



Legislation Text

File #: 19-2021, Version: 1

City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 22, 2019

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Consideration of a Resolution Concerning the Commencement of Process for Identifying Future Cable-Related Community Needs and Interests and Reviewing the Performance of the Cable Operator. [ROLL-CALL VOTE]

ISSUE: Official notification from Comcast that the company intends to seek a renewal of its current cable television franchise with the City of Alexandria (Attachment 1).

RECOMMENDATION: That City Council adopt the proposed resolution (Attachment 2) that: (1) acknowledges receipt of Comcast's written request that the cable television franchise be renewed, and (2) begins the process for the community needs assessment to identify future cable needs and the compliance review to determine whether Comcast has complied with the requirements of the franchise. The Resolution legally preserves all of the City's rights in the cable television franchise renewal process.

DISCUSSION: In October 2011, City Council approved five-year cable television franchise and fiber use agreements that are interrelated and run concurrently. The initial term of the franchise is five years, with provisions for up to two extensions of five years (total 15 years). Prior to each extension and per federal and state legal requirements, staff must perform a compliance review to determine whether or not Comcast has complied with the requirements of the franchise. Staff previously performed a compliance review in advance of the first extension, which was authorized by City Council in 2016. Separately, a new five-year fiber use agreement was also executed in 2016.

The current review relates to the execution of the second and final five-year extension to the franchise agreement. City Council will base its determination on whether or not to extend the agreement on the degree to which Comcast has complied with the requirements of the franchise. The proposed resolution begins the cable television franchise renewal process.

The current franchise provides for the following:

1. Public, Education, and Government (PEG) Access Capital Funding - An annual fee of three percent of gross revenues to fund PEG (public, education, and government) access capital needs and the Institutional Network (I-Net) in the form of a recurring PEG Capital Grant.
2. PEG Operating Support - Under the new franchise, the City assumed responsibility for cablecasting the meetings of the City Council, School Board, Planning Commission, Board of Zoning Appeals (BZA), and both panels of the Board of Architectural Review. PEG operating costs are covered under the franchise agreement.
3. Institutional Network (I-Net) - The network carries all of the City's telephone (Voice Over Internet Protocol/VOIP) operations and other major data systems (financial, real estate, criminal justice, public safety CAD exchanges, etc.).
4. Free Basic Cable Service - Comcast provides basic cable television service to each Alexandria public school and other educational facilities, and each facility occupied by a City office or agency except residential facilities (group homes) that are City-owned and/or City leased. The costs for the DTAs (boxes/adapters) needed to convert the digital signal to analog format for older television sets is covered under the fiber agreement.

Under the current fiber agreement, all governmental and educational facilities as of September 2016 remain connected to the Comcast I-Net for a recurring monthly fee which is now \$500,000 per year. Any new sites added after the effective date of the agreement are at the City's expense. As the owner of the network, Comcast is responsible for maintenance. It is the City's plan to build a fiber network to replace the Comcast provided I-Net. This City built network will not only allow the City to eliminate the annual Comcast I-Net charges, but will create a much higher speed network.

FISCAL IMPACT: None.

ATTACHMENTS:

1. Letter to City from Comcast
2. Proposed Resolution

STAFF:

Michael Stewart, Deputy Director of Finance
Karen Snow, Senior Assistant City Attorney