

FINANCIAL IMPACT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator David C. Olson		2. Telephone No. 3-5290	3. Bureau/Office/Dept. OCCFM
4a. To be filed (date) November 3, 2010	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to FPD Budget Analyst: November 3, 2010

1) Legislation Title: * Extend term of Comcast cable franchises (Ordinance)

2) Purpose of the Proposed Legislation: Under the Intergovernmental Agreement creating the MHCRC, only the City Council can renew or extend the terms of an existing cable franchise; the MHCRC is a recommending body in this instance.

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source.

The term extension will not have a financial impact; however there are significant issues, such as maintaining current levels of public benefits, and resources involved Countywide in connection with any renewed agreement reached with Comcast.

4) Expense:

What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years) (If the action is related to a grant or contract please include the local contribution or match required)

None.

Staffing Requirements:

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? (If new positions are created please include whether they will be part-time, full-time, limited term or permanent positions. If the position is limited term please indicate the end of the term.)

None.

6) Will positions be created or eliminated in future years as a result of this legislation? No.

Complete the following section if you are accepting and appropriating a grant via ordinance. This section should only be completed if you are adjusting total appropriations, which currently only applies to grant ordinances.

7) Change in Appropriations (If the accompanying ordinance amends the budget, please reflect the dollar amount to be appropriated by this legislation. If the appropriation includes an interagency agreement with another bureau, please include the partner bureau budget adjustments in the table as well. Include the appropriate cost elements that are to be loaded by the Grants Office and/or Financial Planning. Use additional space if needed.)

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

APPROPRIATION UNIT HEAD (Typed name and signature)



CITY OF PORTLAND, OREGON

Office of Cable Communications and Franchise Management

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 David C. Olson, Director
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City Council Agenda Item Staff Supplemental Report

TO: Commissioner Amanda Fritz

THROUGH: Office of Cable Communications and Franchise Management

FROM: David C. Olson, Director, 3.5290

DATE: October 20, 2010

RE: * Extend term of Comcast cable franchises (Ordinance)

Requested Placement Date: November 10, 2010 (Emergency Ordinance)

I. RECOMMENDATION

Approve the term extension ordinance and acceptance as recommended by the Mt. Hood Cable Regulatory Commission (MHCRC).

II. BACKGROUND

The MHCRC-administered cable franchises (East Portland & West Portland) with Comcast expire December 31, 2010. MHCRC staff is in negotiations with Comcast regarding the terms of the renewed Franchises. The current franchise renewal negotiations are protracted and realistically cannot be completed before the filing deadlines necessary to enable the City to renew or extend the Franchises prior to December 31, 2010. The MHCRC recommends that the City extend the terms of the existing Comcast franchises for six months (until June 30, 2011) to allow time for orderly completion of the current MHCRC franchise renewal negotiations. Comcast has agreed to the extension. Under the terms of the extension, all terms and provisions of the applicable Comcast franchises, together with all related documents and agreements, will continue in effect without modification and there will be no disruption in services provided.

Comcast is the sole active franchised provider of cable television services in the City of Portland. Cable television franchises are non-exclusive but thus far, no other companies have chosen to build a competing cable system in Portland (Verizon – now Frontier – offers competing cable services in its telephone service area outside City boundaries). The City currently has an inactive cable franchise agreement with Qwest, Qwest declined to pursue offering cable services under the agreement and the underlying franchise will soon be transferred to CenturyLink, a company which will hopefully be more active and committed to providing video services than was the case with Qwest. Comcast became the largest cable communications service provider in

the country following its merger with AT&T Corp. Comcast serves subscribers within the boundaries of the City with cable television, high-speed Internet service, and digital telephone.

Under the Intergovernmental Agreement creating the MHCRC, only the City Council can renew or extend the terms of an existing cable franchise; the MHCRC is a recommending body in this instance.

III. FINANCIAL IMPACT

None.

IV. LEGAL ISSUES

None. Comcast has been consulted and has contributed input on the form and content of the term extension ordinance and has no objection to extending the current franchise terms to June 30, 2011.

V. CONTROVERSIAL ISSUES n/a

VI. LINK TO CURRENT CITY POLICIES

http://www.mhcr.org/docs/about_intergovernmental_agreement.pdf - MHCRC Intergovernmental Agreement

<http://www.mhcr.org/docs/FranchAgree-WestPortlandFran.pdf> - West Portland Franchise Agreement

<http://www.mhcr.org/docs/FranchAgree-EastPortlandFran.pdf> - East Portland Franchise Agreement

VII. CITIZEN PARTICIPATION

The franchise renewal process involves a public hearing element. Once the terms of an agreement have been tentatively reached, the MHCRC will hold a public hearing on the public benefits portion of the agreement prior to making its recommendation on renewal to the City Council.

VIII. OTHER GOVERNMENT PARTICIPATION n/a

IX. IF THIS IS A CONTRACT, DOES CONTRACTOR HAVE A CURRENT BUSINESS LICENSE? n/a

WHAT IS THEIR BUSINESS LICENSE NUMBER?

IS THEIR ACCOUNT WITH THE CITY CURRENT?

IF NOT, HOW MUCH IS OWING?