



**CITY OF COLLEGE PARK, MARYLAND
REGULAR MEETING AGENDA ITEM**

AGENDA ITEMS: 22-O-06

Prepared By: Suellen M. Ferguson
City Attorney

Meeting Date: 11/15/2022

Presented By: Suellen M. Ferguson
City Attorney

Proposed Consent: No

Originating Department: Administration

Action Requested: Council introduction of 22-O-06, an ordinance to grant a franchise renewal to Comcast of Maryland, LLC, and approve a franchise agreement.

Strategic Plan Objective: OBJECTIVE 6: Inspire and nurture a welcoming and inclusive community that encourages and embodies engagement, collaboration, and equity throughout our City.

Background/Justification:

In 1999, the City Council granted a 15 year cable franchise to the predecessor of Comcast of Maryland, LLC. At that time, the City negotiated as part of a team with the County and sixteen other municipalities. Part of the results of that negotiation is the Intergovernmental Network (I-Net) that the City relies upon for communications. Re-negotiation of the franchise began in 2012 and has required this lengthy period of time to reach a resolution. For this negotiation, the team was comprised of the County and all of the municipalities, who are all now members of the I-Net.

During the negotiation, two major issues arose. One is various actions by the FCC that have not been local government friendly. The second is that cable companies no longer wish to maintain I-Net systems, and would rather provide managed service accounts that cost a great deal more. In this agreement, the system traditionally referred to as the I-Net is now called the C-Net. It includes the original fiber installed and owned by Comcast to create the I-Net, and additional fiber owned by the County, referred to as the ICBN fiber. Together, the two systems are now known as the C-Net. This agreement allows the local governments to use the I-Net portion for an additional 10 years. During that time, the local governments must work together to build a duplicate system to take the place of the I-Net segment, which Comcast will no longer share with them. In this iteration of the franchise, the local governments will be required to pay for maintenance costs, which were not charged during the last franchise, but could have been. The maintenance charges for the whole system are as follows and will be assessed in the same manner as current I-Net costs:

Year	County Wide Amount*
Year 1	\$185,256.00
Year 2	\$188,683.24
Year 3	\$192,173.88
Year 4	\$195,729.09
Year 5	\$199,350.08
Year 6	\$203,038.06

Year 7	\$206,794.26
Year 8	\$210,619.96
Year 9	\$214,516.42
Year 10	\$218,484.98

* These amounts are eligible for payment from the PEG funds.

A table with the Major Deal Points of the agreement is below. Based on a national review by the cable counsel that has assisted the negotiating team, this franchise has favorable terms compared to the rest of the country.

Major Deal Points at a Glance

Issue	Existing Franchise	Proposed Franchise
Franchise Fee	5% of Gross Revenue	5% of Improved/Updated Definition of Gross Revenue
Support for PEG	3% of Gross Revenue	3% of Gross Revenue including agreement that payment for C-Net operations are eligible expenses.
PEG Channel	8 County + 3 Municipal	8 County + 3 Municipal – with ability to require conversion to HD and County programming of unused municipal channel.
C-Net	Maintained in satisfaction of prior non-compliance	Preserved for 10 years with support from PEG funds until links are transitioned to gov't network.
Service to Gov't Buildings	Provided for free (but subject to claim for market value under FCC order.)	Comcast agrees to continue to provide existing drops and offer connections to each Participating Municipality. Reserves right to price at

			cost, but will negotiate that amount (which we believe to be negligible) for no less than 120 days.
	Build Out	No standard and only free if 125 feet from network	Buildout wherever there are 20 homes per mile and free if within 350 feet of network.

Fiscal Impact:

The City currently receives 8% of gross revenues earned by Comcast calculated on the subscriber base for the City.

Failure to renew the franchise would cause loss of these fees. The City will pay a percentage of Comcast I-Net maintenance fees, which can be paid from PEG funds.

Council Options:

1. Introduce 22-O-06 to grant a renewal of the cable franchise and to approve the franchise agreement between the City and Comcast of Maryland, LLC.
2. Do not introduce

Staff Recommendation:

1. Introduce 22-O-06 to grant a renewal of the cable franchise and to approve the franchise agreement between the City and Comcast of Maryland, LLC.

Recommended Motion:

I move to introduce Ordinance 22-O-06 an ordinance to grant a 10 year franchise renewal to Comcast of Maryland, LLC, and approve a franchise agreement in substantially the form attached. The Public Hearing will be held on December 13.

Attachments:

1. Ordinance 22-O-06
2. Draft Cable Franchise Agreement