



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: A Resolution Authorizing Transfer of Stock and Change of Ownership for King Videocable Company

MEETING DATE: April 19, 1995

PREPARED BY: City Attorney

RECOMMENDATION: Council consideration of Resolution Authorizing Transfer of Stock and Merger by the City's Cable Television Franchisee, King Videocable Company.

BACKGROUND: Pursuant to Lodi Municipal Code Chapter 5.16, King Videocable Company, the holder of a City franchise for provision of cable television services, is required to obtain the prior consent of the City before transferring the franchise. This is to allow the City, if it wishes, to investigate the facts of any proposed transfer. However, LMC §5.16.390 states that such consent to a transfer "...shall not be withheld unreasonably."

King Videocable Company, the franchisee, is now proposing a merger and transfer of stock. Although somewhat complex, the transaction will ultimately result in the transfer of King Videocable stock and merger with Continental Cablevision.

Staff has met with representatives of the parties to the proposed transaction, and has been informed that this transfer and merger should not result in noticeable changes in the operation within the foreseeable future. Local staffing will remain the same with some modest changes in programming.

FUNDING: None

Respectfully submitted

Bob W. McNatt
City Attorney

APPROVED: _____

THOMAS A. PETERSON
City Manager

RESOLUTION NO. 95-55

**RESOLUTION OF THE CITY OF LODI
APPROVING THE MERGER AND RELATED TRANSACTIONS BETWEEN
PROVIDENCE JOURNAL COMPANY AND
CONTINENTAL CABLEVISION, INC.**

WHEREAS, King Videocable Company ("Franchisee") is the duly authorized holder of a franchise (as amended to date, the "Franchise") authorizing the operation and maintenance of a cable television system and authorizing Franchisee to serve the City of Lodi ("Franchise Authority"); and

WHEREAS, Providence Journal Company ("PJC"), King Holding Corp. ("KHC"), King Broadcasting Company ("KBC") and Continental Cablevision, Inc. ("Continental") have entered into an Amended and Restated Agreement and Plan of Merger dated as of November 18, 1994 (the "Agreement"), subject to, among other considerations, any required approval of the Franchise Authority with respect thereto; and

WHEREAS, in connection with the merger and the other transactions (the "Transaction") contemplated by the Agreement, PJC will purchase the 50% interest in KHC held by affiliates of Kelso & Company, Inc. ("Kelso"), as a result of which KHC will become a wholly owned subsidiary of PJC; and

WHEREAS, KHC is the 100% owner of KBC, which is the 100% owner of King Videocable Company; and

WHEREAS, in connection with the Transaction, the stock of King Videocable Company will be contributed by KBC to Colony Communications, Inc., a wholly owned subsidiary of PJC which, as part of the Transaction, will become a wholly owned subsidiary of Continental; and

WHEREAS, as a result of the Transaction, the ultimate control of the Franchisee will shift from PJC and affiliates of Kelso to Continental; and

WHEREAS, to the extent the franchise requires, Continental and PJC now seek approval of the Transaction; and

WHEREAS, the Transaction is deemed to be in the best interests of the residents of the City of Lodi;

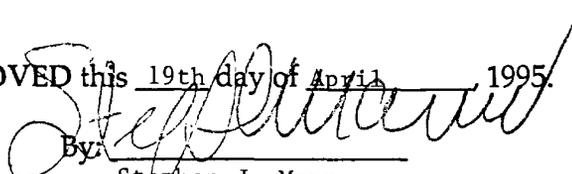
NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF LODI AS FOLLOWS:

SECTION 1. The Franchise Authority hereby consents to the Transaction, which includes the transfer of ultimate control of the Franchisee from PJC and affiliates of Kelso to Continental, to the extent that the consent of the Franchise Authority is required by the terms of the Franchise and applicable law, with such consent to be effective as of the closing date of the Transaction.

SECTION 2. The consent herein granted does not constitute and shall not be construed to constitute a waiver of any obligations of Franchisee under the Franchise.

SECTION 3. This Resolution shall have the force of a continuing agreement among Franchisee, Continental and the Franchise Authority, and the Franchise Authority shall not amend or otherwise alter this Resolution without the consent of Franchisee and Continental.

PASSED, ADOPTED AND APPROVED this 19th day of April, 1995.

By: 
Stephen J. Mann
Mayor

AYES: Council Members - Davenport, Pennino, Sieglock, Warner

NOES: Council Members - None

ABSENT: Council Members - None

ABSTAIN: Council Members - Mann (Mayor)

ATTEST:


Clerk

I, the undersigned, being duly appointed, qualified and acting Clerk of the City of Lodi, hereby certify that the foregoing Resolution No. 95-55 is a true, correct and accurate copy as duly and lawfully passed and adopted by the governing body of the City on the 19th day of April, 1995.

Clerk