



**Franchise Agreement  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.:** 10  
**AGENDA DATE:** Thu 11/04/2004  
**PAGE:** 1 of 1

**SUBJECT:** Approve an ordinance on second reading, amending Ordinance No. 000420-28, a franchise permitting the delivery of cable services granted to Grande Communications, Inc. that: extends the deadline for completing the City-wide build-out of facilities by sixty (60) months; extends the initial term of the franchise by one year; and reduces by one year the franchise extension term.

**AMOUNT & SOURCE OF FUNDING:** N/A

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**REQUESTING** Financial and **DIRECTOR'S**  
**DEPARTMENT:** Administrative Services - **AUTHORIZATION:** Vickie Schubert  
Telecommunications and  
Regulatory Affairs

**FOR MORE INFORMATION CONTACT:** Rondella Hawkins, Manager 974-2422

**PRIOR COUNCIL ACTION:** First reading approved on October 28, 2004.

**BOARD AND COMMISSION ACTION:** Approved by the Council Committee for Telecommunications Infrastructure.

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In April of 2000, the City of Austin granted a cable franchise to Grande Communications to provide cable services in the City of Austin with a 60-month deadline to complete the construction of their facilities city-wide.

Grande Communications has requested an amendment to their franchise to extend their deadline for facilities construction by 60 months, to June 2010; to extend the initial term of the franchise for one year, to ten years; to reduce the extension term by one year.

The total length of the franchise term, including the available extension, remains unchanged at 15 years.

Grande has presented credible evidence detailing their inability to meet the June, 2005 deadline for completing the construction of their facilities city-wide.

Staff recommends that Council approve the proposed amendments to Grande's cable franchise as it is in the best interest of the public to promote competition in the delivery of cable services in Austin.

**ORDINANCE NO. 041028-**

**AN ORDINANCE AMENDING ORDINANCE 000420-28, A FRANCHISE GRANTED TO GRANDE COMMUNICATIONS, INC., RELATING TO THE DELIVERY OF CABLE SERVICES.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

**PART 1. FINDINGS:**

- (A) The Council finds that promoting competition in the delivery of cable services is in the best interest of the public.
- (B) The Council finds that Grande Communications, Inc. ("Grantee") has presented credible evidence detailing their inability to meet the June, 2005 deadline for completing the construction of their facilities city-wide.
- (C) The Council finds that the evidence presented by Grantee shows that their inability to meet the original build-out schedule deadline was largely due to factors beyond their control, including the unavailability of investment capital during the recent three-year economic recession.
- (D) The Council finds that granting Grantee's request to extend the deadline for facilities' construction by 60 months, to June 2010; extend the initial term of the franchise for one year, to ten years; and to reduce the extension term by one year to five years is reasonable and serves the best interests of both the City and the public.
- (E) The Council finds that granting this request will not alter the competitive neutrality of Grantee's franchise as compared to that held by other franchised cable providers.

**PART 2. Section 2, Subsection (B) is amended to read:**

- (B) The term of this franchise shall commence on June 20, 2000 and shall extend for a period of ten years [~~nine~~] until June 20, 2010 [~~2009~~]. The Grantee shall be entitled to an extension of the term of this franchise until June 20, 2015 upon its request, provided that Grantee shall have complied with the conditions of this section and shall have notified the City of the request for extension on or before January 1, 2007 [~~2006~~]. The City may deny the extension of the term only if the Grantee has failed to comply with the

conditions set forth in this section. The City shall notify the Grantee of the basis for denial on or before July 1, 2007 [2006].

**PART 3.** Section 2, Subsection (C) (2) is amended to read:

(C) The Grantee shall be entitled to the extension provided in Subsection [2] (B) only if.

(2) the Grantee provides written notice to the City by January 1, 2007 [2006] that it seeks the five [six] year extension (and agrees not to give formal renewal notice under 47 U.S.C. 546(a) before this time);

**PART 4.** Section 8, subsection (B)(4) is amended to read:

(B) Build-out Plan.

(4) The construction shall be completed on or before 120 [60] months of the effective date provided herein, unless the schedule for completion is amended in accordance with the terms of this Franchise

**PART 5.** This ordinance takes effect on November 8, 2004.

**PASSED AND APPROVED**

_____ October 28	§ § §	_____ Will Wynn Mayor
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**APPROVED:** \_\_\_\_\_  
David Allan Smith  
City Attorney

**ATTEST:** \_\_\_\_\_  
Shirley A. Brown  
City Clerk