communications Department (SpringsTV), City IT Department, Colorado Springs Fire Department, and the Southern Colorado Educational Television Consortium.

Alternatives:

N/A

Proposed Motion:

Move to approve the ordinance establishing the terms, fees, compensation, conditions and other matters relating to the granting of a cable franchise to Comcast of Colorado/ Pennsylvania/West Virginia, LLC and approving a cable franchise agreement between Comcast of Colorado/Pennsylvania/West Virginia, LLC and the City of Colorado Springs

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