

R-70-99

RESOLUTION ESTABLISHING THE VIDEO PRODUCTION ENTERPRISE FUND

1 WHEREAS, the City pursuant to its Charter, Chapters 354 and 711 of the Nevada
2 Revised Statutes and the Federal 1934 Communications Act, as amended, (47 U.S.C. § 521 *et seq.*)
3 entered into a Cable Television Agreement (Cable Franchise) with Cox Communications Las Vegas,
4 Inc. (Cox Communications) on September 28, 1998, for the purposes of providing cable television
5 services to the citizens of the City; and
6

7 WHEREAS, the City finds that rights-of-way of the City and State to be used by a
8 cable company for the operation of a cable system and to provide cable television service are valuable
9 public property acquired and maintained by the City at great expense to the taxpayers; and

10 WHEREAS, the grant of a cable franchise for the use of the rights-of-way to provide
11 service is a valuable property right without which a cable company would be required to invest
12 substantial capital; and

13 WHEREAS, Cox Communications agreed in the above referenced Cable Franchise
14 Agreement with the City to make available to the City access channels pursuant to the Federal 1934
15 Communications Act, as amended; and

16 WHEREAS, in order to produce and provide programming for the access channels, it
17 will be necessary for the City to purchase and maintain equipment and studios for stationary and
18 mobile use, hire qualified personnel, and purchase prepared program materials from independent
19 sources; and

20 WHEREAS, Cox Communications, Community Cable TV d/b/a Prime Cable of Las
21 Vegas, Prime South Diversified, Inc., (Cox Communications' predecessor) and the City entered into
22 a Settlement Agreement dated September 28, 1998, wherein Prime Cable agreed to pay the City 1.8
23 million dollars to settle all disputes arising out of its cable franchise agreement with the City
24 conditioned upon the City authorizing the transfer of ownership of Prime Cable to Cox
25 Communications and the City granting Cox Communications a new cable franchise; and

26 WHEREAS, pursuant to the aforementioned Cable Franchise Agreement between the
27 City and Cox Communications, Cox Communications has agreed to pay the City a franchise fee of
28 four percent of its annual gross revenue for the first two year period and five percent of its annual

1 gross revenue thereafter as payment for its use of the City's rights-of-way pursuant to the Federal 1934
2 Communications Act, as amended, and Nevada Revised Statutes Chapter 354; and

3 WHEREAS, since the City's Cable Franchise Agreement with Cox Communications
4 is not exclusive, other cable companies may also be issued cable system franchises or cable television
5 service permits by the City, subject to franchise fees not to exceed five percent of their annual gross
6 revenue; and

7 WHEREAS, the City contemplates receiving revenues from the lease of its
8 aforementioned stationary and mobile programming studios and video equipment to private persons
9 during periods of time it is not using such items; and

10 WHEREAS, the City Council passed Ordinance No. 5126 (Bill No. 98-88), January 25,
11 1999, adopting Title 6, Chapter 20, of the City Code providing comprehensive regulations regarding
12 cable television services and including therein a statement of intent at Section 81 thereof that an
13 enterprise fund be established for the Real Estate and Asset Management Division for the
14 administration of Title 6, Chapter 20, and support of access channels per Federal regulations, and that
15 the above-referenced 1.8 million dollars paid by Prime Cable to the City plus one percent (1%) of the
16 total franchise fees collected from cable related fees for the first two (2) years following September 28,
17 1998, and two percent (2%) of such franchise fees thereafter be paid into such enterprise fund for the
18 above stated purpose; and

19 WHEREAS, the City Council passed Ordinance No. 5150 (Bill No. 99-22), June 14,
20 1999, further clarifying the provisions of Ordinance No. 5126 regarding the portion of cable-related
21 franchise fees to be transferred to the above-referenced enterprise fund and designating said enterprise
22 fund as the City Video Production Enterprise Fund, for the use of Video Services within the Office
23 of Communications; and

24 WHEREAS, Ordinance No. 5150 directs that following September 28, 1998, twenty-
25 five percent (25%) of the total cable-related franchise fees collected by the City be deposited to the
26 City Video Production Enterprise Fund for a period of two (2) years and thereafter the percentage is
27 to be increased to forty percent (40%) of the total cable-related franchise fees collected by the City
28 to be deposited to the City Video Production Enterprise Fund; and

1 WHEREAS, NRS 354.610 authorizes the City to establish by resolution one or more
2 enterprise funds subject to the provisions set forth therein.

3 NOW, THEREFORE, pursuant to the requirements of Chapter 354 of the Nevada
4 Revised Statutes, IT IS HEREBY ACKNOWLEDGED, DETERMINED AND RESOLVED, by the
5 City Council of the City of Las Vegas, Nevada, as follows:

6 1. An enterprise fund entitled "City Video Production Enterprise Fund" is hereby
7 created.

8 2. The 1.8 million dollar payment made to the City pursuant to the above
9 referenced Settlement Agreement between the City, Cox Communications and Prime Cable and those
10 funds derived from the City's lease of its stationary and mobile programming studios and video
11 equipment to private persons are to be deposited into the City Video Production Enterprise Fund.

12 3. For a two-year period following September 28, 1998, twenty-five percent (25%)
13 of the total cable-related franchise fees collected by the City shall be deposited into the City Video
14 Production Enterprise Fund, and thereafter forty percent (40%) of such franchise fees shall be so
15 deposited.

16 4. Only expenditures for the expense of administering and supporting the
17 provisions of Title 6, Chapter 20, of the Las Vegas Municipal Code and the expense of programming
18 for and supporting of the access channels made available to the City pursuant to cable franchise
19 agreements granted by the City to cable companies may be made from the City Video Production
20 Enterprise Fund.

21 5. The amount of franchise fees deposited to the City Video Production Enterprise
22 Fund must be reasonably related to the necessary expenditures for access channel support and
23 programming cost. Adjustment of the percentage of the cable-related franchise fees deposited to the
24 City Video Production Fund may be necessary from time to time to accomplish this requirement.
25 Expenditures from the fund will be controlled through normal accounting practices.

26 6. Notwithstanding the foregoing provisions of this Resolution, the City Council,
27 subject to the provisions of NRS 354.610, specifically declares that its intent is not to relinquish
28 authority to reallocate the money in the City Video Production Enterprise Fund for other purposes,


1 if in its discretion such action is warranted.

2 PASSED, ADOPTED, and APPROVED this 28th day of June, 1999.

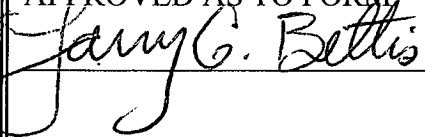
3 APPROVED:

4 By 
5 OSCAR B. GOODMAN, Mayor

6 ATTEST:

7 
8 BARBARA JO RONEMUS, City Clerk

9 APPROVED AS TO FORM:

10  6-15-99
11 Date

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