

**CITY OF SAN ANTONIO  
PUBLIC UTILITIES OFFICE  
CITY COUNCIL AGENDA MEMORANDUM**

**TO:** Mayor and City Council  
**FROM:** Ben Gorzell Jr., Director, Public Utilities Office  
**SUBJECT:** An Ordinance Modifying the Term of the Time Warner Franchise Agreement to December 31, 2005  
**DATE:** March 24, 2005

**SUMMARY AND RECOMMENDATIONS**

This Ordinance modifies the Time Warner Cable Franchise Agreement, which was passed by Ordinance No. 49433 and became effective on November 7, 1978, in order to extend the term of the Franchise to December 31, 2005.

City Staff recommends approval of this Ordinance.

**BACKGROUND INFORMATION**

Time Warner Cable operates under a cable television franchise agreement originally granted to UA Columbia Cablevision of Texas, Inc. in 1978. This original franchise agreement has been transferred several times with acquisitions, reorganizations, and changes in ownership of the original franchise. The franchise agreement was for an original term of (15) fifteen years and was renewed for an additional (10) ten years through November 7, 2003. The term of the franchise agreement was amended pursuant to Ordinance No. 98127 on September 11, 2003, which changed the expiration date to June 30, 2004, and Ordinance No. 99447 on June 24, 2004, which further changed the expiration date to March 31, 2005.

Time Warner Cable notified the City of its intent to seek renewal of its franchise agreement with the City in accordance with the Cable Act and franchise renewal negotiations have been ongoing. Negotiations of a renewal franchise agreement have been complicated by new technology and services which have impacted the competitive environment as well as potential federal and state legislative communications reform. To provide additional time to complete negotiations, both parties have agreed to extend the term approximately (9) nine months from March 31, 2005 to December 31, 2005. No other terms or conditions of the current franchise agreement have been modified. It is important to note that this modification of the franchise agreement is not considered a franchise renewal under provisions of the Federal Cable Act. Additionally, neither the City nor Time Warner Cable waive any rights that either party may have had prior to the approval of the extension of the term.

**POLICY ANALYSIS**

The City uses the outside legal firm of Miller, Canfield, Paddock, & Stone to assist the City in negotiating the renewal of Time Warner Cable's franchise agreement. Miller, Canfield, Paddock, & Stone has specialized expertise in the area of telecommunications and cable law and their services complement the legal services provided by the City Attorney's Office.

Mayor & City Council  
March 24, 2005  
Page 2

The extension of the term of Time Warner Cable's franchise agreement to December 31, 2005 will allow both parties to continue negotiations under the informal process as defined under the Federal Cable Act. Additional time is necessary in order to negotiate for, and accomplish the City's identified goals.

Additionally, the City has the ability to reopen certain provisions of the Grande Communications franchise agreement by March 31, 2005. Concurrently, it is proposed that the Grande Communications franchise agreement be amended to extend the deadline for the reopener provision to December 31, 2005, as well. This action is also being presented for City Council consideration on March 24, 2005. The proposed extensions will also facilitate the City's ability to bring both franchise agreements to City Council for consideration simultaneously.

**FISCAL IMPACT**

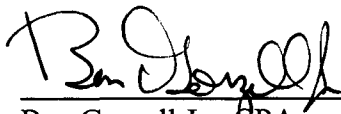
This Ordinance will not have a financial impact.

**COORDINATION**

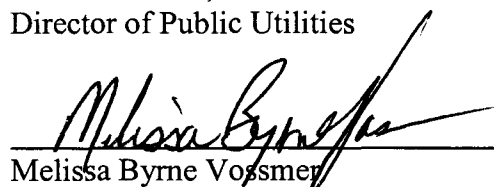
This Ordinance has been coordinated with the City Attorney's Office. The City also uses the legal firm of Miller, Canfield, Paddock, & Stone to assist in franchise renewal negotiations.

**SUPPLEMENTARY COMMENTS**

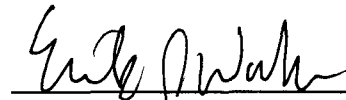
The ethics disclosure form is attached.



Ben Gorzell Jr., CPA  
Director of Public Utilities



Melissa Byrne Vossmer  
Assistant City Manager



J. Rolando Bono  
Interim City Manager

**City of San Antonio**  
**Discretionary Contracts Disclosure**

*For use of this form, see Section 2-59 through 2-61 of the City Code (Ethics Code)  
Attach additional sheets if space provided is not sufficient.  
State "Not Applicable" for questions that do not apply.*

**Disclosure of Parties, Owners, and Closely Related Persons**

For the purpose of assisting the City in the enforcement of provisions contained in the City Charter and the Code of Ethics, an individual or business entity seeking a discretionary contract from the City is required to disclose in connection with a proposal for a discretionary contract:

(1) the identity of any **individual** who would be a party to the discretionary contract:

Not applicable

and /or

(2) the identity of any **business entity**<sup>1</sup> that would be a party to the discretionary contract:

Time Warner Cable San Antonio, L.P.

and the name of:

(A) any individual or business entity that would be a **subcontractor** on the discretionary contract;

Not applicable

and the name of:

(B) any individual or business entity that is known to be a **partner**, or a **parent** or **subsidiary** business entity, of any individual or business entity who would be a party to the discretionary contract;

Not applicable

<sup>1</sup> A **business entity** means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.

(3) the identity of any *lobbyist* or *public relations firm* employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

Not applicable

### Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any *current* or *former member* of City Council, any *candidate* for City Council, or to any *political action committee* that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an individual or an entity include, but are not limited to, contributions made by the officers, owners, attorneys, or registered lobbyists of the individual or the entity.


By Whom Made:	To Whom Made:	Amount:	Date of Contribution:
None			

### Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question<sup>2</sup> as to whether any city official or employee would violate Section 2-43 of the City Code (Ethics Code), by participating in official action relating to the discretionary contract.

Not applicable

This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed, whichever occurs first.

<b>Signature:</b> 	<b>Title:</b> Vice President, Finance and Accounting <b>Company:</b> Time Warner Cable San Antonio, L.P.	<b>Date:</b> 3-17-05
--	--	----------------------

<sup>2</sup> For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.