

CITY OF LONG BEACH

R-35

DEPARTMENT OF TECHNOLOGY AND INNOVATION

333 WEST OCEAN BOULEVARD • LONG BEACH, CA 90802 • (562) 570-6455 • FAX (562) 570-5270

August 18, 2015

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to allocate Public, Education, and Government (PEG) fee revenue equally among the three categories of cable access providers, each receiving one-third of the total available; and increase appropriations in the General Services Fund (IS 385) and the Department of Technology and Innovation (TI) by \$1,026,288. (Citywide)

DISCUSSION

The enactment of the Digital Infrastructure and Video Competition Act of 2006 (DIVCA) marked a major change in the regulation of video service providers in California. Essentially, DIVCA replaced the local franchising process with a State process under the authority of the California Public Utilities Commission. DIVCA changes included the enabling of the PEG fee permitted under the federal Communications Act and the elimination of the requirement that a local cable operator provide Public Access facilities and support.

In September 2007, the City Council adopted an ordinance setting the City's PEG fee at 1.04 percent of the cable providers' gross revenue. Under the federal Communications Act, the fee is required to be used to support PEG channel facilities and is restricted to be used for spending on capital items. The fees cannot be used for operational expenses such as staffing. If PEG funding is used for any activity other than purchasing capital items, the local cable/video providers can deduct that amount from franchise fee payments to the City.

PEG Fee Revenue Allocation

On June 10, 2014, the City Council approved equal distribution of 2013 PEG revenue to all three-cable access categories: Public ("P"), Long Beach Community Action Partnership (LBCAP) that operates Public Access television (PADNET); Education ("E"), California State University Long Beach, Long Beach City College, and Long Beach Unified School District; and Government ("G"), City access channel, LBTV. The City has received reports from the recipients on how the funds were spent and has determined that the expenditures were satisfactory. The funds allocated to the City enabled LBTV to replace video equipment that had exceeded its useful life.

Consistent with past years' allocations (2010 through 2013), staff recommends 2014 PEG fee revenue be distributed equally across all three access categories. The total PEG revenue collected in 2014 is \$1,026,288, which equates to \$342,096 for each of the "P", "E", and "G" access providers.

Public Access Television Update

In October 2011, the City Council authorized an agreement with the Long Beach Community Action Partnership (LBCAP) to operate Public Access television (PADNET). Since that time, LBCAP continues to build upon the foundation they established to transition into a full-service community media center. This past year (spring of 2014), PADNET opened two satellite locations – one in the Main Library’s makerspace and another at WE Labs. A third satellite location at the El Dorado Library branch will open in the fall of 2015. Also, in early 2015, LBCAP relocated its main office to northwest Long Beach. The new space was designed with an entire wing dedicated to PADNET that includes a new studio, six editing sites, a 12-person computer teaching lab, and a separate lobby providing PADNET members with easy access for equipment and facilities use.

This matter was reviewed by Deputy City Attorney Amy Webber on July 27, 2015 and by Budget Management Officer Victoria Bell on July 29, 2015.

TIMING CONSIDERATIONS

City Council action is requested on August 18, 2015 to ensure a timely disbursement of PEG funds to the access television providers.

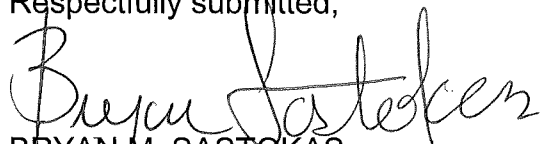
FISCAL IMPACT

The City received a total of \$1,026,288 in PEG funds during calendar year 2014. These funds are reserved in the General Services Fund (IS 385) in the Department of Technology and Innovation (TI). This request recommends distributing the 2014 PEG funds equally across all three-cable access providers. As part of the distribution, the City will be allocated \$342,096 to be used for facilities and equipment such as cameras and control room components for our government access channel (LBTV). As these funds are currently unbudgeted, an appropriation increase is necessary in the General Services Fund (IS 385) in the Department of Technology and Innovation (TI). There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



BRYAN M. SASTOKAS
DIRECTOR OF TECHNOLOGY AND INNOVATION

APPROVED:



PATRICK H. WEST
CITY MANAGER