

**RECEIVED**

**Item No. 3**

MAY 26 2021

**City of South Gate**  
CITY COUNCIL

CITY OF SOUTH GATE  
OFFICE OF THE CITY MANAGER

10:30am

**AGENDA BILL**

For the Regular Meeting of **June 8, 2021**  
Originating Department: City Manager's Office

Management Analyst: Marina Urias Interim City Manager: Chris Jeffers

**SUBJECT: ORDINANCE ESTABLISHING THE CITY'S PUBLIC, EDUCATIONAL, AND GOVERNMENTAL PROGRAMMING ACCESS SUPPORT FEE**

**PURPOSE:** To introduce an Ordinance to establish the City's public, educational, and governmental (PEG) programming access support fee.

**RECOMMENDED ACTION:** Following the conclusion of a Public Hearing, the City Council will consider waiving the reading in full and introducing the Ordinance establishing the City's public, educational, and governmental programming access support fee on state-franchised video service providers operating within the City of South Gate.

**FISCAL IMPACT:** The estimated funding amount that the City projects to collect from PEG fees is \$15,000 per quarter or \$60,000 annually.

**ANALYSIS:** In September 2006, the Governor signed into law the Digital Infrastructure and Video Competition Act of 2006 that allows video service providers to obtain a state-issued franchise to provide video services in a local community. This law authorized cities to adopt an ordinance imposing a fee to support PEG programming. In accordance with state law, the City would like to establish such fee by adopting the proposed Ordinance to require new or existing video service providers who have been issued state franchises to pay the City a PEG access fee of 1% of the video service provider's gross revenues.

**BACKGROUND:** This Ordinance is necessary for the preservation of funding for the City's PEG programming that includes the City's website and cable channel, aired locally on Spectrum Channel 3. Since December 2014, the Public Access Corporation which supports the City's cable channel and website has not received revenues. This is a result of state legislation which eliminated the City's local franchise agreements. Adopting the proposed Ordinance would allow the City to collect PEG access fees on all state franchised video service providers operating within the City and generate approximately \$60,000 on an annual basis. As permitted by state law, the City will allocate PEG fees to support its PEG programming, which is essential to providing City residents with important civic programming, including community services, resources, events and project updates. The City is currently upgrading the City's cable channel 3 equipment to improve the quality of programming that is broadcasted. As such, PEG funding is essential to support PEG programming and expand community outreach.

**ATTACHMENT:** A. Proposed Ordinance

ORDINANCE NO. \_\_\_\_\_

CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE,  
CALIFORNIA, ESTABLISHING THE CITY'S PUBLIC, EDUCATIONAL,  
AND GOVERNMENTAL PROGRAMMING ACCESS SUPPORT FEE ON  
STATE-FRANCHISED VIDEO SERVICE PROVIDERS OPERATING  
WITHIN THE CITY OF SOUTH GATE**

**WHEREAS**, Section 5870(n) of the California Public Utilities Code ("Section 5870(n)") was enacted as part of the Digital Infrastructure and Video Competition Act of 2006 and authorizes the City of South Gate ("City") to adopt an ordinance establishing a fee on state-franchised video service providers to support public, educational, and governmental ("PEG") channel facilities;

**WHEREAS**, the City Council desires to expressly establish the PEG access support fee which will apply to all state-franchised video service providers operating within the City, including but not limited to, the AT&T and the Spectrum Franchises;

**WHEREAS**, the City Council desires for any state video franchise holder currently operating within the boundaries of the City, to pay a fee to the City equal to one percent (1%) of the gross revenue of that state video franchise holder, which fee shall be used by the City for PEG purposes consistent with state and federal law;

**WHEREAS**, the City depends on PEG fees to support its PEG programming and these fees are essential to providing City residents with important civic programming, including community services, resources, events and project updates;

**WHEREAS**, gross revenue shall have the definition set forth in California Public Utilities Code Section 5860; and

**WHEREAS**, the City Council did conduct a duly noticed Public Hearing on June 8, 2021, to take public testimony and consider introducing this Ordinance.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE, DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1.** The City Council does hereby declare that the above recitals are true and correct and incorporated herein by reference.

**SECTION 2.** The City Council does hereby declare that the adoption of this Ordinance is necessary for the preservation of funding for the City's PEG program that includes the City's website and cable channel, aired locally on Spectrum Channel 3.

**SECTION 3.** The City Council does hereby establish the PEG access support fee of one percent (1%) of the video service provider's gross revenues, pursuant to the California Public Utilities Code section 5870(n), applicable to any new or existing state-franchised video service providers operating within the City, including but not limited to those operating pursuant to the AT&T and Spectrum Franchise, shall be subject to the PEG access support fee.

**SECTION 4.** Adoption of this Ordinance is exempt from the California Environmental Quality Act ("CEQA") under CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that there is no possibility that the Ordinance may have a significant effect on the environment.

**SECTION 5.** If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council does hereby declare that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

**SECTION 6.** This Ordinance shall take effect on the thirty-first (31<sup>st</sup>) day after its adoption.

**SECTION 7.** The City Clerk shall certify to the adoption of this Ordinance and shall cause the same to be published as required by law.

**PASSED, APPROVED, and ADOPTED** this \_\_\_ day of June, 2021.


**CITY OF SOUTH GATE:**

By: \_\_\_\_\_  
Al Rios, Mayor

**ATTESTED:**

By: \_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

By:  \_\_\_\_\_  
Raul F. Salinas, City Attorney