

## AN ORDINANCE No. 86-84-144

(As Amended)

**ADOPTED MAY 28 1986**

To amend and reordain the Definitions provisions of Ordinance No. 78-98-120, adopted June 12, 1978, granting to Continental Cablevision of Richmond, Inc., rights and privileges to construct and operate in the City a Community Antenna Television System, to include in the definition "Gross Subscriber Revenues", receipts derived by Continental Cablevision of Richmond, Inc., for providing access to Home Box Office, Cinemax and other programming for which a charge over and above the basic access charge is added to its subscribers.

---

Patron - Acting City Manager

---

Approved as to form and legality  
by City Attorney

---

1. THE CITY OF RICHMOND HEREBY ORDAINS:
2. § 1. That the Definitions provisions of Ordinance No.
3. 78-98-120, adopted June 12, 1978, granting to Continental
4. Cablevision of Richmond, Inc., rights and privileges to
5. construct and operate in the City a Community Antenna
6. Television System, be and is amended and reordained as
7. follows:
8. 2. Definitions:
9. A. "Access Channel" includes all public and Leased
10. Channels.
11. B. "Basic Service" means the delivery by the
12. Grantee of those audio and visual signals required or per-
13. mitted by the FCC to be carried on a CATV System.

1. C. "Channel" means a frequency band which is  
2. capable of carrying a standard broadcast audio-video  
3. television signal.

4. D. "City Manager" means the City Manager of  
5. Richmond or his duly authorized representative.

6. E. "City" means the City of Richmond.

7. F. "Council" means the City Council of Richmond.

8. G. "Community Antenna Television System", or "CATV  
9. System", or "System" means any facility which is operated to  
10. perform for hire, either in whole or in part, the service of  
11. receiving, amplifying, modifying or originating television,  
12. radio or other electrical signals for the purpose of trans-  
13. mitting or distributing such signals by wire, cable or other  
14. means to subscribing members of the public, except that such  
15. definition shall not include: (1) any system which serves  
16. fewer than two hundred and fifty (250) subscribers; (2) any  
17. system which serves only the residents of one or more con-  
18. tinuous apartment dwellings under common ownership, control  
19. or management, and commercial establishments located on the  
20. premises of such dwellings; or (3) any system commonly known  
21. as a master antenna system.

22. H. "Depreciated Value" shall mean the value as  
23. shown on the Grantee's books and records of all the cable  
24. television system's tangible assets after depreciation which

1. shall be calculated to the end of the Grantee's last fiscal  
2. year. Said value shall not include "good will" or any value  
3. that Grantee's books and records attribute to the franchise.

4. I. "Fair Market Value" shall mean the price that a  
5. willing buyer would pay to a willing seller for a going  
6. concern based on the system valuation and sale multiples  
7. prevailing in the industry at the time at which the Board  
8. elects to exercise its option.

9. J. "FCC" means the Federal Communications  
10. Commission.

11. K. "Franchise" means and includes any authorization  
12. granted hereunder in terms of a franchise, privilege,  
13. permit, license or otherwise to construct, operate and  
14. maintain a CATV System in the City.

15. L. "Gross Subscriber Revenues" means all revenue  
16. derived from the supplying of regular subscriber services as  
17. defined by the FCC, including but not limited to installa-  
18. tion fees, and disconnect and reconnect fees, and from  
19. providing access to HBO (Home Box Office), Cinemax and  
20. other programming for which a charge over and above the  
21. basic access charge is added to its subscribers.

22. M. "Grantee" means the person, firm or corporation  
23. to whom or to which a Franchise is granted by the City  
24. Council under this ordinance, or anyone who succeeds said

1. person, firm or corporation in accordance with the provision  
2. of this franchise.

3. N. "Leased Access Channel" means a channel on the  
4. System which is reserved for carriage of program material  
5. provided by persons who lease channel time from the Grantee.

6. O. "Net Profit" shall mean the amount remaining  
7. after deducting from gross revenues all of the actual,  
8. direct and indirect, expenses associated with operating the  
9. cable television system including the franchise fee,  
10. interest, depreciation and Federal or State income taxes.

11. P. "Passed by the CATV System" means the con-  
12. struction of the System in a given area has been completed  
13. such that no major construction is required to provide Basic  
14. Service upon request.

15. Q. "Residential Subscriber" means a purchaser of  
16. service delivered over the System to an individual dwelling  
17. unit, where the service is not to be utilized in connection  
18. with a business, trade, or profession.

19. R. "Streets" means the streets, avenues, highways,  
20. boulevards, bridges, tunnels, alleys, public places, and any  
21. other rights of way and easements within or belonging to the  
22. City.

23. S. "Subscriber" means a purchaser of service  
24. delivered over the system.

1. T. "Total Number of Subscribers" means the number  
2. of Subscribers determined as follows: In the event a single  
3. fee is paid for service to a multiple dwelling unit, the  
4. number of equivalent subscribers shall be determined by  
5. dividing such fee by the then prevailing Residential  
6. Subscriber rate and rounding the resulting quotient to the  
7. nearest whole number. To this number shall be added the  
8. number of all other Subscribers.

9. § 2. This ordinance shall be in force and effect  
10. July 1, 1986, with the inclusion of Home Box Office and  
11. Cinemax to continue in force only through June 30, 1987,  
12. unless extended by ordinance adopted by Council prior to  
13. said expiration date.

## AN ORDINANCE NO. 86-84

To amend and reordain the Definitions provisions of Ordinance No. 78-98-120, adopted June 12, 1978, granting to Continental Cablevision of Richmond, Inc., rights and privileges to construct and operate in the City a Community Antenna Television System, to include in the definition "Gross Subscriber Revenues", receipts derived by Continental Cablevision of Richmond, Inc., for providing access to Home Box Office, Cinemax and other programming for which a charge over and above the basic access charge is added to its subscribers.

---

Patron - Acting City Manager

---

Approved as to form and legality  
by City Attorney

---

1. THE CITY OF RICHMOND HEREBY ORDAINS:
2. § 1. That the Definitions provisions of Ordinance No.
3. 78-98-120, adopted June 12, 1978, granting to Continental
4. Cablevision of Richmond, Inc., rights and privileges to
5. construct and operate in the City a Community Antenna
6. Television System, be and is amended and reordained as
7. follows:
8. 2. Definitions:
9. A. "Access Channel" includes all public and Leased
10. Channels.
11. B. "Basic Service" means the delivery by the
12. Grantee of those audio and visual signals required or per-
13. mitted by the FCC to be carried on a CATV System.

1. C. "Channel" means a frequency band which is  
2. capable of carrying a standard broadcast audio-video  
3. television signal.
4. D. "City Manager" means the City Manager of  
5. Richmond or his duly authorized representative.
6. E. "City" means the City of Richmond.
7. F. "Council" means the City Council of Richmond.
8. G. "Community Antenna Television System", or "CATV  
9. System", or "System" means any facility which is operated to  
10. perform for hire, either in whole or in part, the service of  
11. receiving, amplifying, modifying or originating television,  
12. radio or other electrical signals for the purpose of trans-  
13. mitting or distributing such signals by wire, cable or other  
14. means to subscribing members of the public, except that such  
15. definition shall not include: (1) any system which serves  
16. fewer than two hundred and fifty (250) subscribers: (2) any  
17. system which serves only the residents of one or more con-  
18. tinuous apartment dwellings under common ownership, control  
19. or management, and commercial establishments located on the  
20. premises of such dwellings; or (3) any system commonly known  
21. as a master antenna system.
22. H. "Depreciated Value" shall mean the value as  
23. shown on the Grantee's books and records of all the cable  
24. television system's tangible assets after depreciation which

1. shall be calculated to the end of the Grantee's last fiscal  
2. year. Said value shall not include "good will" or any value  
3. that Grantee's books and records attribute to the franchise.

4. I. "Fair Market Value" shall mean the price that a  
5. willing buyer would pay to a willing seller for a going  
6. concern based on the system valuation and sale multiples  
7. prevailing in the industry at the time at which the Board  
8. elects to exercise its option.

9. J. "FCC" means the Federal Communications  
10. Commission.

11. K. "Franchise" means and includes any authorization  
12. granted hereunder in terms of a franchise, privilege,  
13. permit, license or otherwise to construct, operate and  
14. maintain a CATV System in the City.

15. L. "Gross Subscriber Revenues" means all revenue  
16. derived from the supplying of regular subscriber services as  
17. defined by the FCC, including but not limited to installa-  
18. tion fees, and disconnect and reconnect fees, and from  
19. providing access to HBO (Home Box Office), Cinemax and  
20. other programming for which a charge over and above the  
21. basic access charge is added to its subscribers.

22. M. "Grantee" means the person, firm or corporation  
23. to whom or to which a Franchise is granted by the City  
24. Council under this ordinance, or anyone who succeeds said

1. person, firm or corporation in accordance with the provision  
2. of this franchise.

3. N. "Leased Access Channel" means a channel on the  
4. System which is reserved for carriage of program material  
5. provided by persons who lease channel time from the Grantee.

6. O. "Net Profit" shall mean the amount remaining  
7. after deducting from gross revenues all of the actual,  
8. direct and indirect, expenses associated with operating the  
9. cable television system including the franchise fee,  
10. interest, depreciation and Federal or State income taxes.

11. P. "Passed by the CATV System" means the con-  
12. struction of the System in a given area has been completed  
13. such that no major construction is required to provide Basic  
14. Service upon request.

15. Q. "Residential Subscriber" means a purchaser of  
16. service delivered over the System to an individual dwelling  
17. unit, where the service is not to be utilized in connection  
18. with a business, trade, or profession.

19. R. "Streets" means the streets, avenues, highways,  
20. boulevards, bridges, tunnels, alleys, public places, and any  
21. other rights of way and easements within or belonging to the  
22. City.

23. S. "Subscriber" means a purchaser of service  
24. delivered over the system.

1. T. "Total Number of Subscribers" means the number  
2. of Subscribers determined as follows: In the event a single  
3. fee is paid for service to a multiple dwelling unit, the  
4. number of equivalent subscribers shall be determined by  
5. dividing such fee by the then prevailing Residential  
6. Subscriber rate and rounding the resulting quotient to the  
7. nearest whole number. To this number shall be added the  
8. number of all other Subscribers.

9. § 2. This ordinance shall be in force and effect  
10. July 1, 1986.

11.  
12.  
13.  
14.  
15.  
16.  
17.  
18.  
19.  
20.  
21.  
22.  
23.  
24.

**ORDINANCE OR RESOLUTION SUMMARY**  
CITY OF RICHMOND, VIRGINIA

<p>Resolution Ordinance No. ....86-84.....</p> <p>Requested by .....Acting City Manager.....</p> <p>Received City Manager's Office .....—.....</p> <p>Summarized .....4/21/86.....</p>	<p>Subject</p> <p>To Amend Ordinance No. 78-98-120, Section 2(c)/Gross Subscriber Revenues.</p>
--	---

**SUMMARY**

This Ordinance would change the definition of "Gross Subscriber Revenues" thus allowing the City to tax the revenues derived by Continental Cablevision for providing access to HBO (Home Box Office), Cinemax and other programming for which a charge over and above the basic access charge is added....

Annual Revenue - \$148,000

Examples Other Localities:

<u>Locality</u>	<u>Rate</u>	<u>Basic Services</u>	<u>All Services</u>
Alexandria	3%		X
Charlottesville	3%		X
Chesterfield	3%		X
Henrico	3%		X
Richmond	3%	X NOW	X Proposed for 7/1/86

**COUNCIL ACTION**

On Docket	.....4/28/86.....
Amended	.....
Adopted	.....
Rejected	.....