

FINANCIAL IMPACT STATEMENT

For Council Action Items

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

1. Name of Initiator M. Riddick		2. Telephone No. Ext. 3-0066	3. Bureau/Office/Dept. OCCFM
4a. To be filed (date) December 15, 2010	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to FPD Budget Analyst: December 2, 2010

1) Legislation Title:

*Extend term of a franchise granted to Metromedia Fiber Network Services, Inc to build and operate telecommunication facilities within City streets (Ordinance; amend Ordinance No. 175162)

2) Purpose of the Proposed Legislation

Extend term of the franchise to December 31, 2011.

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. The extension will allow the City to continue to collect revenue.

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) NONE


Staffing Requirements:

5) Will any positions be created, eliminated or reclassified in the current year as a result of this legislation? (If new positions are created please include whether they will be parttime, 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 NA



APPROPRIATION UNIT HEAD (Typed name and signature)

David C. Olson, 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: David C. Olson, Bureau Director
 Contact Person: Melvin Riddick x3-0066 

DATE: December 2, 2010

RE: *Extend term of a franchise granted to Metromedia Fiber Network Services, Inc to build and operate telecommunication facilities within City streets (Ordinance; amend Ordinance No. 175162)

Requested Placement Date: December 15, 2010 Consent Calendar

- I. **RECOMMENDATION.** *Extend the term of XO Communications Services, Inc.'s franchise to December 31, 2011.
- II. **BACKGROUND.** Over the last 18 years the City Council has granted several telecommunications franchises, and many will expire soon. City staff has reviewed the terms and conditions of all of these franchises and is working with industry in an effort to standardize and modernize the terms and conditions of all franchises.

The Portland Bureau of Transportation has undertaken to prepare substantial revisions to Portland City Code Title 17. Some of the planned amendments and updates may affect some of the standardized language of future franchises and renewals. City staff recommends, in the mutual interest of the parties, an extension of the franchise to allow the development of a new franchise.

Therefore, staff recommends that the franchise should be extended to accommodate both the uncertain time that it may take to obtain final judicial rulings, and to allow the development of a uniform telecommunications franchise.

- III. FINANCIAL IMPACT. None
- IV. LEGAL ISSUES. None
- V. CONTROVERSIAL ISSUES. None
- VI. LINK TO CURRENT CITY POLICIES:
<http://www.portlandonline.com/cable/index.cfm?c=34419&a=112931>
- VII. CITIZEN PARTICIPATION. None
- VIII. OTHER GOVERNMENT PARTICIPATION. None
- IX. IF THIS IS A CONTRACT, DOES CONTRACTOR HAVE A CURRENT BUSINESS LICENSE? _yes_
- WHAT IS THEIR BUSINESS LICENSE NUMBER? __ 652535
- IS THEIR ACCOUNT WITH THE CITY CURRENT? _yes_
- IF NOT, HOW MUCH IS OWING? _N/A_____