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MetroNet Cable Franchise

City of Northfield, Minnesota

June 15, 2021

Presented by: Brian T. Grogan, Esq



Federal Cable Act

One of the stated purposes of the Cable Act is to:

"promote competition in cable communications and minimize unnecessary regulation that would impose an undue economic burden on cable systems."

See 47 U.S.C. § 521 (6) – emphasis added



Federal Cable Act

A franchising authority may award one or more franchises within its jurisdiction:

"except that a franchising authority may not grant an exclusive franchise and may not unreasonably refuse to award an additional competitive franchise."

See 47 U.S.C. § 541 (a)(1) - emphasis added
- codified in the Cable Act as Section 621



Cable Franchising

- **Existing Charter franchise**
 - Granted in 2003
 - 15 year term – in renewal
 - Multiple extensions granted
- **MetroNet competitive franchise request**
 - May 21, 2021 – City received MetroNet's Application requesting a cable franchise
 - June 1, 2021 – Public Hearing regarding applications received
 - City found MetroNet qualified and authorized staff to continue to negotiate franchise



Franchise Negotiations

City Goals

- Substantially similar franchise obligations
 - for MetroNet and Charter
- Compliance with local, state and federal laws

November 2020 – May 2021

- MetroNet provided to City a mark-up of Charter's existing cable franchise
- City staff and MetroNet negotiate franchise



Franchise Terms

- 1. 10 year term**
- 2. 5% Franchise fee**
 - a. Strong definition of "Gross Revenues"
 - b. Bundled services addressed
 - c. Payments due to City quarterly
- 3. Performance bond - \$50,000**
- 4. Strong customer service standards**



Franchise Terms

5. 3 PEG channels

- a. Dedicated channel capacity – public, education, and government
- b. Option to request one HD PEG Channel
- c. PEG Fee = 1.25% of gross revenues, paid to City quarterly

6. Free service to public buildings and schools

- a. Provide complimentary service
- b. Advance notice to City if MetroNet begins franchise fee offset for free service

7. PEG transport

- a. City Hall



System Build Out

■ Initial Service Area

- 85% of the Dwelling Units in the Franchise Area
- Service provided no later than 2 years from the start of construction of the system
- MetroNet may extend service if there is a density equivalent of 30 homes per cable mile



Construction Process

- **MetroNet to comply with**
 - City Code - unless modified by Franchise
 - Model permit application included in Franchise
 - Sample construction drawings in Franchise
- **Construction permits**
 - Dark Fiber Agreement



Dark Fiber Agreement

- MetroNet will provide an Indefeasible Right of Use
- Two (2) dark fibers between 1615 Riverview Drive or 8091 Washington Street
 1. Old Memorial Pool - 801 7th Street East
 2. Riverside Mobile Home Park – City Emergency Shelter – 700 Hwy 3 North
 3. Well #5 - 1701 Archibald Street
 4. Well #6 - 510 Jefferson Parkway
 5. Elevated Storage (Hall Avenue Water Tower) - 10353 Hall Avenue
 6. Compost Site - 1801 Armstrong Road
- Monthly Maintenance Fee
- \$88.89 per pair per month



Recommendation

City Administration and Legal Counsel

Recommend Approval

MetroNet Cable Franchise

Dark Fiber Agreement



Questions

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