



CITY OF NOVI CITY COUNCIL
FEBRUARY 9, 2026

SUBJECT: Approval of Resolution authorizing a Renewal of a Uniform Video Service Local Franchise Agreement with DIRECTV, LLC, as transferee of AT&T Michigan.

SUBMITTING DEPARTMENT: City Manager

BACKGROUND INFORMATION:

In a letter dated January 28, 2026, DIRECTV LLC requested the City approve a renewal of the Video Franchise Agreement. The City originally approved a Video Franchise Agreement with AT&T on April 20, 2007, which was renewed on September 26, 2016, for another ten years. DIRECTV indicated that AT&T transferred its Video Franchise Agreement to DIRECTV in 2021.

Video Franchise Agreements are standard form agreements approved by the Michigan Public Services Commission pursuant to the Uniform Video Services Local Franchise Act, Public Act 480 of 2006, MCL 484.3301 et. seq., ("Act 480"). Under Act 480, a video franchise agreement is fully transferrable to a successor in interest, and the transfer does not require approval by the franchising municipality. The standard form agreements leave little discretion for a municipality.

The City is required under Act 480 to approve a fully complete franchise agreement or a renewal agreement within 30 days of the date it receives the franchise agreement from a video service provider. If the City does not notify a provider that its agreement is incomplete, or fails to approve an agreement within 30 days, the agreement is considered complete and approved. The agreement remains in effect for a period of 10 years and may be renewed for an additional ten years at the request of the video provider. The City also has Video Franchise Agreements with Charter Communications, Bright House and Comcast.

RECOMMENDED ACTION: Approval a Uniform Video Service Local Franchise Renewal Agreement with DIRECTV, LLC, as transferee of AT&T Michigan with a 5% franchise fee and a 2% public education and government access fee. .

**CITY OF NOVI
COUNTY OF OAKLAND, MICHIGAN**

**RESOLUTION APPROVING RENEWAL
UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT
WITH DIRECTV LLC, AS SUCESSOR TO MICHIGAN BELL TELEPHONE COMPANY,
D/B/A AT&T, MICHIGAN**

Minutes of a Meeting of the City Council of the City of Novi, County of Oakland, Michigan, held in the City Hall of said City on February __, 2026, at 7:00 P.M. Prevailing Eastern Time.

PRESENT:

Councilmembers _____

ABSENT:

Councilmembers _____

The following preamble and Resolution were offered by Councilmember _____ and supported by Councilmember _____.

WHEREAS, under Public Act 480 of 2006, the Uniform Video Service Local Franchise Act (the "Act"), on April 20, 2007, the City approved a Uniform Video Service Local Franchise Agreement ("Video Franchise") with Michigan Bell Telephone Company, d/b/a AT&T Michigan ("AT&T"), for a period of ten (10) years; and

WHEREAS, on September 26, 2016, the City approved an application from AT&T for the renewal of the Video Franchise allowed by Section 3 of the Act, for a period of ten years through September 26, 2026; and

WHEREAS, under the Act, a video franchise agreement is fully transferrable to any successor in interest to the provider to which the franchise was initially granted. Approval of a transfer by a franchising municipality is not required. According to the letter from DIRECTV, in 2021, AT&T transferred its video franchise agreement with the City to DIRECTV.

WHEREAS, on January 28, 2026, DIRECTV requested a renewal of the video franchise agreement with the City. ("Renewed Agreement"). The Renewed Agreement has been reviewed and determined by the City Attorney to be complete under the Act; and

WHEREAS, the 5% of gross revenue annual video service provider fee in Section VI.A, and 2% of gross revenue PEG fee in Section VIII.A of the Renewed Agreement are the same as those fees under the City's Uniform Video Service Local Franchise Agreements with Comcast, Bright House Networks, LLC and Charter Communications, LLC, d/b/a Spectrum, as required by Section 6 of the Act; and

WHEREAS, the Council has accepted that the Renewal Agreement is complete and meets the technical requirements of the Act, understands that there has been no change in the law since 2007 when Video Franchise was required to be approved, that provides the City with denial or conditional approval authority, and therefore undertakes to adopt this Resolution approving the Renewed Agreement as required by the Act.

NOW THEREFORE, BE IT RESOLVED that the City finds that the Renewal Agreement is complete and meets the technical requirements of the Act, and solely for that reason, and not because the City agrees with or assents to any provisions of the Act or the Renewal Agreement, the City hereby approves and authorizes and directs the Mayor to sign the Renewal Agreement and its Attachment 1, as a renewal of the April 20, 2007, Franchise Agreement.

BE IT FURTHER RESOLVED that notwithstanding that the term of the 2016 Franchise Agreement has not expired, the term of the Renewal Agreement shall be ten (10) years from the date of this approval.

BE IT FURTHER RESOLVED that on page 9 of the Renewal Agreement, the "Date submitted" shall be completed by insertion of January 15, 2026, with the "Date completed and approved" to be completed by inserting _____, 2026, and that the following language shall be inserted below the "Date completed and approved;" line:

Determination of completeness and approval and authority for this Franchise Agreement to be signed was by adoption of a Resolution by the City Council at a meeting on _____, 2026.

BE IT FURTHER RESOLVED that by approving the Renewal Agreement, the City shall not be found to have waived its rights to challenge any provisions of the Act and/or any related provisions of the Renewal Agreement, with the City further reserving any and all rights stemming from any successful challenge to such provisions undertaken by any other local franchising entity.

BE IT FURTHER RESOLVED that the City Clerk shall provide a copy of this Resolution to DIRECTV by one of the methods for Notice in Section XV of the Franchise.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

Cortney Hanson, City Clerk

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi, County of Oakland, and State of Michigan, at a regular meeting held this __th day of February, 2026, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, as amended.

Cortney Hanson, City Clerk
City of Novi

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January 30, 2026

Mayor Fischer and City Council
City of Novi
45175 Ten Mile Road
Novi, MI 48375

RE: Approval of Uniform Video Service Local Franchise Renewal Agreement with
DIRECTV, LLC as successor of AT&T

Dear Mayor Fischer and Council Members:

In a letter dated January 28, 2026, DIRECTV, LLC, as transferee from AT&T Michigan, requested the City approve a Renewal Video Franchise Agreement. Under the Act, a video franchise agreement is fully transferable to any successor in interest to the provider, which was initially granted a franchise. Approval of a transfer by a franchising municipality is not required. According to the application from DIRECTV, in 2021, AT&T transferred its video franchise agreement with the City to DIRECTV.

The City also has Video Franchise Agreements with Charter Communications d/b/a Bright House and Comcast. Video Franchise Agreements are standard form agreements approved by the Michigan Public Services Commission pursuant to the Uniform Video Services Local Franchise Act, Public Act 480 of 2006, MCL 484.3301 *et. seq.*, (“Act 480”). The standard form agreements leave little discretion for a municipality.

Under Act 480, a franchising entity, such as the City, has no authority to deny or negotiate the provisions of a proposed franchise. The City is required under Act 480 to approve a fully complete franchise agreement or a renewal agreement within 30 days of the date it receives the franchise agreement from a video service provider. If the City does not notify a provider that its agreement is incomplete, or fails to approve an agreement within 30 days, the agreement is considered complete and approved. MCL 484.3303(3). The agreement remains in effect for a period of 10 years and may be renewed for an additional ten years at the request of the video provider. MCL 3302(7).

A video service provider is required to pay an annual video service fee. MCL 484.3306(1). At the expiration of an existing agreement, a municipality may not establish a franchise that exceeds 5% of gross revenue received by the provider. MCL 484.3306(1)(b). Act 480 requires that fees charged by franchising entities be uniform for all providers. Your other video service providers are currently assessed a 5% service fee by the City. In addition to the franchise fee, a video provider

Video Service Local Franchise Agreement

January 30, 2026

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is required to pay for the support of the cost of public, educational and government access facilities (“PEG”) access fees, which may not exceed 2% of gross revenues of the provider and is to be determined based on a community needs assessment. MCL 484.3306(8),(b),(c). The City is receiving a 2% PEG fee from its other video service providers.

Attached is a Resolution for your consideration to approve the requested video franchise renewal agreement with DIRECTV, LLC. If the City would like to approve an agreement with DIRECTV, we recommend you indicate a franchise fee of 5% by filling in Section VI.A.ii of the agreement and a PEG fee of 2% in Section VIII(1).

Since we have not identified any basis to deny approval of this agreement, we recommend approval of the agreement with DIRECTV during the February 9, 2026, Council meeting to meet the required 30-day period for approval.

Very truly yours,

ROSATI SCHULTZ JOPPICH
& AMTSBUECHLER PC

Joellen Shortley

Joellen Shortley

JS

Enclosure

cc: Thomas R. Schultz, Esq.

Novi, Michigan

