



**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

98-115

**OFFICE OF THE CITY MANAGER  
DES MOINES, IOWA**

**AGENDA:**

APRIL 6, 1998

**SYNOPSIS —**

**SUBJECT:**

AGREEMENT TO  
EXTEND CABLE  
TELEVISION  
FRANCHISE

The City’ s Cable Television Franchise with Heritage Cablevision, Inc., dba TCI of Central Iowa (TCI), expired on February 3, 1998. On January 19, 1998, by Roll Call No. 98-211, the City Council voted to grant TCI an extension until April 10, 1998, while negotiations for a franchise renewal proceeded. Council has also received a draft Needs Assessment document, and has established goals as a basis for our negotiations.

**TYPE:**

**RESOLUTION  
ORDINANCE  
RECEIVE/FILE**

City staff has been meeting with TCI representatives since December 15, 1997; and although the City’ s needs have been communicated to TCI, there remains a significant gap between the two positions.

**SUBMITTED BY:**

**RICHARD CLARK  
DEPUTY CITY  
MANAGER**

At this time, it is clear that negotiations will not be concluded prior to the April 10, 1998 franchise extension. Staff is uncertain if an agreement can be reached which will adequately address the community’ s needs and concerns with regard to the provision of a state-of-the-art cable subscriber system, as well as the City’ s corporate needs for a modern institutional communications network.

In view of this, the Council is requested to grant an additional franchise extension which would expire on June 16, 1998. During this period, staff will continue negotiations with TCI, but will begin to explore other options to a franchise renewal. These options include pursuing the formal negotiation process in accordance with federal regulations, the construction (“ overbuild” ) of a City-owned cable utility, or other options that may later come to light.

As a point of information, Council has been previously provided with status reports on the audit of cable franchise fees. This process began in February, 1997. Staff anticipated its completion by early February, 1998. The City’ s refranchising

consultant, Moss and Barnett, Inc., which has been performing the audit, reports that it continues to be a work in progress. Some of the final information required to complete the audit was not received from TCI until February 12, 1998. Our goal is to have the final audit completed before June 16, 1998.

**FISCAL IMPACT —**

No adverse fiscal impact will result from the extension of the franchise agreement.

**RECOMMENDATION —**

**Approve the proposed franchise extension which will expire on June 16, 1998. Authorize staff to continue informal negotiations with TCI, and explore other options to franchise renewal as outlined above.**