

CITY OF IOWA CITY
Cable Television Office

410 E. Washington Street, Iowa City, IA 52240 Ph: 319.356.5454



December 6, 2017

Mr. Lee Grassley
Senior Manager, Government Relations
Mediacom Communications Corporation
6300 Council St. NE
Cedar Rapids, IA 52402

Re: 2018 Funding for Public Access and Community Programming Services

Dear Lee:

This letter conveys the calculation for the 2018 payment to the City of Iowa City (the City) from Mediacom Communications Corporation (MCC) for the support of public access services, as stated in Section XI (C) of the municipal cable television franchise agreement between the City and MCC.

I have included a copy of page one of a report from the Bureau of Labor Statistics, indicating the CPI-U U.S. City Average. The enclosed CPI-U is based on consumer price index activity for the entire month of September 2017 and the calculated percent change since one-year prior. We agreed to use the CPI-U U.S. City Average and the September index to calculate each year's payment amount.

This year, the CPI-U U.S. City Average landed at 2.2%. Applying this figure, I calculate an increase of \$5,321.01 which, when added to the 2017 funding amount of \$241,863.94, yields a figure of \$247,184.95. As you know, however, the municipal franchise agreement between MCC and the City is set to expire in 2018, therefore this amount will need to be prorated.

According to our legal staff, the effective date of our current agreement was officially August 5, 2005. As stated in Section II (C) of the agreement, the "Franchise shall not become finally effective until the Franchisee files an acceptance in writing with the City of Iowa City." Mediacom's acceptance of the franchise agreement, sent on August 1, 2005, was officially *filed* with the Iowa City City Clerk's Office on August 5, 2005. I have included a copy of this letter of acceptance for your reference. The agreement states in Section IV that "the term of the Franchise shall be for a period of thirteen (13) years from the effective date," resulting in an expiration date of August 5, 2018. Prorating the calculated payment amount to reflect the 217 out of 365 days in 2018 that will fall within the remaining term of our agreement, accomplished by multiplying the full year's amount by 0.595, results in a 2018 payment amount of \$147,075.05.

This payment is due to the City by January 1 of each year. The City will provide funding to the public access programming entity Public Access Television (PATV) as agreed upon within the contract between the City and PATV.

The City also expects that during the remaining term of the franchise, Mediacom will continue to provide monthly "pass through" payments "for equipment, facilities, and ongoing support for public, educational, governmental access, and community access programming" at the rate of sixty cents per subscriber per month, as described in Section XI (B) of the municipal franchise agreement.

Please review the figures above and let me know if you do not concur.

Sincerely,



Ty M. Coleman
Media Production Services Coordinator
City of Iowa City Cable TV Office

cc: Geoff Fruin, City Manager
Ashley Monroe, Assistant City Manager
PATV, Inc.
Iowa City Telecommunications Commission