

AGENDA ITEM SUMMARY

City Council



STAFF

Carson Hamlin, Cable Franchise Administrator

SUBJECT

First Reading of Ordinance No. 160, 2025, Authorizing a Non-Exclusive Franchise by the City of Fort Collins to Comcast of California/Colorado/Florida/Oregon, Inc. and its Successors and Assigns for the Right to Make Reasonable Use of, and Erect, Construct, Operate and Maintain Through, the Public Rights-of-Way, Easements and other Public Property Any Equipment Necessary and Appurtenant to the Operation and Maintenance of a Cable System and the Provision of Cable Services to Residents Within the City.

EXECUTIVE SUMMARY

The purpose of this item is to renew the Cable Franchise Agreement from the City of Fort Collins to Comcast of California/Colorado/Florida/Oregon, Inc. LLC. The current agreement will expire on October 31, 2025. With the assistance of outside legal counsel, staff has negotiated a proposed 10-year agreement with Comcast.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

The current cable franchise agreement (the "Current Agreement") has been in effect since 2015 and expires October 31, 2025. Staff has been in negotiations with Comcast representatives to enter into a new cable franchise agreement (the "New Agreement").

Key elements of the New Agreement are as follows:

- The New Agreement is for 10 years. It will take effect November 1, 2025, and end October 31, 2035.
- The New Agreement requires Comcast to provide a cable system providing the greater of (100) channels or the maximum number of channels of digital video programming services to Subscribers that Grantee provides to any other jurisdiction in Colorado, provided that Comcast reserves the right to seek modification of this obligation based on changes in consumer behavior, programming availability, or response to competition and the City cannot unreasonably deny such a request. The Current Agreement requires Comcast to provide a cable system with not less than 110 channels.
- Consistent with the Current Agreement, the New Agreement requires Comcast to pay the City five percent (5%) of Comcast's gross revenues.

- The New Agreement provides a new calculation for Public, Educational and Governmental (PEG) access fees. Under the New Agreement, Comcast is required to pay 0.725 of one percent (0.00725%) of Comcast's Gross Revenues per month to be used for capital costs related to PEG Access. Under the Current Agreement, Comcast is required to pay the City \$.075 per residential subscribed to support PEG access.
- Both the Current Agreement and the New Agreement provide the City with the ability to audit Franchise Fee payments, however, where the Current Agreement limited the possible reimbursement of audit costs to the City to \$15,000, The New Agreement allows possible reimbursements up to \$10,000 per year of the audit period. Additionally, the New Agreement provides assurances that audit documents will be provided electronically or at the closest physical Comcast office location.

CITY FINANCIAL IMPACTS

At present, PEG access fees continue to experience a 17% annual decrease. The City is currently receiving 50% less in PEG fees compared to 6 years ago. This will continue to decline at the rate of customers switching from traditional cable to streaming media, which is increasing at the highest rate in recent years.

With this change in how PEG funds are collected, revenues will increase and somewhat stabilize to previous levels, putting less pressure on the City to assist with PEG capital needs and less resources to PSD, CSU, and FCPAN.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Ordinance No. 160, 2025