

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT 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. Revenue
4a. To be filed (date): November 7, 2012	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: October 23, 2012
6a. Financial Impact Section: X Financial impact section completed		6b. Public Involvement Section: X Public involvement section completed	

1) Legislation Title:

Grant a right-of-way use agreement to T-Mobile West Corporation for five years for mobile telecommunications services, and establish terms and conditions (Ordinance).

2) Purpose of the Proposed Legislation:

Office for Community Technology (OCT) staff completed negotiations with T-Mobile West Corporation regarding a renewal right-of-way use agreement for a period of an additional five years.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- City-wide/Regional Northeast Northwest North
 Central Northeast Southeast Southwest East
 Central City
 Internal City Government Services

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

Answer: Beginning July 1, 2012, the annual fee for facilities on poles in the streets will increase from \$5,000 to \$7,500 per pole per year. T-Mobile West Corporation presently has 22 sites in the streets, so at the new rate, revenue will be about \$165,000 per year if no new facilities are added. T-Mobile West Corporation will also submit a \$2,000 application fee to OCT each time it requests new facilities on poles in residential areas. This revenue is intended for the general fund and is not new revenue.

5) **Expense:** What are the costs to the City related to 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. If there is a project estimate, please identify the **level of confidence**.)
None.

6) **Staffing Requirements:**

- 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.
- 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 cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.) N/A

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

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

YES: Please proceed to Question #9.

NO: Please, explain why below; and proceed to Question #10.

This Ordinance is a routine franchising item with no new impact on the community. The Ordinance will continue the grant of authority to T-Mobile West Corporation to use the right of way to provide mobile telecommunications services for a term of five years.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

c) How did public involvement shape the outcome of this Council item?

d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

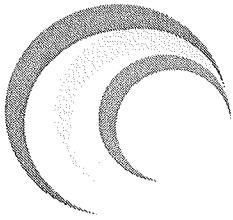
10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

No future public involvement is anticipated or necessary as this Ordinance continues the grant of authority for a renewal right-of-way use agreement.



BUREAU DIRECTOR (Typed name and signature)

Thomas W. Lannom, Director



Office for Community Technology

▲ Broadband & Communications Policy ▲ Cable Regulation & Consumer Protection ▲ Utility Franchises, Licenses & Wireless

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison

DATE: October 19, 2012

TO: Mayor Sam Adams

FROM: Thomas W. Lannom, Revenue Bureau

SUBJECT: Grant a right-of-way use agreement to T-Mobile West Corporation, for five years for mobile telecommunications services, and establish terms and conditions (Ordinance)

1. **INTENDED THURSDAY FILING DATE:** October 25, 2012
2. **REQUESTED COUNCIL AGENDA DATE:** November 7, 2012
3. **CONTACT NAME & NUMBER:** Jennifer Li 503-823-5359
4. **PLACE ON:** CONSENT REGULAR
5. **BUDGET IMPACT STATEMENT ATTACHED:** Y N N/A
6. **(3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM:** Y N N/A

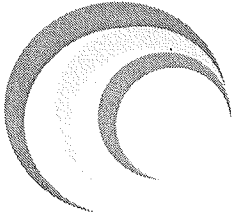
7. BACKGROUND / ANALYSIS

Since 2004, the City Council has granted several wireless right-of-way agreements. The general approach has been to have these agreements effective for a short term 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 VI 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. The City of Portland granted a temporary right-of-way agreement on June 27, 2012 to allow the company to continue to operate in the public right-of-way while the City proceeded with formal City Charter requirements, including publication of the ordinance. The ordinance was published in the Daily Journal of Commerce on July 6, 2012, and a notice published the Oregonian on July 6, 2012. The Bureau requests the first reading for this ordinance to be on November 7, 2012, and the second reading to be on December 12, 2012. Under this schedule, the effective date will be February 10, 2013.

8. 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 \$7,500 per year per wireless site in the right-of-way. As T-Mobile West Corporation currently uses 22 poles, its fees will increase to \$165,000 per year. In addition, when carriers use poles in residential areas they will now need to provide a one-time fee per application to Community Technology, Revenue Bureau in the sum of \$2,000 to cover increased staff costs. This revenue is intended for the general fund and is not new revenue.





City of Portland Office of Management and Finance, Revenue Bureau

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Office for
Community Technology

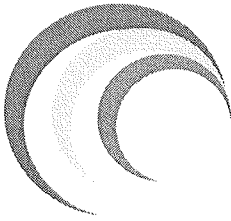
Sam Adams, Mayor
Jack D. Graham, CAO
Thomas W. Lannom, Director
Mary Beth Henry, Manager
111 SW Columbia, #600
Portland, OR 97201

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9. RECOMMENDATION / ACTION REQUESTED

Grant a right-of-way use agreement to T-Mobile West Corporation through June 30, 2017.





**Office for
Community Technology**

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City Council
Agenda Item
Staff Supplemental Report

TO: Thomas Lannom, Director

FROM: Mary Beth Henry, Manager
Contact Person: Melvin Riddick, x 3-0066 or Jennifer Li, x 3-5359

DATE: October 19, 2012

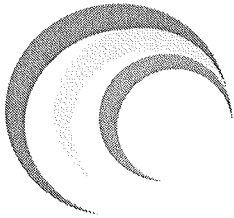
RE: Grant a right-of-way use agreement to T-Mobile West Corporation, Inc. for five (5) years for mobile telecommunications services, and establish terms and conditions (Ordinance).

Requested Placement Date: Consent Agenda on November 7, 2012 (1st reading)

I. **RECOMMENDATION.** Grant a right-of-way use agreement to T-Mobile West Corporation, Inc. for five (5) years for mobile telecommunications services, and establish terms and conditions.

BACKGROUND. Since 2004, the City Council has granted several wireless right-of-way agreements. The general approach has been to have these agreements effective for a short term 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 VI 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. The City of Portland granted a temporary right-of-way agreement on June 27, 2012 to allow the company to continue to operate in the public right-of-way while the City proceeded with formal City Charter requirements, including publication of the ordinance. The ordinance was published in the Daily Journal of Commerce on July 6, 2012, and a notice published the Oregonian on July 6, 2012. The Bureau requests the first reading for this ordinance to be on November 7, 2012, and the second reading to be on December 12, 2012. Under this schedule, the effective date will be February 10, 2013.





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- II. **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 \$7,500 per year per wireless site in the right-of-way. As T-Mobile West Corporation currently uses 22 poles, its fees will increase to \$165,000 per year. In addition, when carriers use poles in residential areas they will now need to provide a one-time fee per application to Community Technology, Revenue Bureau in the sum of \$2,000 to cover increased staff costs. This revenue is intended for the general fund and is not new revenue.
- III. **LEGAL ISSUES.** None
- IV. **CONTROVERSIAL ISSUES.** The agreement addresses the need to provide a better balance between the need for maintaining the character of residential neighborhoods against the need to increase antennas 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 agreement is for another three years, after which another evaluation of terms, including compensation, can occur.
- V. **LINK TO CURRENT CITY POLICIES:**
<http://www.portlandonline.com/cable/index.cfm?c=34422&a=67687>
- VI. **CITIZEN PARTICIPATION.** This agreement incorporates input from 2006 to present from the Bureaus of Development Services, Planning, Parks, and Transportation. In addition, staff has met repeatedly with utility pole owners, citizens, and wireless carriers. Staff considered their input in the proposed amendments.
- VII. **OTHER GOVERNMENT PARTICIPATION.** None
- IX. **IF THIS IS A CONTRACT, DOES CONTRACTOR HAVE A CURRENT BUSINESS LICENSE? _yes_**
- WHAT IS THEIR BUSINESS LICENSE NUMBER? __ 654708**
- IS THEIR ACCOUNT WITH THE CITY CURRENT? _yes_**
- IF NOT, HOW MUCH IS OWING? _N/A_____**

