



CITY COUNCIL AGENDA REPORT

MEETING DATE: November 15, 2004

ITEM NUMBER:

SUBJECT: Granting of Franchise Agreement to Adelphia Cablevision of Orange County, LLC

DATE: October 20, 2004

FROM: Administrative Services/Telecommunications

PRESENTATION BY: Gerald L. Verwolf, Telecommunications Manager

FOR FURTHER INFORMATION CONTACT: Gerald L. Verwolf, 714-754-5142

RECOMMENDATION:

Adopt the resolution and approve agreement granting a non-exclusive cable television franchise to Adelphia Cablevision of Orange County, LLC, a wholly-owned subsidiary of Adelphia Communications Corporation, a Delaware corporation, 3042 E. Miraloma, Anaheim, CA 92806, for the former unincorporated county territory.

BACKGROUND:

The franchise service area described in the proposed Franchise Agreement was previously unincorporated county territory. In July 2003, that unincorporated county territory was annexed by the City in accordance with authorization from the Orange County Local Agency Formation Commission as set forth in Resolution Nos. IA 01-18 and IA 01-19 that were adopted on September 16, 2002.

In 2003 an affiliate of the Grantee operated a cable television system within the annexed territory described above, under the authority of a Franchise Agreement with the County of Orange that had been transferred to that affiliate by Comcast Cablevision of Orange County, LLC. That Resolution No. 00-257 of the Orange County Board of Supervisors approved Franchise Agreement as adopted on August 1, 2000. The transfer of that Franchise Agreement by Comcast Cablevision of Orange County, LLC to Adelphia Cablevision of Orange County II, LLC, a wholly-owned subsidiary of Adelphia Communications Corporation, was approved by Resolution No. 00-258 of the Orange County Board of Supervisors, as adopted on August 1, 2000.

In early 2004, the City began negotiations with Adelphia Cablevision of Orange County to grant a non-exclusive franchise agreement for the annexed areas.

ANALYSIS:

The negotiations for the non-exclusive cable television franchise agreement have resulted in a proposed agreement that will provide for continued delivery of cable television services to the annexed areas for a term of 12 years.

City staff and outside counsel, William Rudell, have determined that Adelphia Cablevision of Orange County, LLC has the financial, technical, and legal qualifications to ensure performance of all obligations required under the proposed franchise renewal agreement.

ALTERNATIVES CONSIDERED:

Since the research and analysis done by staff and Special Counsel did not disclose any negative information relative to the proposed grant of the franchise, no alternatives were considered.

FISCAL REVIEW:

The fiscal impact to the City is very minimal. The area served under this non-exclusive franchise agreement has approximately 100 residents, and franchise fees will be approximately \$2000 annually to the City.

LEGAL REVIEW:

Legal has reviewed the resolution and the agreement and has approved them as to form.

CONCLUSION:

In accordance with applicable provisions of Chapter 1 of Title 19 of the Costa Mesa Municipal Code, the applicable provisions of state and federal law, and the terms and conditions of the proposed franchise agreement, it is appropriate to adopt the resolution authorizing the franchise agreement.

GERALD L. VERWOLF
Telecommunications Manager

HOWARD PERKINS
Acting Administrative Services Director

MARC R. PUCKETT
Director of Finance

TOM WOOD
Acting City Attorney

- ATTACHMENTS: 1 [Resolution](#)
 2 [Franchise Agreement](#)