



CITY OF MARSHALL AGENDA ITEM REPORT

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| Meeting Date: | Thursday, September 5, 2019 |
| Category: | CONSENT AGENDA |
| Type: | ACTION |
| Subject: | Consider the introduction of the Cable TV Franchise Ordinance between the City of Marshall and Spectrum Mid-America, LLC L/K/A/A Charter Communications |
| Background Information: | <p>The existing Cable TV Franchise agreement between Charter Communications and the City of Marshall recently expired. The parties have been operating on six month extensions of the prior agreement. The extensions have been in place for approximately the past two years.</p> <p>Recent negotiations between Scott VanDerMillen, Community Services Director and City Attorney Dennis Simpson have resulted in negotiated agreement between the parties for an additional 10 year cable TV franchise agreement/ordinance. It is recommended that the agreement/ordinance be introduced on September 10, 2019 with final approval occurring on September 24, 2019. Highlights of the negotiated agreement are set forth in the summary of the ordinance appearing in the attached document. The ordinance includes the following:</p> <ol style="list-style-type: none"> 1. Requires Charter to maintain a 750MHZ capacity system; 2. Imposes a franchise fee of 5% of annual gross revenues; 3. Establishes a 10 year franchise term; 4. Requires Charter to provide 3 channels for public, educational and governmental programming; 5. Requires Charter to provide a subscriber network drop, free of charge, to specified public and educational institutions; 6. Requires Charter to provide a letter of credit in the amount of \$10,000. In addition, the parties have negotiated that the subscriber PEG payment shall continue at a rate of \$1.50 per subscriber per month. PEG charges are subject to a 5 year review. |
| Fiscal Impact: | Quarterly payments from Charter to the City shall continue into the future. |
| Alternative/Variations: | None recommended. |
| Recommendations: | Introduce Cable TV Franchise Ordinance with final approval to occur September 24, 2019. A representative from Charter is scheduled to be present on September 24 to address questions that might occur. |