

Portland, Oregon  
**FINANCIAL IMPACT and PUBLIC INVOLVEMENT 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):  July 28, 2011	4b. Calendar (Check One)  <div style="display: flex; justify-content: space-around;"> <span>Regular <input checked="" type="checkbox"/></span> <span>Consent <input type="checkbox"/></span> <span>4/5ths <input type="checkbox"/></span> </div>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: July 28, 2011
6a. Financial Impact Section: <input type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input type="checkbox"/> Public involvement section completed	

**1) Legislation Title:** Transmit Report from Office of Cable Communications & Franchise Management on cable franchise public benefits: a decade of community investment (Report) (9:30 am Time Certain)

**2) Purpose of the Proposed Legislation:**

A report (20 minutes are planned) highlighting the community investment and public benefits provided under the expiring cable franchises, focusing particularly on the 3% PEG/I-Net fund and the impact of this substantial resource over the past decade for our community media partners, cable capital grantees, and I-Net stakeholders.

**3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?**

- |  |                                    |                                    |                                |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional     | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast                 | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East  |
| <input type="checkbox"/> Central City                      |                                    |                                    |                                |
| <input type="checkbox"/> Internal City Government Services |                                    |                                    |                                |

**FINANCIAL IMPACT**

**4) Revenue:** Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

NA

**5) Expense:** What are the costs to the City related to 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. If there is a project estimate, please identify the level of confidence.)*

NA

**6) Staffing Requirements:** NA

- 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.)*
- Will positions be created or eliminated in *future years* as a result of this legislation?

*(Complete the following section only if an amendment to the budget is proposed.)*

**7) Change in Appropriations** *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate “new” in Fund Center column if new center needs to be created. Use additional space if needed.)*

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

**[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]**

## PUBLIC INVOLVEMENT

**8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:**

☐ **YES:** Please proceed to Question #9.

☒ **NO:** Please, explain why below; and proceed to Question #10.

Informational item only, summary and presentation prepared in light of the expiration (on December 31, 2011) of the current Comcast cable franchises on a Countywide basis.

**9) If "YES," please answer the following questions:**

**a) What impacts are anticipated in the community from this proposed Council item?**

**b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?**

**c) How did public involvement shape the outcome of this Council item?**

**d) Who designed and implemented the public involvement related to this Council item?**

**e) Primary contact for more information on this public involvement process (name, title, phone, email):**

**10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.**

No future public involvement for this particular informational item, although there has been substantial prior public involvement in the Comcast cable franchise renewal and ascertainment process, and there will be substantial future public involvement in public hearings and final passage of a renewed Comcast cable franchise, hopefully later in the current calendar year.

David C. Olson



BUREAU DIRECTOR (Typed name and signature)



## CITY OF PORTLAND, OREGON

### Office of Cable Communications and Franchise Management

Dan Saltzman, Commissioner

David C. Olson, Director

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## Cable Franchise Public Benefits: A Decade of Community Investment

*Report to City Council - August 3, 2011 (9:30 a.m. Time Certain)*

**TO:** Mayor & City Council

**THROUGH:** Commissioner Dan Saltzman

**FROM:** David C. Olson, Director & Julie Omelchuck, Cable Program Manager  
Office of Cable Communications and Franchise Management

**SUBJ:** Cable Franchise Public Benefits: A Decade of Community Investment

### Executive Summary

The City of Portland and its jurisdictional partners in the Mt. Hood Cable Regulatory Commission (MHCRC) entered into renewed cable franchise agreements throughout Multnomah County in the late 1990s. Comcast succeeded to ownership of these cable franchises in 2002. All current Comcast franchises have been extended to allow for completion of current renewal negotiations, and are now set to expire on December 31, 2011. The purpose of this Council presentation is to summarize and highlight the community technology benefits and investments that have been accomplished as a result of the dedicated resources available under the expiring cable franchise agreements, to present the views of staff and our community partners concerning the significance of these benefits for our community, and to acknowledge and thank Comcast for Comcast's willing partnership and commitment to cooperation over the past decade, which has been an essential element in ensuring the benefits of these investments could be realized.

An overview is as follows:

#### Franchise Fees (5% of gross revenues)

Comcast pays the City 5% of its gross revenues derived from the operation of the cable system to provide cable services in exchange for the use of the public right-of-way. These cable franchise fees are unrestricted General Fund revenues. Over the past 10 years, the 5% cable franchise fee has brought almost \$44 million into the City's General Fund

#### PEG Capital Fund (3% of gross revenues)

In addition to franchise fees, pursuant to franchise requirements, Comcast provides 3% of its gross revenues to fund capital costs related to public, educational and governmental ("PEG") use of the community access channels and the Institutional Network ("I-Net"). These restricted funds for more than a decade have been re-invested into the local community through three distinct programs: (1) Community Access Capital Grants (2) I-Net fiber infrastructure and site connections and (3) Portland Community Media (PCM) capital needs. Over the past decade, the PEG Capital Fund has enabled investment of about \$33 million in the community. Details of the three programs (each funded by an approximately equivalent share of the dedicated PEG Capital Fund provided under the cable franchises) are as follows: