

October 7, 2004

Honorable Mayor and Members of  
The Hermosa Beach City Council

City Council Meeting of  
October 12, 2004

**Adoption of a Resolution Extending the Term of the Cable Television  
Franchise Agreement to April 30, 2005**

**Recommendation**

Staff recommends that the City Council adopt the attached resolution extending the term of the existing cable television franchise with Adelphia Cable Communications for six months to expire on April 30, 2005

**Background**

The existing cable television franchise agreement went into effect October 27, 1994 between the City and ML Media Partners for a ten-year term. In July of 1995 the franchise was transferred to Century Communications and then to Adelphia in May of 1999. The franchise is due to expire on October 27, 2004.

**Analysis**

Staff has taken the initial steps towards negotiating a new cable television franchise agreement. We have met with representatives from Adelphia to outline the steps we would like to take in negotiating a new franchise agreement. The City Council authorized the establishment of a Cable Television Review Commission. The City Clerk ran notices in the newspaper to solicit applications for the commission; however, only one application was received. The application period was extended to October 19, 2004. To date, no additional applications have been received.

With the assistance of the City's cable television legal counsel, we have prepared a draft update to the cable television regulatory ordinance. The draft has been reviewed by Adelphia representatives and they have provided seemingly minor changes. We are in the process of having these changes reviewed.

In addition to updating the regulatory ordinance, we anticipate conducting a franchise fee audit to ensure that the fees are paid in accordance with the franchise agreement. We are also considering conducting an audit of the physical system to evaluate its condition. However, this may not be necessary with recent upgrades made.

A six-month extension of the existing agreement should be adequate to conduct the additional technical work necessary and provide adequate opportunity for public

participation through the Cable Television Review Commission and/or through public hearings.

Respectfully Submitted:

Concur:

Michael Earl  
Personnel & Risk Management Director

Stephen Burrell  
City Manager

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
HERMOSA BEACH APPROVING AN AGREEMENT WITH  
CENTURY-TCI CALIFORNIA, L.P. TO EXTEND THE TERM  
OF THE CABLE TELEVISION FRANCHISE AGREEMENT  
TO APRIL 30, 2005

THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH RESOLVES  
AS FOLLOWS:

Section 1. This resolution is adopted in recognition of the following facts  
and circumstances:

A. Century-TCI California, L.P., dba Adelphia Cable  
Communications ("Adelphia"), is the authorized assignee of a cable television franchise  
agreement that will terminate on October 27, 2004.

B. The City and Adelphia desire to extend the term of the cable  
television franchise agreement for an additional period of time in order to facilitate the  
renewal negotiations that will commence in late 2004.

Section 2. The City Council hereby approves the "Franchise Extension  
Agreement" in substantially the form attached to this Resolution as Exhibit A. The  
Mayor is authorized to execute that document and thereby evidence the written consent  
of the City to the extension of the franchise until April 30, 2005, or such earlier date as a  
cable television franchise renewal agreement between the parties becomes effective.

Section 3. This resolution will become effective upon its adoption.

PASSED, APPROVED and ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_  
2004, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

## FRANCHISE EXTENSION AGREEMENT

The undersigned agree to extend the current Cable Television Franchise Agreement ("Franchise Agreement") entered into on October 27, 1994, between the City of Hermosa Beach, CA ("Grantor") and Century-TCI California, L.P., d/b/a Adelphia Cable Communications ("Grantee") (the "Franchise Agreement") through the earlier of April 30, 2005 or the effective date of a renewal franchise agreement. During this extension, the terms and conditions of the current Franchise Agreement shall remain in full force and effect.

Both parties reserve all rights under applicable provisions of the Cable Act, including Sections 626 and 635. Nothing herein shall be deemed or construed as a waiver, release or surrender of any right that either party may have under the Cable Act or any applicable law.

Execution of this Franchise Extension ("Extension") shall neither constitute an assumption nor rejection by Grantee of the original Franchise Agreement nor a waiver of Grantee's rights respecting the Franchise Agreement, including, without limitation, all of Grantee's rights under section 365 of the Bankruptcy Code, 11 U.S.C. § 365.

CITY OF HERMOSA BEACH	<p>CENTURY-TCI CALIFORNIA, L.P., A Delaware limited partnership, d/b/a Adelphia Cable Communications</p> <p>By: Century-TCI California Communications, L.P., A Delaware limited partnership, Its General Partner,</p> <p>By: Century Exchange L.L.C., A Delaware limited liability company, Its General Partner,</p> <p>By: Century Cable Holding Corporation, A New York corporation, Its Sole Member</p>
By: _____ Name: _____ Its: _____ Date: _____	By: _____ Lee A. Perron Senior Vice President Date: _____