



**San Mateo County
Board of Supervisors
Finance and Operations Committee**

**Mark Church, Chair
Rich Gordon, Vice-Chair**

**Reyna Farrales, Deputy County Manager
John Belers, Chief Deputy County Counsel
400 County Center, Redwood City
650-363-4123**

DATE: March 11, 2010

MEETING DATE: March 17, 2010

TO: Finance and Operations Committee
Supervisor Mark Church
Supervisor Richard Gordon

FROM: James C. Porter, Public Works Director

SUBJECT: Public, Education, and Government Access Television for the
Mid-Coast, Pescadero, and La Honda

RECOMMENDATION:

Direct staff to:

1. Notify Mid-Coast Television that the 1995 agreement for Community Access Television Services will not automatically be extended for an additional three-year term for Public, Education, and Government Access services on the coastside; and
2. Develop an agreement with Mid-Coast Television for a term not to exceed one year; and
3. Begin development of a Request for Proposals for public access television services on the coastside.

BACKGROUND:

The County has entered into cable franchise agreements with cable operators that require the broadcasting of Public, Education, and Government (PEG) access channels to their subscribers. In September 1995, the County entered into an agreement with Mid-Coast Television (MCTV), which designated MCTV as the PEG provider for the coastal areas (Moss Beach, Montara, El Granada, Princeton, Pescadero, and La Honda) and stipulated that a portion of the franchise fees collected within these areas be provided to MCTV to support the PEG channel. The City of Half Moon Bay maintains a similar agreement with MCTV.

The agreement with MCTV automatically renews for additional three years terms unless either party notifies the other not later than 90 days prior to the expiration of the three-year term. In addition to the original three-year term (1995 to 1998), the agreement has automatically been renewed three times, in September 2001, September 2004, and

September 2007. It will automatically renew for an additional three-year term in September 2010 unless the County notifies MCTV that it does not wish to extend the contract for another three-year term.

The following factors make this an appropriate time to explore the possibilities for PEG service on the coastside.

- **New Technology**

Comcast has been working to upgrade its cable infrastructure that serves the Moss Beach, Montara, El Granada, Princeton, Pescadero, and La Honda areas. The upgrades will allow for an improved level of service and will link the cable fiber on the bayside to these coastal areas. This upgrade will allow for the broadcasting of multiple PEG channels within the coastal areas in accordance with the existing franchise agreement (during the franchise agreement term up to four channels). Prior to this upgrade, MCTV has been the only PEG channel available to the coastal customers. The upgrades have been completed in the Pescadero and La Honda areas and the remaining upgrades should be completed by the end of September 2010. With the previously existing cable system, the PEG provider (or content insertion point) had to be located on the coast. The upgrades will allow for increased flexibility in the location of the content insertion point (coastside or bayside). As a result of the upgrades, Comcast will no longer require that a staffed facility and building be located on the coast.

- **Contract Renewal**

The agreement between MCTV and the County renews every three years. The current agreement expires on September 11, 2010, and will be automatically renewed if the County does not take specific action (notify MCTV in writing at least 90 days prior to the expiration date). If there is interest in exploring options, that can be done now or we would have to wait another three years.

- **Oversight Responsibility**

The existing franchise agreement with Comcast allows the County to designate three PEG channels within this service area, which will increase to four during the term of the franchise agreement. The County has a responsibility to provide coastside residents with quality PEG programming at the lowest possible cost. Since new technology has increased the options for PEG providers on the coastside, our oversight duty requires us to explore options for providing equal or better PEG services at the lowest cost. The Comcast subscribers in the Pescadero and La Honda areas are currently receiving MCTV and Peninsula Television as their PEG channels. Both channels will be available to the other coastside subscribers once the fiber construction has been completed.

- **Comcast Will Be Vacating Its Coastside Offices By The End Of 2010**

Comcast's agreement with MCTV says that Comcast shall provide MCTV with at least 575 square feet of office space. For several years, Comcast has provided MCTV with 900+ square feet of office space in the Comcast office in El Granada at no charge. Comcast's announcement that it will vacate its El Granada office has left

MCTV without secured office space and studio space. While Comcast has said that it will work with MCTV to secure office space, it also requested that MCTV become self-sufficient. MCTV is looking for suitable space, and is exploring the possibility of using space in Half Moon Bay or County facilities. These events lead to the question of whether the County's designated coastside PEG provider can and should be self-sufficient.

- **Benefits To Exploring Shared Services**

As with other aspects of local government, it is useful to explore the possibility of shared services. In the context of PEG television on the coastside, this leads to the question of whether the County's decisions should be coordinated with the decisions of the City of Half Moon Bay or other relevant governmental stakeholders.

DISCUSSION:

The upcoming September 2010 date for the renewal of the County's agreement with MCTV provides an opportunity to evaluate all options for PEG services on the coast. With the new technology, other PEG providers in the County could provide this service, or MCTV could provide the service in a different way. Expanding the list of potential providers through an RFP process would give the County the opportunity to compare proposals on such criteria as cost, program content, and community access.

The agreement says that if the County does terminate the agreement with MCTV, it shall use its best efforts to designate another non-profit charitable organization based primarily within the cable operator's service territory to provide community access services.

It should be noted that by not automatically extending the current agreement with MCTV for an additional three years and entering into a shorter, limited term agreement, coastside residents will have continuous PEG service during the assessment period. We anticipate that the RFP process would be concluded and a replacement agreement could be finalized by December 31, 2010.

FISCAL IMPACT:

The cost of the recommended action includes staff time to develop the intermediate contract and complete the RFP process and would be paid for by the cable budget. Staff proposes to include self-sufficiency as one of the RFP evaluation criteria, so that the respondents to the RFP would not expect to receive any type of County support. We anticipate there will be no cost to the County general fund.

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