Cable Franchise Renewal:

What’s at Stake for St. Louis Park?
What We Will Cover Today...

- Provide Information to You...
  - Cable basics
  - St. Louis Park cable facts
  - Who, what, when, & why of franchise renewal process
  - Opportunities presented by franchise renewal process
    - Guarantee of state-of-the-art communication services
    - Assure support for community/PEG access channels and a community media center
    - Assure quality customer service from Comcast
    - How you can get involved!

- Answer Your Questions.....
Cable Television Franchise Agreements

Cable companies must obtain cable franchise agreements from local government to place many miles of cable lines in the public rights-of-way.
Local Franchise Agreement is a land use agreement

Cable operators pay rent for commercial use of public property (franchise fees/PEG channels & support)

Franchise defines the type, level, and quality of service provided by cable operator(s)

Local governments must abide by Federal and State laws when conducting franchise renewal process

Local franchise length is typically 10 years

Public input is a critical part of franchise renewal process

Renewal process is central to determining what future services citizens will receive
Comcast is operating under a franchise that is due to expire in January of 2021

Comcast has about **10,600** subscribers in the City

“Rent” provided by Comcast to the City for using the public rights-of-way (PROW) includes:

- Franchise Fee – 5% gross cable TV service revenues
  - Excludes Internet and telephone
- Local cable TV channels for community use
  - Channel 17 for Park TV
  - Channel 14 for Educational Uses
  - Channel 15/96 for Community Use
  - Channel 16 for remote productions

**St. Louis Park Cable Facts**
“Rent” provided by Comcast to the City for using the public rights-of-way (PROW) also includes:

- PEG access funding support in expiring franchise
  - Fixed Capital Grants: $1.1 Million over 15 years
  - Funding for operations of PEG access channels and services, based upon the number of cable TV subscribers

- Cable connections to several City, school, and community locations

- PEG access signal return feeds to permit transmission of programming from City Hall, High School, Veteran’s Memorial, and Rec Center

All of these community benefits (and others) are on the table for renegotiation during franchise renewal
St. Louis Park Cable Facts

Franchise is very valuable to Comcast

Conservative estimate of Comcast cable TV revenues from a renewed franchise agreement (excluding Internet and telephone revenues) generated by the cable system:

10,600 subscribers x $120 per month/per subscriber x 12 months x 10 years = $152,640,000

This does not include rate increases or revenue generated from Internet and telephone service offerings

Comcast leverages the cable franchise to double those revenues to over $300,000,000
Franchise Renewal Presents
Opportunities To:

Guarantee the provision of state-of-the-art communication services throughout the term of the renewal franchises

Assure quality customer service

Assure support for the PEG Access channels, and local community uses of the cable system

Assure that the cable operators pay adequate rent for their commercial use of public property
Franchise Renewal Opportunities

Expand PEG access channels and local programs and implement new community media services/center

Partner with and serve local government agencies, educational institutions, and nonprofit organizations
Franchise Renewal Opportunities

Ensure that local community/PEG access channels use the same technologies as other channels

High Definition or the most advanced format in future

Included on the Electronic Program Guide

Ability to transmit programs live from multiple locations in the City

Identify and implement new services and ways to deliver community PEG access services

Franchise renewal provides an opportunity to undertake a *communications planning process* that can result in improved and affordable community media services in St. Louis Park
Key Elements of Franchise Renewal Process

- Starts 30-36 months before current franchise expires
- Requires franchise performance review of operator
- Community needs assessment
- Determine renewal goals and prepare draft Franchise Agreement
  - Must be based on needs assessment and past performance review
- Conduct an informal process – negotiations
- Prepare to conduct formal process by issuing the RFRP
Past Performance Review activities include:

- Franchise fee / financial review of cable operator
- Franchise compliance review
- Technical review of the cable system
- Public input gathered during needs assessment process
- Reports that document the findings
Needs Assessment activities to identify current and future community needs and interests will include:

Renewal/Leadership stakeholder meeting: November 19

Three community focus group workshops: January 22-23, 2020

Online community survey: January 22 – March 13, 2020

Evaluation of current PEG access equipment, facilities, and services
    Identify & recommend upgrades in facilities and services

Public hearing

Reports that document the findings of all activities and make recommendations
Build a Better Communications Future Through Franchise Renewal -- How You Can Help!

- Review the Needs Assessment workplan & timeline
  - Focus group schedule – January 22-23, 2020
  - Online survey – January 22 – March 13, 2020

- Spread the word -- Encourage your members and constituents to PARTICIPATE in the focus groups and the online survey!
  - Website postings
  - Social media (e.g., Facebook, Twitter)
  - Email blasts – Invite friends

- Personal follow-up phone calls and emails