Media Center Agreements

City Council
January 27, 2020
Background

- Palo Alto City Council governs the Cable Joint Powers Authority. Membership includes:
  - Menlo Park
  - Atherton
  - East Palo Alto
  - unincorporated areas of Santa Clara & San Mateo counties

- Cable Franchise Holders (e.g. Comcast, AT&T) pay compensation for use of right of way (ROW) for cable distribution infrastructure
- PEG fee revenue $300k/yr.
- Media Center is the designated PEG provider
- 2016 Cable Audit – change how PEG revenue is used
Change in Direction

**City Council Direction (1/28/2019) – Building purchase option**

- New JPA agreement required
- Long-term commitment to PEG revenue despite uncertainty

**Recommended Approach – Grant Process**

- Use PEG fees for JPA projects
- Quicker to get PEG revenue to Media Center
- Can pursue under existing JPA agreement
- Shorter time frame (5 years) to observe outcome of PEG fee revenue
PEG Fee Revenue Grant Process

1. Entity has eligible PEG-related project
2. Project has approved funding by entity governing body
3. PEG revenue is sent to entity equivalent to value of PEG purchases
4. Entity sends unrestricted funds to Media Center equal to project funds
5. Media Center can use funds to support operations as needed

Palo Alto to provide first PEG grant via the Council Chambers remodel project $512,000
## Stakeholder Engagement

<table>
<thead>
<tr>
<th>Entity</th>
<th>Approval Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Menlo Park</td>
<td>December 2019 approved by City Council</td>
</tr>
<tr>
<td>City of East Palo Alto</td>
<td>Approved draft contract at staff level, formal adoption pending Palo Alto’s City Council approval.</td>
</tr>
<tr>
<td>Town of Atherton</td>
<td>December 2019 approved by City Manager</td>
</tr>
<tr>
<td>County of Santa Clara</td>
<td>Approved draft contract at staff level, formal adoption pending Palo Alto’s City Council approval.</td>
</tr>
<tr>
<td>County of San Mateo</td>
<td>Approved draft contract at staff level, formal adoption pending Palo Alto’s City Council approval.</td>
</tr>
<tr>
<td>City of Palo Alto</td>
<td>City Council consideration 1/27/2020 PEG transfer Feb. 2020 (if approved)</td>
</tr>
<tr>
<td>Media Center</td>
<td>January 2020 approved by Media Center Board of Directors</td>
</tr>
</tbody>
</table>
1. Approve a five-year agreement between the City of Palo Alto, representing the Cable Joint Powers (cities of Palo Alto, East Palo Alto, and Menlo Park, the Town of Atherton and portions of San Mateo and Santa Clara counties), and Midpeninsula Community Media Center, Inc., for public, education, and government (PEG) access channel support services (Attachment A).

2. Approve and authorize the City Manager to execute a Memorandum of Understanding (MOU) between the Cable Joint Powers covering the use of PEG support fees paid by Comcast, AT&T, and any other State Franchisee (Attachment B).

3. Approve and authorize the City Manager to execute a contribution agreement between the City of Palo Alto and the Midpeninsula Community Media Center, Inc., in the amount of $511,536, equivalent to the amount in PEG support fees to be expended by the City on the Council Chambers Upgrade project (Attachment C).

4. Amend the Fiscal Year 2020 Budget Appropriation Ordinance (by a 2/3 vote of approval) for the Technology Fund by:
   a. Recognizing $511,536 in Revenue from Other Agency for the City Council Chambers Upgrade (TE-19001) capital project; and
   b. Appropriating $511,536 for Inter-Agency Expenses for Media Center operations.

Staff Recommendation