

Cable Franchise Renewal:



What's at Stake for
St. Louis Park?

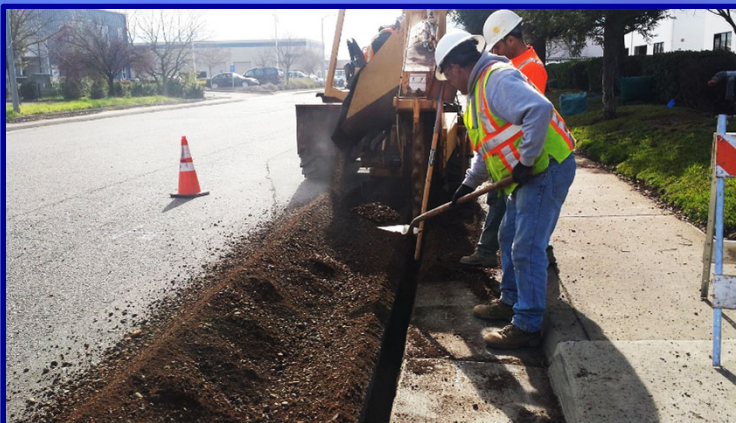


What We Will Cover Today...

- *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



Cable Basics

- ❑ 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

St. Louis Park Cable Facts

- ❑ 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

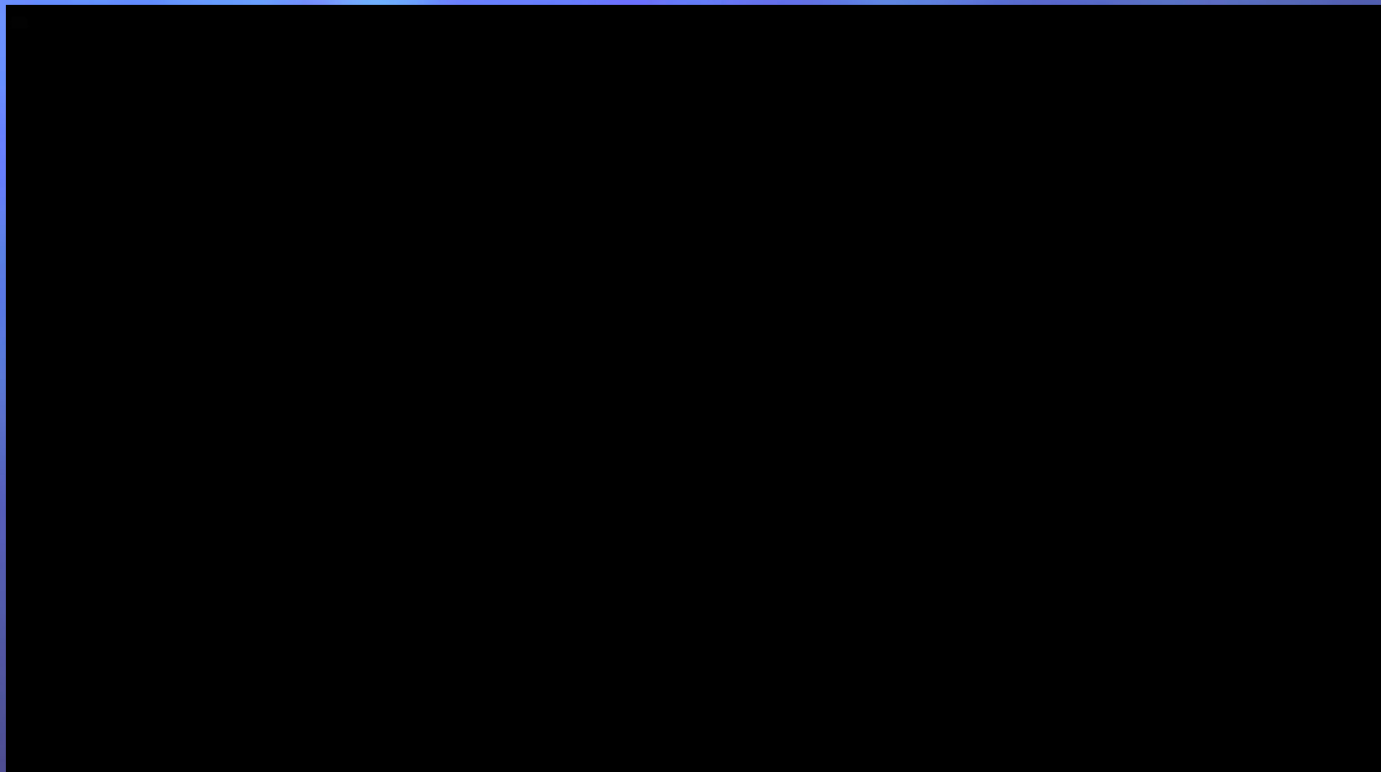
- ❑ Franchise is very valuable to Comcast
- ❑ Conservative estimate of Comcast cable TV revenues from a renewed franchise agreement (excluding Internet and telephone revenues) generated by the cable system):
 - ❑ **10,600** subscribers x \$120 per month/per subscriber x 12 months x 10 years = **\$152,640,000**
 - ❑ 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

Renewal: Past Performance/ Compliance Review

- **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 Process For St. Louis Park

- 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**