

**FINANCIAL IMPACT STATEMENT
For Council Action Items**

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

1. Name of Initiator Jennifer Li		2. Telephone No. 503-823-5359	3. Bureau/Office/Dept. OCCFM
4a. To be filed (date) May 4, 2011	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:

1) Legislation Title:

*Grant a temporary revocable permit to Astound Broadband, LLC for telecommunications services and establish terms and conditions. (Ordinance).

2) Purpose of the Proposed Legislation:

To allow Astound Broadband to construct a telecommunications system

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.

Astound will pay the greater of either the minimum annual franchise fee of \$10,000 or 5% of its gross revenues earned in the City of Portland

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)

N/A- cost of processing franchises is in OCCFM budget.

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 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 if you are accepting and appropriating a grant via ordinance. This section should only be completed if you are adjusting total appropriations, which currently only applies to grant ordinances.

7) Change in Appropriations (If the accompanying ordinance amends the budget, please reflect the dollar amount to be appropriated by this legislation. If the appropriation includes an interagency agreement with another bureau, please include the partner bureau budget adjustments in the table as well. Include the appropriate cost elements that are to be loaded by the Grants Office and/or Financial Planning Use additional space if needed.)

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

David C. Olson, Director Office of Cable Communications and Franchise Management

APPROPRIATION UNIT HEAD (Typed name and signature)

**CITY OF PORTLAND, OREGON****Office of Cable Communications and Franchise Management**

Dan Saltzman, Commissioner

David C. Olson, Director

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City Council
Agenda Item
Staff Supplemental Report

TO: Commissioner Dan Saltzman

THROUGH: Office of Cable Communications and Franchise Management

FROM: David C. Olson, Director 
Contact Person: Jennifer Li, x 3-5359

DATE: April 25, 2011

RE: *Grant a temporary revocable permit to Astound Broadband, LLC for telecommunications services and establish terms and conditions.
(Ordinance)

Requested Placement Date: Regular Agenda on May 4, 2011

I. RECOMMENDATION

The Office of Cable Communications and Franchise Management recommends that Council approve the Astound Broadband temporary revocable permit for a period of one year while a new franchise is approved.

II. BACKGROUND

Astound Broadband is a CLEC who is seeking a franchise to construct a telecommunications service in Portland. The City of Portland and Astound have reached final agreement on a ten-year franchise, which the City will shortly begin consideration following the formal City Charter procedure of public notice and hearing. Astound has asked the City to issue a temporary revocable permit to allow Astound to immediately begin construction of its telecommunications system in the public right-of-way.

- III. FINANCIAL IMPACT
Astound Broadband will pay its franchise fees of either a minimum of \$10,000 per year or 5% of gross revenues, whichever is greater.
- IV. LEGAL ISSUES
N/A
- V. CONTROVERSIAL ISSUES
N/A
- VI. LINK TO CURRENT CITY POLICIES
<http://www.portlandonline.com/auditor/index.cfm?c=28215>
- VII. CITIZEN PARTICIPATION
N/A
- VIII. OTHER GOVERNMENT PARTICIPATION
N/A
- IX. IF THIS IS A CONTRACT, DOES CONTRACTOR HAVE A CURRENT BUSINESS LICENSE? Yes
- WHAT IS THEIR BUSINESS LICENSE NUMBER? 714169
- IS THEIR ACCOUNT WITH THE CITY CURRENT? Yes
- IF NOT, HOW MUCH IS OWING? N/A