

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: CHIEF EXECUTIVE OFFICE
Urgent _____ Routine X

BOARD AGENDA# *B-9
AGENDA DATE June 3, 2003

CEO Concurs with Recommendation YES [Signature] NO _____
(Information Attached)

4/5 Vote Required YES _____ NO [check]

SUBJECT:
APPROVAL TO RENEW THE CHARTER COMMUNICATIONS CABLE FRANCHISE FOR AREAS 2 AND 4 AND TO CONSOLIDATE UNDER ONE MASTER FRANCHISE AGREEMENT ALL AREAS IN THE COUNTY RECEIVING CABLE SERVICE FROM CHARTER COMMUNICATIONS.

STAFF RECOMMENDATIONS:
APPROVAL TO RENEW THE CHARTER COMMUNICATIONS CABLE FRANCHISE FOR AREAS 2 AND 4 AND TO CONSOLIDATE UNDER ONE MASTER FRANCHISE AGREEMENT ALL AREAS IN THE COUNTY RECEIVING CABLE SERVICE FROM CHARTER COMMUNICATIONS.

FISCAL IMPACT:
The County will continue to receive a 5% franchise fee of Charter Communication's gross annual revenue receipts generated in Stanislaus County. The County receives approximately \$200,000 a year in franchise fees from Charter Communications.

BOARD ACTION AS FOLLOWS: No. 2003-511
On motion of Supervisor Paul, Seconded by Supervisor Caruso
and approved by the following vote,
Ayes: Supervisors: Paul, Mayfield, Grover, Caruso, and Chairman Simon
Noes: Supervisors: None
Excused or Absent: Supervisors: None
Abstaining: Supervisor: None
1) X Approved as recommended
2) _____ Denied
3) _____ Approved as amended
4) _____ Other:

MOTION:

1010-08
ATTEST: Christine Ferraro
CHRISTINE FERRARO TALLMAN, Clerk

APPROVAL TO RENEW THE CHARTER COMMUNICATIONS CABLE FRANCHISE FOR AREAS 2 AND 4 AND TO CONSOLIDATE UNDER ONE MASTER FRANCHISE AGREEMENT ALL AREAS IN THE COUNTY RECEIVING CABLE SERVICE FROM CHARTER COMMUNICATIONS.

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DISCUSSION: Charter Communications (Charter) currently holds four franchises with Stanislaus County. Charter provides cable service to certain portions of the unincorporated areas near the cities of Turlock, Ceres, Hughson, Waterford, Riverbank, and a large portion of the Salida community. Charter has requested that their franchise agreement for areas 5 and 7, which is due to expire February 25, 2012, be amended to include a renewal for areas 2 and 4. The franchise agreement has expired for areas 2 and 4. Charter has continued to provide service in good faith under the terms of the expired agreement. This extended time has given the City of Modesto and the County an opportunity to work out a cable programming agreement that takes into consideration an interconnect between Charter and Comcast, the franchise area that includes the City of Modesto.

County Counsel and other staff have negotiated the franchise renewal with Charter. In addition to a 5% franchise fee, Charter has agreed to provide the County with two channels for the unincorporated area and an additional channel that will cover their entire franchise area, including those areas within cities that are serviced by Charter. Charter has also agreed to interconnect their system with the Comcast cable system making it possible for wider county coverage of public programming.

A benefit from merging the franchise agreements is that renewal negotiations will occur in ten years and not the typical twenty year cable agreement period.

In a spirit of good will, Charter has agreed to provide service to the new Salida Regional Library.

**POLICY
ISSUES:**

The Board should decide if staff recommendation is consistent with their priorities of efficient government operations and community leadership.

**STAFFING
ISSUES:**

None.

EFFECTIVE DATE: _____
EXPIRATION DATE: 25 Feb 12

FRANCHISE AGREEMENT AMENDMENT

Agreement to Amend the Cable Television Franchise in Stanislaus County, California

This Agreement is entered into by and between **Stanislaus County**, a political subdivision of the State of California (“the County”), and **Marcus Cable Associates, L.L. C. d/b/a Charter Communications**, its successors and assigns (“Charter”).

WHEREAS, the non-exclusive franchise agreements granted by “the County” to “Charter” to install and operate a cable television system within Areas 2 and 4, which franchise document expired on March 30, 2002; and

WHEREAS, “Charter” has requested, and “the County” has agreed, to merge both expired franchises into that CATV Franchise Agreement by and between “the County” and “Charter” dated February 25, 1992 (“Franchise Agreement”) within Areas 5 and 7, which will expire on February 25, 2012; and

WHEREAS, both parties agree to amend “Franchise Agreement” to modify the original agreement and Areas 5 and 7, including the following sections:

1. Chief Administrative Officer, as used throughout the Agreement, shall become Chief Executive Officer.
2. Section 16 shall be amended to read, “Possessory Interest Taxation. The County hereby declares that as a result of this Franchise issued pursuant to Stanislaus County Code Title 6, Chapter 6.60: “CATV FRANCHISES”, a possessory interest subject to property taxation is created and any such property interest is subject to property taxation. The Franchisee, as the part in whom the possessory interest will be vested, shall be subject to the payment of property taxes levied upon such an interest.

3. Section 17 shall be amended to read, "Public, Educational, and Governmental Access. The Franchisee shall provide two (2) channels for public, educational and governmental access, Stanislaus County Code Section 6.60.220. Franchisee shall, within reason, make every effort to connect with Cable Franchisee in the County the two (2) channels.

4. Section 18 shall be amended to read, "Transfers Prohibited. The terms and conditions contained in Stanislaus County Code Section 6.60.540 shall govern any transfer or assignment of Franchisee's Cable System.

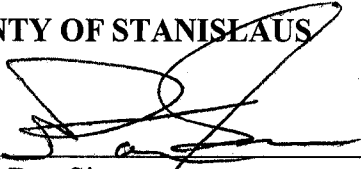
5. Section 20 shall be added to read, "Charter shall interconnect its Cable System with other cable systems adjacent to the Service Area for the purpose of sharing PEG programming, provided "Charter" is able to reach agreement with the other operator for the interconnect on reasonable terms and conditions, and "the County" obtains any necessary consent from the adjacent cable system's franchising authority. However, "Charter" shall not be required to interconnect PEG Access Channels with an overbuilder in "the County." Such overbuilders will be required to construct and maintain return line directly from the origination point(s) of the PEG Access Channel(s) versus interconnection with Grantee."

6. Section 21 shall be added to read, ""Charter" shall provide a PEG channel for the sole and singular use of "the County." The additional PEG channel shall be available to provide programming throughout all areas of "the County" serviced by "Charter." The PEG channel discussed in this section shall originate from "Charter's" Headend located within the City of Turlock, unless both "Charter" and "the County" agree to another location within "Charter's" Service Area.

7. Section 20 now becomes Section 22, all conditions remain unchanged.
8. Section 21 now becomes Section 23, all conditions remain unchanged.

NOW, THEREFORE, IT IS HEREBY AGREED by and between the parties that the franchise agreement between them be amended to reflect the above terms and conditions until February 25, 2012.

COUNTY OF STANISLAUS

By: 
Ray Simon
Chairman of the Board

Date: 7/1/03

Marcus Cable Associates, L.L.C. d/b/a
CHARTER COMMUNICATIONS

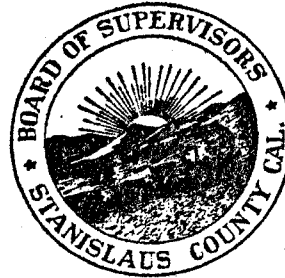
By: 
M. Celeste Vossmeier
Vice President
Government Relations

Date: _____

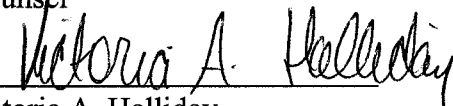
ATTEST:

CHRISTINE FERRARO TALLMAN
Clerk of the Board of Supervisors

By: 
Elizabeth King
Assistant Clerk



APPROVED AS TO FORM:
MICHAEL H. KRAUSNICK
County Counsel

By: 
Victoria A. Halliday
Deputy County Counsel



M. Celeste Vossmeier
Vice President
Government Relations
Direct Dial: (314) 543-2410
E-Mail: cvossmeier@chartercom.com

June 12, 2003

County of Stanislaus
948 11th Street
Suite 30
Modesto, CA 95354

Re: Acceptance by Charter Communications of the Franchise Agreement Amendment with the County of Stanislaus, CA.

Dear Sir or Madam:

As an authorized agent and representative of Marcus Cable Associates, L.L.C. d/b/a Charter Communications, I, on behalf of those entities, do hereby accept the terms of said franchise, and agree to perform all the conditions required by the grantee thereunder.

Charter Communications looks forward to working with your community. If you have any questions or need additional information, please do not hesitate to call.

Sincerely,

M. Celeste Vossmeier
Vice President – Government Relations

Enclosed

Cc: Marsha Berkbigler

2003 JUL - 1 P 2:13
BOARD OF SUPERVISORS