

Summary of Key Information Regarding Community Media Center of Marin's Request for MTA Franchise Fee Funding during 2013-2017 "Bridge" Period

MTA's jurisdiction includes Video Service Provider Franchises with Comcast, AT&T and Horizon Cable. They provide Franchise and PEG fee revenues to MTA.

1. Franchise Fees
 - Providers pay Franchise Fees (5% of Gross Revenues) to MTA for use of the public right of way. Providers collect these fees from CATV subscribers.
 - MTA pays members their share of franchise fees based on provider revenue reports.
 - Franchise fees are unrestricted revenues for the Town/City/County.
 - San Rafael's FY 2012-2013 franchise fee revenues were \$1,031,000.

2. Public, Education & Government (PEG) Fees
 - AT&T, Comcast in unincorporated Novato, and Horizon franchises pay PEG fees to MTA (1% of Gross Revenues).
 - Comcast - MTA Franchise pays PEG fees to MTA (.5% of Gross Revenues until approximately January 2017, and 1% thereafter).
 - PEG fees restricted to use for video services/PEG.
 - MTA pays PEG fees to CMCM for Media Center and PEG channel operation.

MTA - Community Media Center of Marin (CMCM) Agreement

1. MTA contracts with the CMCM to manage and operate the Media Center and the 3 PEG channels which are broadcast on Comcast channels 26/27/30 and AT&T channel 99.

2. MTA provided the CMCM \$3 million in upfront monies received from Comcast to build and operate a media center and PEG channels. Quarterly PEG fees received from the video service providers are also provided to the CMCM.

3. Initial 5 year MTA-CMCM Agreement expires October 31, 2013. New Agreement is being negotiated. CMCM funding is a key item in the negotiations.

CMCM is requesting additional funding for 2013-2017 during a "bridge" period until MTA receives 1% PEG fees from Comcast.

1. Current CMCM funding – PEG fees from MTA, membership/course fees, fees for services, donations/grants, investment income, use of reserve funds.

2. CMCM's 5 year 2013-2018 budget projections include:
 - Capital expenditures of \$715,000 given equipment is reaching end of service lives.
 - Annual operating deficits assuming no use of current reserves for operating expense. To date reserves have been used to fund annual budget deficits.
 - Retains \$500,000 as minimum reserves level. Reserves currently are \$982,000.
 - Requests franchise fee funding from MTA during 2013-2018.

3. MTA's proposal considers providing CMCM \$660,000 from franchise fees during a "bridge" period and spread over the years 2013-2017. This will reduce franchise fee revenues to MTA members.

4. San Rafael's estimated total share of \$660,000 spread over 2013-2017 is:
 - Hybrid calculation method - \$153,703.
 - San Rafael's 26.13% share of total franchise fees method - \$172,443.