



CITY OF SALEM

585 Liberty St SE
Salem, OR 97301

Staff Report

File #: 17-121

Version: 1

Date: 3/27/2017

Item #: 3.3d.

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Ryan Zink, Franchise Administrator

SUBJECT:

Cable Television Franchise Extension.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

ISSUE:

Shall the City Council authorize the City Manager to execute the cable television franchise extension agreement with Comcast of Oregon I, Inc.?

RECOMMENDATION:

Authorize the City Manager to execute the cable television franchise extension agreement with Comcast of Oregon I, Inc. (Attachment 1) to allow staff, together with Marion County, to finalize the negotiation of a franchise renewal during the extension period.

SUMMARY AND BACKGROUND:

On November 14, 2016, the City Council authorized the City Manager to execute a 90-day extension of the current cable franchise agreement which allowed the franchise agreement to continue under the current terms and conditions until March 31, 2017. Since November, staff has made substantial progress in the negotiation of a franchise renewal. A renewed franchise agreement will not be in place prior to the expiration date of the franchise agreement. An extension to June 30, 2017 will preserve the current terms and conditions under which Comcast provides cable television services within the City.

FACTS AND FINDINGS:

On September 12, 1994, the City entered into a cable television franchise with Far-West

Communications, Inc. doing business as Viacom Cable for the provision of cable television services. The initial franchise term was for a period of five (5) years with two five-year renewal periods. The third five-year term of the franchise held by Comcast, the current holder of the franchise, ended on February 2, 2010.

The City delivered an initial franchise proposal to Comcast in October of 2010. Representatives from the City and Marion County met with Comcast numerous times to discuss the initial proposal and key points of interest for the respective parties, but the parties have been unable to conclude negotiations of a renewed franchise agreement prior to the expiration of the current franchise extension agreement.

As with previous cable television franchise negotiations, the City and Marion County are jointly participating in the renewal process, with the advice and recommendations of the Mid-Willamette Valley Cable Regulatory Commission (CRC). On March 9, 2017, the CRC adopted Resolution Number 17-01 (Attachment 2) recommending that the City and Marion County approve an extension of the current franchise agreement to June 30, 2017. If the City Council adopts the recommendation of staff and the CRC, the Cable Franchise Extension Agreement (Attachment 1) will extend the current franchise terms and conditions until the sooner of either the execution of a renewed cable television franchise agreement with Comcast or June 30, 2017.

Attachments:

1. Cable Television Franchise Extension Agreement.
2. Mid-Willamette Valley Cable Regulatory Commission Resolution No. 17-01