

ORDINANCE NO. 2502

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDWOOD CITY AMENDING CHAPTER 11 OF THE MUNICIPAL CODE RELATED TO CABLE/VIDEO FRANCHISES (ARTICLES III AND IV) TO REMOVE PROVISIONS THAT NO LONGER APPLY AND TO PROVIDE FOR THE AUTOMATIC REAUTHORIZATION OF THE PUBLIC, EDUCATIONAL AND GOVERNMENTAL (PEG) ACCESS FEE

WHEREAS, in 2006, the legislature enacted the Digital Infrastructure and Video Competition Act of 2006 ("DIVCA"), codified in California Public Utilities Code Section 5800, to create a new regulatory scheme for state video franchising; and

WHEREAS, before DIVCA went into effect on January 1, 2007, the City of Redwood City ("City") had the authority under Article III of the Chapter 11 of the Municipal Code to issue franchises to companies to install their cable systems in public rights of way and provide cable service to City residents; and

WHEREAS, in order to exercise the limited regulatory authority preserved for local governments under DIVCA, the City Council adopted Ordinance 2387 ("DIVCA Ordinance") in 2012, adding Article IV to Chapter 11; and

WHEREAS, incumbent cable operators were required to continue to operate under their local franchises until either their local franchise expired or a new provider began offering services under a state franchise; and

WHEREAS, when the City adopted its DIVCA ordinance, there were already two companies (AT&T and Astound) operating under state franchises; and

WHEREAS, Comcast elected to continue to operate under its local franchise and Article III of Chapter 11 of the Municipal Code until its expiration in 2021; and

WHEREAS, now all three companies (AT&T, Comcast and Astound) operate under state video franchises in the City, which will expire and be eligible for another renewal by the CPUC on March 30, 2027, January 2, 2028, and October 26, 2028, respectively; and

WHEREAS, the proposed ordinance ("Ordinance") amends Chapter 11 of the Municipal Code to remove provisions that no longer apply to any provider of cable or video services operating within City and to provide for the automatic reauthorization of the public, educational and governmental (PEG) access fee collected from holders of state video franchises upon their future franchise renewals.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDWOOD CITY DOES ORDAIN AS FOLLOWS:

Section 1. The recitals set forth above are true and correct, and are hereby incorporated herein by this reference as if fully set forth in their entirety.

Section 2. The Ordinance has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines (California

Code of Regulations, Title 14, Sections 15000 et seq.). The implementation of this Ordinance is not a project under Section 15378 because it has no potential for resulting in either a direct or reasonably foreseeable indirect physical change in the environment.

Section 3. If any section, subsection, clause, or phrase of this ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion or sections of the ordinance. The City Council declares that it would have adopted the ordinance and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional.

Section 4. Article III of Chapter 11 is hereby repealed in its entirety.

Section 5. Section 11.78 of Article IV of Chapter 11, as shown in Exhibit A, is amended by adding the text shown in double underline (example) and deleting the text shown in strikeout (~~example~~). Wording in brackets ([example]) is informational only and is not to be included in the published ordinance.

Section 6. The City Clerk is directed to cause this Ordinance to be published in the manner required by law.

Section 7. This Ordinance shall go into effect 30 days following its adoption.

* * *

Exhibit A

[Section 11.78 of Article IV of Chapter 11 of the Municipal Code is amended to read as follows]

Sec. 11.78. - PEG FEES:

- ~~A. Pursuant to Section 5870(l) of the California Public Utilities Code, every state franchise holder operating within the boundaries of the City shall be responsible for a PEG fee in the amount of fifty-five cents (\$0.55) per subscriber per month, until the expiration of the incumbent cable operator's local franchise with the City.~~
- A. As permitted by section 5870(n) of the California Public Utilities Code, upon the expiration of the current incumbent cable operator's local franchise, every state franchise holder operating within the boundaries of the City shall pay PEG fee in the amount of one percent (1%) of the state franchise holder's gross revenues to be used to support PEG facilities consistent with law.
- B. To the extent reauthorization is required by law, this Article IV of Chapter 11, including the PEG fee specified in subsection A of this section in the amount of one percent (1%) of gross revenues, is automatically reauthorized as to each affected state video franchise holder upon the expiration of any state franchise. Any and all reauthorizations shall be effective for so long as such reauthorization is required by law.

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At a Joint City Council/Successor Agency Board/Public Financing Authority Meeting thereof held on the 10th day of January 2022 by the following votes:

AYES, and in favor of the passage and adoption of the foregoing ordinance:

AYES: Aguirre, Espinoza-Garnica, Gee, Hale, Howard, Reddy and Smith
NOES: None
ABSENT: None
ABSTAINED: None
RECUSED: None



Giselle Hale
Mayor of the City of Redwood City

Attest:



Pamela Aguilar, CMC
City Clerk of Redwood City

I hereby approve the foregoing Ordinance
this 10th day of January 2022.



Giselle Hale
Mayor of the City of Redwood City