



CITY COUNCIL AGENDA REPORT

MEETING DATE: MAY 2, 2017 ITEM NUMBER: OB-1

**SUBJECT: SECOND READING AND ADOPTION OF AN ORDINANCE
REAUTHORIZING THE COLLECTION OF A FEE TO SUPPORT PUBLIC,
EDUCATIONAL, AND GOVERNMENTAL (“PEG”) CHANNEL FACILITIES
WITHIN THE CITY**

DATE: APRIL 20, 2017

FROM: CITY MANAGER’S OFFICE

PRESENTATION BY: DANE BORA, PUBLIC AFFAIRS MANAGER

FOR FURTHER INFORMATION CONTACT: DANE BORA (714) 754-5098

RECOMMENDATION:

1. Give second reading and adopt Ordinance No. 17-xx, to be read by title only, reauthorizing the public, educational, and governmental fee on state video franchisees operating within the City.

BACKGROUND:

On April 18, 2017, the City Council adopted Urgency Ordinance No. 17-xx, reauthorizing the public, educational, and governmental access fee on state video franchises operating within the City. The City Council also gave first reading to Ordinance No. 17-xx, to be read by title only, reauthorizing the public, educational, and governmental access fee on state video franchises operating within the City.

As authorized by State law, the City imposes a one percent (1%) public, educational, and governmental access fee (“PEG Fee”) on all state-franchised video service providers operating within the City to support PEG channel facilities and activities. There are currently two state-franchised video service providers operating within the City—AT&T California and Time Warner (now known as Spectrum).

ANALYSIS:

The Ordinance will ensure that the City continues to receive PEG funding on a going forward basis. The Ordinance will become effective thirty (30) days after its second reading and will be in effect upon any expiration of the Urgency Ordinance.

ALTERNATIVES CONSIDERED:

None.

FISCAL REVIEW:

The Ordinance will reauthorize a one percent (1%) PEG fee that the City currently imposes on state-franchised video service providers operating within the City. The City collects approximately \$237,000 in PEG fees from AT&T and Spectrum annually. If the City does not reauthorize the PEG Fee, it could be argued that the City will not receive further PEG fees from state-franchised video service providers operating within the City upon the expiration of their respective state franchises.

LEGAL REVIEW:

The City Attorney's Office reviewed the Ordinance and approved it as to form.

CONCLUSION:

The adoption of the Ordinance will ensure that the City continues to receive the PEG funding on a going forward basis.

DANE BORA
Public Affairs Manager

ATTACHMENTS: 1. [Ordinance No. 17-xx](#)