



# City of Harrisonburg, Virginia

## Office of the City Manager

409 South Main Street  
Harrisonburg, VA 22802  
(540) 432-7701 / FAX (540) 432-7778

Eric D. Campbell  
City Manager

TO: Eric Campbell, City Manager  
FROM: Chris Brown, City Attorney  
DATE: April 16, 2019  
RE: Ordinance Granting Cable Franchise to Shentel Cable Television, LLC

**Summary:** Shentel Table Television LLC (Shentel) has requested that Council pass an ordinance granting it a franchise to provide cable service within the City of Harrisonburg. This will allow Shentel to offer internet, video, and phone service in the City. Staff has worked with representatives of Shentel in the drafting of a franchise agreement and in resolving certain technical issues, such as installation methods, necessary for service under the franchise agreement if approved by Council. If approved, the ordinance will incorporate by reference the franchise agreement. While the franchise agreement will cover the entire City, the draft franchise agreement includes a map generally highlighting the areas of initial build-out. Shentel has stated it is unable to commit to an entire build-out of its cable system in the City, but it has agreed to make the service “generally available” throughout the City.

**Background:** In 2016, Shentel Telephone Company, a related entity of Shentel, was granted a franchise for the installation and operation of a fiber optic network throughout the City. Pursuant to that franchise, Shentel has constructed an extensive fiber optic cable throughout the City and currently offers internet and phone service to many businesses within the City. Shentel now wishes to expand the services it offers to include video to residents and businesses in the City. This will allow Shentel to offer a large scale fiber-to-the-home network which will provide ultra-high bandwidth and connectivity of fiber optics to homes and businesses in the City.

The proposed cable franchise agreement will permit city residents and businesses access to some of the fastest, most advanced connectivity currently available. Such service will benefit the City’s residents and provide a powerful economic development tool to attract new businesses and to expand existing businesses in the City.

The City previously granted a cable franchise to Comcast, which now provides cable and internet service throughout the City. The franchise agreement proposed by Shentel is identical to the franchise agreement granted to Comcast with one significant exception. The Comcast franchise required Comcast to serve every dwelling unit in the city where the minimum density was at least 30 dwelling units per mile. The effect of this is that Comcast serves practically all residents in the City. Shentel believes it is not able to commit to such a requirement. Shentel has agreed to make its service “generally available” in the City, and to those areas designated on the map attached as Exhibit A to the franchise agreement by January 1, 2021. Shentel’s service obligation is subject to commercial reasonableness. If granted in the Shentel franchise, the “generally available” standard would also apply to Comcast.



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**Key Issues:** The key issues are whether to grant a cable franchise agreement to Shentel and the service obligation of Shentel under that franchise agreement.

**Environmental Impact:** None

**Fiscal Impact:** The fiber optic band-width will provide an economic development advantage to the City, possibly an increase in various tax revenues, and some limited employment opportunities for City residents.

**Prior Actions:** 2016 grant of franchise to Shentel for fiber optic system.

**Alternatives:**

- (a) Approve ordinance granting franchise.
- (b); Approve ordinance granting franchise with amended terms.
- (c) Decline to approve ordinance granting franchise.

**Community Engagement:** Public hearing after legally required notice.

**Recommendation:** Staff recommends approval of the ordinance granting a cable franchise to Shentel

**Attachments:**

RE: Draft Franchise Agreement, public notice  
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**Review:**

*The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.*

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