

**FINANCIAL IMPACT STATEMENT
For Council Action Items**

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator David Soloos		2. Telephone No. Ext. 3-5359		3. Bureau/Office/Dept. OCCFM
4a. To be filed (date) July 14, 2010	4b. Calendar (Check One) Regular Consent 4/5ths XX □		5. Date Submitted to FPD Budget Analyst: July 1, 2010	

1) Legislation Title:

Amend and extend term of limited right-of-way use agreement granted to Verizon Wireless (Ordinance; amend Ordinance No. 180379)

2) Purpose of the Proposed Legislation:

Amend and extend the agreement to refine terms and conditions for placing wireless facilities on utility poles in the streets - especially sensitive residential areas - and update the compensation section.

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source. After this amendment becomes effective, the annual fee for facilities on poles in the streets will rise from \$3,500 to \$5,000. Verizon has 4 sites in the streets, so revenue will be about \$20,000 per year. Verizon will also submit \$2,000 to OCCFM each time it requests new facilities on poles in residential areas.

4) Expense:

What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years) (If the action is related to a grant or contract please include the local contribution or match required) Answer: As carriers place facilities in sensitive residential areas, the City's costs go up (see Staffing, below). In response, the City now requests a one-time application fee to OCCFM in the sum of \$2000 to cover these increased costs.

Staffing Requirements:

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? (If new positions are created please include whether they will be part-time, full-time, limited term or permanent positions. If the position is limited term please indicate the end of the term.) No.

6) Will positions be created or eliminated in future years as a result of this legislation? No.

Complete the following section only if an amendment to the budget is proposed.

7) **Change in Appropriations** (If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate center codes and accounts that are to be loaded by accounting. Indicate "new" in Center Code column if new center needs to be created. Use additional space if needed.) **NA**

Mary Beth Henry

APPROPRIATION UNIT HEAD (Typed name and signature) Mary Beth Henry, Acting Director



CITY OF PORTLAND, OREGON

Office of Cable Communications and Franchise Management

Amanda Fritz, Commissioner
David C. Olson, Director

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City Council
Agenda Item
Staff Supplemental Report

TO: Commissioner Amanda Fritz

THROUGH: Office of Cable Communications and Franchise Management

FROM: Mary Beth Henry, Acting Director. *M.B.H.*
Contact: David Soloos, Assistant Director, 823-5359

DATE: July 1, 2010

RE: Amend and extend term of limited right-of-way use agreement granted to Verizon Wireless (Ordinance; amend Ordinance No. 180379)

Requested Placement Date: Consent Agenda on July 14, 2010.

- I. **RECOMMENDATION.** Amend and extend the term of the wireless right-of-way agreement through June 30, 2014.
- II. **BACKGROUND.** Over the last four years the City Council has granted several wireless right-of-way agreements. The general approach was been to have these agreements expire in 2009 to allow the City to develop consistently applicable terms and conditions. City staff has now reviewed all of these wireless right-of-way agreements, and worked with citizens (see Section VII below), the wireless industry, and the utility pole owners, in an effort to standardize and modernize the terms and conditions of all wireless right-of-way agreements.
- III. **FINANCIAL IMPACT.** The city will continue to receive franchise fees from this wireless carrier's use of the streets. There will be an increase to \$5,000 per year per wireless site in the right-of-way. As Verizon currently uses 4 poles, its fees will increase to \$20,000 per year. In addition, when carriers use poles in residential areas they will now need to provide a one-time fee to OCCFM in the sum of \$2000 to cover increased staff costs.
- IV. **LEGAL ISSUES.** None.

- V. **CONTROVERSIAL ISSUES.** The amendments address the need to provide a better balance between the need for maintaining the character of residential neighborhoods against the need to increase antennae in those areas to increase the provision of wireless services. Compensation for street use is being raised, but industry has been consulted and a special meeting held with them to discuss it. Because wireless is a rapidly growing area the extension is for another four years, after which another evaluation of terms, including compensation, can occur.
- VI. **LINK TO CURRENT CITY POLICIES:** Not applicable.
- VII. **CITIZEN PARTICIPATION.** These amendments incorporate input from 2006 to present from the Bureaus of Development Services, Planning, and Parks, and the Bureau of Transportation. In addition, staff has met repeatedly with utility pole owners and wireless carriers. Finally, staff conducted three public meetings in March 2008, followed by an online survey sent to over 17,000 people. There were over 900 quantitative responses and over 350 written comments to the survey. Staff analyzed this input, refined the amendments, and conducted additional public meetings in 2008 and 2009. Staff took additional input during and after these meetings and finalized the proposed amendments.
- VIII. **OTHER GOVERNMENT PARTICIPATION.** Not applicable.
- IX. **IF THIS IS A CONTRACT, DOES CONTRACTOR HAVE A CURRENT BUSINESS LICENSE?** Yes
- WHAT IS THEIR BUSINESS LICENSE NUMBER?** 654966
- IS THEIR ACCOUNT WITH THE CITY CURRENT?** Yes.
- IF NOT, HOW MUCH IS OWING?** Not applicable.