



Ordinance Fact Sheet

REVISED

TO: CITY COUNCIL DATE: September 11, 2000

FROM: CITY MANAGER

SUBJECT: ORDINANCE OF THE CITY OF PASADENA AUTHORIZING THE RENEWAL OF A CABLE TELEVISION FRANCHISE AGREEMENT BETWEEN THE CITY AND CHARTER COMMUNICATIONS ENTERTAINMENT II, LLC

TITLE OF PROPOSED ORDINANCE:

An Ordinance of the City of Pasadena Authorizing the Renewal of a Cable Television Franchise Agreement Between the City and Charter Communications Entertainment II, LLC.

BACKGROUND:

Charter Communications Entertainment II, LLC (Charter) is the authorized holder of a franchise that authorizes the construction, operation, and maintenance of a cable television system within the City of Pasadena.

In accordance with Resolution No. 7880 adopted by the City Council on June 12, 2000, the Franchise will terminate in its entirety on September 30, 2000. Also on the Council agenda's consent calendar for September 11, 2000 is staff's recommendation to approve a resolution extending the franchise until October 30, 2000.

Negotiations between Charter and the City have resulted in a new agreement entitled "An Agreement between the City of Pasadena and Charter Communications Entertainment II, LLC, dba Charter Communications, Renewing a Nonexclusive Franchise to Operate a Cable Television System in the City of Pasadena." The agreement attached to this ordinance reflects changes directed by the City Council during its August 7, 2000 review of the franchise agreement. Specifically, City Council required Charter to remit franchise fees on a monthly basis versus quarterly. This was negotiated through:

MEETING OF 9/11/2000

AGENDA ITEM NO. 9.B.2.

- 1) Reduction of their letter of credit from \$100,000 to \$55,000. This saves Charter letter of credit fees. It does not harm the City in that the letter of credit must be maintained at that level throughout the term of the franchise fee regardless of the number of draws the City makes from it. During the current sixteen year franchise agreement the City has never drawn on the existing letter of credit.
- 2) Elimination of a \$30,000 cash payment to the City to draw on in case of non-compliance. Although the City would have had access to the funds, it would have reverted to Charter at the end of the franchise term if no draws were required. The City would have earned the interest on these funds, however, the payment of franchise fees on a monthly basis far outweighs the interest gains of this money.

PURPOSE OF ORDINANCE:

The purpose of the ordinance is to renew a non-exclusive agreement with Charter Communications for cable television service.

REASON WHY LEGISLATION IS NEEDED:

The Franchise Agreement may only be renewed by an ordinance of the City Council.

PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED:

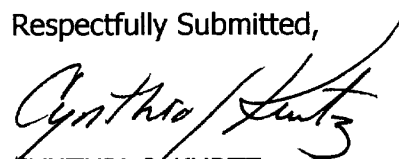
This ordinance will affect the City of Pasadena and Charter Communications.

The City Manager's Office is responsible for implementing the Franchise Agreement with Charter.

FISCAL IMPACT:

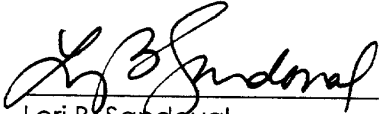
The proposed ordinance provides the mechanism for collection of franchise or license fees from Charter Communications. Staff anticipates that revenues related to cable, video, and other telecommunications service providers will increase from current levels, although it is not possible to estimate by how much at this point in time.

Respectfully Submitted,



CYNTHIA J. KURTZ
City Manager

Prepared by:

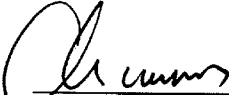


Lori B. Sandoval
Technical Planning Manager

Approved by:



Robert K. Person
Assistant to the City Manager



 Michele Beal Bagneris
City Attorney

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PASADENA
AUTHORIZING THE RENEWAL OF A CABLE TELEVISION
FRANCHISE AGREEMENT BETWEEN THE CITY AND
CHARTER COMMUNICATIONS ENTERTAINMENT II, LLC

THE PEOPLE OF THE CITY OF PASADENA ORDAIN AS FOLLOWS:

Section 1. This ordinance is adopted in consideration of the following facts and circumstances:

A. Charter Communications Entertainment II, LLC ("Franchisee") is the duly authorized holder of a franchise ("Franchise") that authorizes the construction, operation, and maintenance of a cable television system within the City of Pasadena ("Franchise Authority").

B. In accordance with Resolution No. 7880 adopted by the City Council on June 12, 2000, the Franchise will terminate in its entirety on September 30, 2000.

C. Negotiations between the Franchise Authority and the Franchisee have resulted in a new agreement entitled "An Agreement between the City of Pasadena and Charter Communications Entertainment II, LLC, dba Charter Communications, Renewing a Nonexclusive Franchise to Operate a Cable Television System in the City of Pasadena and Setting Forth Terms and Conditions Relating to the Renewal of the Franchise" ("Franchise Renewal Agreement").

Section 2. The Franchise Authority authorizes the renewal of a nonexclusive franchise with Franchisee to construct, operate, and maintain a cable television system within the City. This authorization is made in accordance with the applicable provisions of Title 18 of Article VI of the Pasadena Municipal Code, the applicable provisions of state and federal law, and the terms and conditions of that certain Franchise Renewal Agreement attached as Exhibit A to this ordinance. A copy of the Franchise Renewal Agreement is directed to be retained in the office of the City Clerk until the date that this ordinance becomes effective.

Section 3. That certain Franchise Renewal Agreement attached as Exhibit A to this ordinance and which is on file in the office of the City Clerk is authorized and approved, and the City Manager is authorized to execute that agreement on behalf of the Franchise Authority following its execution by the Franchisee.

Section 4. The City Clerk is directed to transmit a certified copy of this ordinance to: Director of Government and Community Relations, Charter Communications, 2215 West Mission Road, Alhambra, California 91802-1451.

Section 5. The City Clerk is directed to certify to the passage and adoption of this ordinance and to cause it to be published or posted as required by law.

Section 6. This ordinance will become effective upon the expiration of 30 days from its publication.

Signed and approved this ____ day of _____, 2000.

Bill Bogaard
Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council of the City of Pasadena at its meeting held the ____ day of _____, 2000, by the following vote:

Ayes:

Noes:



Absent:

Abstain:

Published:

Jane L. Rodriguez
City Clerk

APPROVED AS TO FORM:


 Michele Beal Bagneris
City Attorney