



## PUBLIC COMMUNICATIONS MEMORANDUM

17-03

DATE: February 13, 2017

TO: Honorable Mayor Joyce Downing and City Council

FROM: James A. Hayes, AICP, City Manager   
Margo Aldrich, Communications Manager 

SUBJECT: CR-20/Side Letter-Comcast Franchise Agreement

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### Purpose:

City Council is asked to consider a resolution to adopt the “side letter” of the Comcast Franchise Agreement.

### Background:

The city manager and communications manager negotiated the Comcast Franchise Agreement with the assistance of Colorado Communications and Utility Alliance Attorney Ken Fellman, an expert in Comcast contract negotiations and a former mayor of the City of Arvada, CO, and Hilary Graham, an attorney with Hoffmann, Parker, Wilson & Carberry, P.C. Representing Comcast was Jon Lehmann, Senior Director, Government and Regulatory Affairs with the Comcast Cable Corporation. Negotiations began in July 2016 and included meetings with all parties, and frequent email communications.

Included in the franchise agreement is a Capital Grant up to the amount of up to \$50,000 from Comcast to the City of Northglenn for the purchase of broadcast equipment for the city’s PEG channels. At the request of Comcast, the details of the capital grant are described in a “side letter” in lieu of inclusion in the franchise agreement. The “side letter” was drafted by legal counsel and has been provided to City Council. It is scheduled for adoption by resolution on February 13, concurrent with the second reading of the ordinance adopting the franchise agreement.

The “side letter” is a legally binding agreement upon the City and Comcast. Comcast will recover the amount of the capital grant through the retention of PEG fees, fifty cents (\$0.50) per month per Northglenn subscriber. After Comcast has fully recovered the amount of the grant it will begin to remit the funds to the city.

### City Council Options:

1. Consider final approval of the Comcast Franchise Agreement “side letter” at the second reading on February 13, 2017.
2. Direct staff to amend the agreement
3. Table the agreement

**Staff Recommendation:**

Staff recommendation is for council to approve the Comcast Franchise Agreement side letter at the second reading on February 13, 2017.

**Staff Reference:**

Please direct questions or comments to Margo Aldrich, 303.450.8713 or [maldrich@northglenn.org](mailto:maldrich@northglenn.org).

SPONSORED BY: MAYOR DOWNING

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-20  
Series of 2017

\_\_\_\_\_  
Series of 2017

A RESOLUTION APPROVING THE LETTER AGREEMENT BETWEEN THE CITY OF NORTHGLENN AND COMCAST OF COLORADO VIII, LLC

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. The attached letter agreement between the City of Northglenn, Colorado, and Comcast of Colorado VIII, LLC, is hereby approved by the City Council of the City of Northglenn and the Mayor is authorized to execute the same on behalf of the City.

DATED at Northglenn, Colorado, this \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
JOYCE DOWNING  
Mayor

ATTEST:

\_\_\_\_\_  
JOHANNA SMALL, CMC  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
COREY Y. HOFFMANN  
City Attorney



1899 Wynkoop Street  
Suite 550  
Denver, CO 80202

January \_\_, 2017

The Honorable Joyce Downing  
Mayor, City of Northglenn, Colorado  
11701 Community Center Drive  
Northglenn, Colorado 80233

Dear Mayor Downing:

The purpose of this letter agreement is to set forth commitments related to a grant of PEG access capital between Comcast of Colorado VIII, LLC (hereinafter, "Comcast") and the City of Northglenn, Colorado (hereinafter, "the City") that are in addition to the Franchise Agreement to be adopted by Ordinance (hereinafter, "the Franchise"). These items have been negotiated in good faith and agreed to as part of the informal franchise renewal process pursuant to 47 U.S.C. § 546(h), and specifically relate to the unique community needs that exist in the City.

#### **Support for Access Costs.**

During the term of the Franchise, and within one hundred twenty (120) days after written request from the City to Comcast, Comcast will provide a grant for PEG capital expenditures in the amount of up to fifty thousand (\$50,000.00) dollars ("Capital Grant"). The Capital Grant shall not exceed the amount that Comcast can expect to recover from the retention of the PEG Contribution described in Section 9.6 based upon the then current number of Residential Subscribers, from the date of the Capital Grant to the expiration date of the Franchise. The parties understand and agree that Comcast may recover this Capital Grant from Subscribers and intends to do so. Comcast will provide notice to the City when this Capital Grant is fully recovered. After Comcast has fully recovered the amount of this grant, it shall begin to remit to the City fifty cents (\$0.50) per month per Residential Subscriber (the "PEG Contribution") to be used solely for capital costs related to Public, Educational and Governmental Access and the web based on demand Access programming described in Section 9.6 of the Franchise, or as may be permitted by Applicable Law..

The terms and conditions of this letter agreement are binding upon the City and Comcast and their successors and assigns. Comcast agrees that a violation of these terms by Comcast may be considered by the City as a material violation of the Franchise, subject to the provisions of Section 13 of the Franchise. It is understood that fulfillment of these obligations is also necessary and part of the consideration to secure the renewed Franchise.

Sincerely,  
Comcast of Colorado VIII, LLC

By:\_\_\_\_\_

Its:\_\_\_\_\_

Date:\_\_\_\_\_

**Confidential & Proprietary**  
**January \_\_, 2017**

Acknowledged and agreed to this \_\_\_\_ day of \_\_\_\_\_, 2017.

City of Northglenn, Colorado

By:\_\_\_\_\_

Its:\_\_\_\_\_

Date:\_\_\_\_\_

**Confidential & Proprietary**  
**January \_\_, 2017**