CITY OF NOVI CITY COUNCIL
AUGUST 10, 2026

SUBJECT: Approval of Resolution authorizing a Renewal of a Uniform Video Service Local Franchise Agreement with Comcast.

SUBMITTING DEPARTMENT: City Manager

KEY HIGHLIGHTS:

- Comcast requested a 10-year renewal of its Video Franchise Agreement with the City.
- State law requires approval of a complete agreement, with no authority for the City to negotiate or deny its terms.
- The agreement continues the current fees: 5% franchise fee and 2% PEG access fee, consistent with other providers.

BACKGROUND INFORMATION:

In a letter dated July 15, 2026, Comcast requested the City approve a renewal of the Video Franchise Agreement. The City also has Video Franchise Agreements with Charter Communications d/b/a Bright House and DIRECTV. Video Franchise Agreements are standard form agreements approved by the Michigan Public Services Commission pursuant to the Uniform Video Services Local Franchise Act, Public Act 480 of 2006, MCL 484.3301 *et. seq.,* ("Act 480"). The standard form agreements leave little discretion for a municipality.

Under Act 480, a franchising entity, such as the City, has no authority to deny or negotiate the provisions of a proposed franchise. The City is required under Act 480 to approve a fully complete franchise agreement from a video service provider. If the City does not notify a provider that its agreement is incomplete, or fails to approve an agreement within 30 days, the agreement is considered complete and approved. The agreement remains in effect for a period of 10 years and may be renewed for an additional ten years at the request of the video provider.

A video service provider is required to pay an annual video service fee. At the expiration of an existing agreement, a municipality may not establish a franchise that exceeds 5% of gross revenue received by the provider. Act 480 requires that fees charged by franchising entities by uniform for all providers. Your other video service providers are currently assessed a 5% service fee by the City. In addition to the franchise fee, a video provider is required to pay for the support of the cost of public, educational and government access facilities ("PEG") access fees, which may not exceed 2% of gross revenues of the provider and is to be determined based on a community needs assessment. The City is receiving a 2% PEG fee from its other video service providers.

RECOMMENDED ACTION: Approval of Resolution authorizing a Renewal of a Uniform Video Service Local Franchise Agreement with Comcast.