

IMPACT STATEMENT

Legislation title: ♦ Grant a temporary, revocable permit to New Cingular Wireless PCS, LLC for wireless communications services in the City. (Ordinance)

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Purpose of proposed legislation and background information:

In 2012, the Council granted a right-of-way use agreement to New Cingular Wireless PCS, LLC (AT&T) to build and operate wireless facilities within the City's streets for providing mobile telecommunications services. Most recently, Ordinance No. 188987 extended the franchise term through June 30, 2019. City staff have been working to standardize and modernize the terms and conditions of use of the right-of-way by wireless providers and to revise the program to account for other wireless technologies, such as small cellular technology.

On December 19, 2018, City Council adopted Resolution No. 37405. The Resolution set out the terms of a partnership between AT&T and the City and, among other things, authorized and directed the Office for Community Technology to negotiate a wireless franchise agreement with AT&T relating to the permitting of small cellular technology in the public right of way. City staff and AT&T have come to an agreement on a new franchise agreement. However, because of the time required to complete the formal franchising process required by the City Charter, AT&T asks the City Council to consider granting a temporary, revocable permit under substantially similar terms as the new franchise agreement. The temporary, revocable permit will allow AT&T to proceed immediately. The new franchise will come before City Council for consideration once the formal franchising process has been completed, a process which can take up to 4-6 months.

Financial and budgetary impacts:

AT&T has agreed to prepay \$1.25 million in two up-front payments for annual right-of-way and wireless permit fees for approximately one hundred fifty (150) small wireless facilities. Beyond the prepayment, AT&T has agreed to pay \$1,250 per year per small cell wireless facility and \$8,000 per year for macro wireless facilities. These rates are subject to an annual inflation escalator of 3%.

Community impacts and community involvement:

Through this agreement, AT&T has agreed to fund \$200,000 to support digital inclusion work by a local non-profit of their choice. This agreement is a direct result of City Council adopting the DEAP and the Office for Community Technology moving forward to implement the plan in conjunction with PBOT. In addition, as noted above, there will be \$1,250,000 in up-front payments from AT&T to the City to cover the cost of deployment in accordance with the City's core principles. Finally, AT&T has committed to pay for such mutually agreed-upon necessary structural or electrical improvements to the City's infrastructure that is related to AT&T's deployment of small wireless facilities.

100% Renewable Goal:

N/A

Budgetary Impact Worksheet**Does this action change appropriations?**☐ **YES:** Please complete the information below.☐ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount