

Agenda Report

DATE: JULY 17, 2000

TO: CITY COUNCIL

FROM: CITY MANAGER

SUBJECT: ADOPTION OF A RESOLUTION DECLARING THE CITY'S INTENTION TO ENTER INTO A FRANCHISE AGREEMENT WITH CHARTER COMMUNICATIONS FOR OPERATION OF A CABLE TELEVISION SYSTEM

RECOMMENDATION:

It is recommended that the City Council: 1) adopt a resolution declaring the City's intent to enter into a franchise agreement with Charter Communications for continued operation of a cable television system serving Pasadena; and 2) set the date of a public hearing related to the franchise renewal for Monday, August 7, 2000, at 7:00 p.m.

BACKGROUND:

The City's franchise agreement with Charter Communications for operation of a cable television system in Pasadena expires September 30, 2000, (reflecting a 90 day extension approved by the Council on June 12, 2000). Staff has been working to negotiate a new franchise agreement with Charter over the past several years based on direction from the City Council. The renewed franchise agreement covers the following general areas:

- Payment of a five percent franchise fee
- Requirements related to construction, upgrade or rebuild of the cable system, including conditions triggering system modification or upgrade to ensure provision of advanced services
- Requirements related to public, educational, and governmental access
- Conditions on Charter's use of the public right-of-way
- Special services to be provided to the City
- Liability insurance and indemnification
- Identification of conditions of default
- Other penalties associated with Charter's failure to perform according to the franchise terms

The City Charter requires that the Council adopt a resolution declaring its intention to grant a franchise and specifying the date of a public hearing prior to adoption of any franchise. The attached resolution sets the date of the public hearing related to the franchise renewal for Monday, August 7, 2000.

The recommended resolution was previously considered by the City Council on June 12, 2000. The Council decided not to approve the resolution at that time given unresolved issues in the negotiations with Charter Communications. Charter has since agreed to address these issues, related to telecommunications infrastructure, in a side agreement. It is therefore staff's recommendation that the City Council consider the resolution again at this time.

Staff proposes the following schedule for completion of the franchise renewal process:

- Public hearing regarding the renewed franchise agreement – August 7, 2000
- First reading of the ordinance adopting the franchise – August 7, 2000
- Second reading of the ordinance – August 14, 2000
- Ordinance becomes effective – September 13, 2000

FISCAL IMPACT:

There is no fiscal impact as a result of adopting the recommended resolution.

Respectfully submitted,



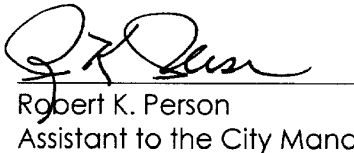
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