



STAFF REPORT

DATE: July 3, 2018
CONSENT #4

AGENDA ITEM: Cable Franchise Extension
SUBMITTED BY: Kristina Handt, City Administrator

BACKGROUND:

At the February 7th meeting, Council approved a Cable Franchise Agreement Extension to allow the Ramsey Washington Cable Commission to continue to negotiate a new agreement with Comcast. The cable commission is asking for another extension in order to continue the negotiations.

ISSUE BEFORE COUNCIL:

Should the Council extend the cable franchise agreement with Comcast?

PROPOSAL:

The cable commission is requesting an extension of the cable franchise agreement with Comcast until March 31, 2019 to allow good faith negotiations to continue. It is not all uncommon for franchise renewals to take extra time as they are a very complex matter.

RECOMMENDATION:

If removed from the consent agenda:

“Motion to approve the resolution to extend the cable franchise agreement until March 31, 2019.”

ATTACHMENTS:

- Email from Tim Finnerty
- Resolution to extend cable franchise agreement
- Updated Timeline for Contract Negotiations

From: Tim Finnerty
To: [Kristina Handt](#)
Cc: [Ginny Holder](#)
Subject: Recommendation for Franchise Extension Agreement
Date: Monday, June 11, 2018 1:56:39 PM
Attachments: [Extension Agreement June 2018.pdf](#)
[Franchise Renewal Timeline \(Revised June 2018\).pdf](#)

Hi Kristina:

Attached please find a proposed Agreement for the extension of the Franchise with Comcast. The Cable Commission is recommending that the City Council approve the Extension Agreement. The Agreement will extend the expiration date of the current Franchise from November 1, 2018 to March 31, 2019. The purpose of the proposed extension is to allow for continued informal negotiations between Comcast and the Cable Commission regarding the long-term renewal of the Franchise. Comcast is in agreement with this.

Background

As you know, the Cable Commission has been working on the matter of Franchise renewal with Comcast given that the existing Franchise Agreement that is set to expire November 1, 2018. The Commission began direct negotiations with Comcast in September 2017, and prior to that, developed and documented a comprehensive needs assessment to serve as the negotiation objective on behalf of member cities. The needs assessment report is available at:

<https://drive.google.com/drive/folders/0B37m--T9u7TcUNaZUh6MziPWms>

Renewal issues can be resolved through “informal” processes (negotiation), or through a “formal” hearing process. Based on the time required to complete the formal process, the Commission adopted two schedules. In both, the parties start with negotiations, but move the formal process forward so that it would be completed by roughly the date scheduled for franchise expiration if negotiations were not successful. One schedule assumed that the expiration date stayed as is, and effectively required the parties to reach negotiated deal points by the end of May. In the other, the parties would extend the franchise to give themselves more time to engage in negotiations.

Recommendation to Approve Extension

The Cable Commission and Comcast have exchanged proposed terms and counterproposals and held several negotiation sessions. However, no proposed deal has yet been reached. On May 23, 2018, the parties met and agreed to recommend extending the franchise expiration date to March 31, 2019 in order to allow negotiations to continue to proceed informally.

The Cable Commission therefore is recommending that the City approve the extension per the attached Extension Agreement. The Cable Commission believes this simple extension of the current franchise expiration will allow both parties to continue informal negotiations for the next couple of months without being put at a disadvantage. The extension preserves your right to use the I-NET, and preserves existing support and channels (including high definition channels) for local cable programming. It does not harm the communities in any way.

Finally, please find attached a revised the franchise renewal schedule to reflect how the timeline proceeds under this extension. The Commission leadership believes it is important to follow this schedule to protect the interests of its Member Municipalities.

Please feel free to contact me after you have had a chance to review this if you wish to discuss it or have any questions. Thank you!



- Tim Finnerty
Executive Director
Ramsey/Washington Cable Commission
651-775-0042
timfinnerty@scctv.org

EXTENSION AGREEMENT BETWEEN AND AMONG THE MEMBERS OF THE RAMSEY WASHINGTON SUBURBAN CABLE COMMISSION AND COMCAST OF MINNESOTA

WHEREAS, Comcast of Minnesota, Inc., (“Franchisee”) operates a cable television system (the “System”) in communities which are members of the Ramsey/Washington Suburban Cable Commission (RWSCC) pursuant to a franchise scheduled to expire on November 1, 2018, to which the City of Birchwood Village, the City of Dellwood, the City of Grant, the City of Lake Elmo, the City of Mahtomedi, the City of North St. Paul, the City of Oakdale, the City of Vadnais Heights, the City of White Bear Lake, White Bear Township and the City of Willernie, Minnesota, are parties (each community is a “Franchisor”); a March 9, 1995 Memorandum of Understanding; and the April 10, 2014 Settlement Agreement, as amended by Section 2 of that certain 2015 Transfer Agreement Between and Among The Members of the Ramsey Washington Suburban Cable Commission, Comcast of Minnesota, Inc. and Midwest Cable, Inc. (collectively, the Franchise and these documents are the “Franchise Documents”); and

WHEREAS, the parties previously agreed to extend the expiration date of the Franchise, and of obligations in the Settlement Agreement, through November 1, 2018; and

WHEREAS, the parties wish to extend certain time periods provided under the Franchise Documents to provide time for the parties to work together to attempt to resolve renewal issues,

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

Section 1. The Franchise is extended through and including March 31, 2019.

Section 2. Paragraph 10 of the “Settlement Agreement Regarding PEG Capacity” is amended so that the reference to November 1, 2018 is changed to March 31, 2019.

Section 3. Otherwise, the Franchise Documents shall remain in full force and effect in accordance with their terms.

Section 4. Both parties agree that the further extension will not require recommencement of the renewal process under state or federal law, or require either party to re-conduct any studies or proceedings that may have been or are being conducted.

Section 5. This Extension Agreement does not confer upon the Franchisee any additional rights under Section 626 of the Cable Act.

Section 6. By entering into this Extension Agreement, the parties do not otherwise waive their rights to rely upon the rights, procedures, protections and recourses granted to them pursuant to applicable Federal, state, or local rule, regulation, law or precedent.

Section 7. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement

IN WITNESS WHEREOF, the Parties have caused this Extension Agreement to be executed by duly authorized representatives of each Party on the dates written below.

COMCAST OF MINNESOTA, INC.

By: _____
John D. Keller
Title: Regional Vice President

Date:

CITY OF BIRCHWOOD VILLAGE

By: _____

Title:

Date:
CITY OF DELLWOOD

By: _____

Title:

Date:
CITY OF GRANT

By: _____

Title:

Date:
CITY OF LAKE ELMO

By: _____

Title:

Date:
WHITE BEAR TOWNSHIP

By: _____

Title:

Date:

CITY OF MAHTOMEDI

By: _____

Title:

Date:

CITY OF NORTH ST. PAUL

By: _____

Title:

Date:
CITY OF OAKDALE

By: _____

Title:

Date:
CITY OF VADNAIS HEIGHTS

By: _____

Title:

Date:
CITY OF WHITE BEAR LAKE

By: _____

Title:

Date:
CITY OF WILLERNIE

By: _____

Title:

Date:

Ramsey/Washington Cable Commission - Franchise Renewal Timeline (Revised June 2018)

DATE	INFORMAL PROCESS	FORMAL PROCESS
June-August, 2018	Informal negotiations	Preparation for drafting/issuing of renewal RFP
September, 2018	Negotiations Update/recommendations as to whether to issue RFP (formal process), or continue negotiations; final document preparation begins if applicable	Negotiations Update/deadline for recommendations as to whether to issue RFP (formal process), or continue negotiations; issue renewal RFP no later than October 15 if applicable
October, 2018	Final Franchise documentation is complete and provided to Commission office	Issue RFP with return date of no later than November 15, 2018
November, 2018	Public hearing on proposed Franchise	
January, 2019	Commission approval of final Franchise to be recommended to municipalities	Decision made to preliminarily deny or accept proposal; recommendations for conduct of formal proceeding
February, 2019	Final Franchise provided to each municipality for approval and signing	
March, 2019	Existing Franchise with Comcast expires; existing payment arrangement could terminate at earliest on May 28, 2019	Hearing commences on formal process (90 days of prehearing discovery)
April, 2019		
May, 2019	Municipal approval of final Franchise is completed; approved Franchises for each municipality if forwarded to Comcast for signing	
June, 2019		Hearing completed; recommendations for final action on franchise submitted to municipalities