

A C T I O N   S U M M A R Y

A G E N D A  
SACRAMENTO METROPOLITAN CABLE TELEVISION  
COMMISSION  
BOARD OF SUPERVISORS' CHAMBERS  
700 "H" STREET  
SACRAMENTO, CALIFORNIA 95814

*Lorraine*

*File*

WEDNESDAY JUNE 1, 1983 2:30 P.M.

Members: Bill Bryan; Iila Collin; Orvell Fletcher; Toby Johnson; Terry Kastanis;  
Lynn Robie; Joe Serna; Ted Sheedy; Sandy Smoley

Members Present: Bryan; Collin; Fletcher; Johnson; Kastanis; Robie; Serna;  
Sheedy; Smoley

Members Absent: None

ITEM NO. 1: CITY COUNCIL ACTION OF MAY 31, 1983

Commission Action:

Directed staff to prepare amendments to the Resolution Offering the Franchise according to the concept outlined below, present them to UTC, and to report back to the Board of Supervisors, City Council and Cable Commission on June 9th at their joint meeting:

Reauthorize the Resolution as previously granted but incorporate the four items that the Commission agreed to in their advisory vote on May 4th:

- (1) Parental Company Guarantees - \$50 million cap reduced to \$10 million upon issuance of a Certificate of Completion.
- (2) Subordination - 100% subordination to third party lenders, but not to parent corporations or affiliates.
- (3) Community Use Programming - Use of Ordinance language using "broadcast" as well as "cablecast".
- (4) Tier I Rate Regulation - Eliminate based on legal advice.

Add language which allows UTC to exercise an option to abandon the Franchise if they are unable to obtain financing during the 180-day period following filing the Certificate of Acceptance. All other provisions of the Franchise are to be binding and in effect during the 180-day option period.

A \$2.0 million cash trust account will be established by UTC from which expenditures directly attributable to activities such as those listed below may be withdrawn. To invoke the option of abandoning the Franchise, UTC would forfeit the balance in the trust account which would be in the \$1.0 to \$2.0 million range.

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- (1) Confirm site locations (headends, hubs, community facilities and telecommunication centers) and initiate action on any required zoning changes.
- (2) Submit architectural drawings and initiate second stage environmental impact analysis.
- (3) Finalize electronics design and engineering studies.
- (4) Begin strand-mapping.
- (5) Initiate construction drawings.
- (6) Initiate "make-ready" work with the public utilities.
- (7) Reimburse Commission operating expenses.
- (8) Initiate and finalize SC3 incorporation.

The Commission also approved the 1983/84 Preliminary Budget, and extended the Legal Services Agreement with Brent Bleier for 30 days, to June 30, 1983.