

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

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

| | | |
|---|---|---|
| 1. Name of Initiator Jennifer Li | 2. Telephone No. Ext. 3-5359 | 3. Bureau/Office/Dept. Revenue |
| 4a. To be filed (date): January 23, 2013 | 4b. Calendar (Check One) Regular Consent 4/5ths <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> | 5. Date Submitted to Commissioner's office and FPD Budget Analyst: January 8, 2012 |
| 6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed | | 6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed |

1) Legislation Title:

*Grant a temporary, revocable permit to LightSpeed Networks, Inc. for Telecommunications services and establish terms and conditions. (Ordinance).

2) Purpose of the Proposed Legislation:

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

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)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |
| <input type="checkbox"/> 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.

The City will receive \$10,000 in franchise fees or 5% of gross revenues, whichever is greater. This revenue is intended for the general fund and is not new revenue. Although LightSpeed Networks will be a new franchisee, the company currently pays utility licensee fees under City Code Chapter 7.14, the Utility License Law at

5% of gross revenues. Under the Utility License Law, a licensee may deduct franchise fees from the utility license fees required.

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.)*

N/A- Cost of processing permit is in OCT budget.

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 limited impact on the community. The City of Portland is granting a temporary revocable permit to allow LightSpeed Networks to immediately construct its telecommunications system in the public right-of-way. The City will begin consideration of LightSpeed Network's franchise agreement, which will be substantially similar to this temporary revocable permit, following the formal City Charter procedure for granting franchises, including public notice and publication of the agreement.

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):

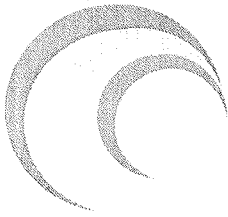
10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

The City will shortly begin consideration of a ten-year franchise agreement for LightSpeed Networks, which will be substantially similar to the terms of the temporary revocable permit. Under the City's formal franchising process, public notice and publication of the franchise will occur prior to the City's consideration of a ten-year franchise agreement.

 4 Jan 2013

BUREAU DIRECTOR (Typed name and signature)

Thomas W. Lannom, Director



**Office for
Community Technology**

185863

City Council
Agenda Item
Staff Supplemental Report

TO: Thomas Lannom, Director
FROM: Mary Beth Henry, Manager
DATE: December 18, 2012

*Grant a temporary, revocable permit to LightSpeed Networks inc. for Telecommunications Services and establish terms and conditions. (Ordinance)

Requested Placement Date: Consent Agenda on January 23, 2013

I. RECOMMENDATION. The Office for Community Technology recommends that Council approve the temporary, revocable permit to LightSpeed Networks Inc.

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

III. FINANCIAL IMPACT. The City will receive \$10,000 in franchise fees or 5% of gross revenues, whichever is greater. This revenue is intended for the general fund and is not new revenue. Although LightSpeed Networks is a new franchisee, the company currently pays utility licensee fees under City Code Chapter 7.14, the Utility License Law at 5% of gross revenues. Under the Utility License Law, a licensee may deduct franchise fees from the utility license fees required.

IV. LEGAL ISSUES. None

V. CONTROVERSIAL ISSUES. None

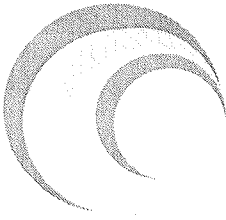


- VI. LINK TO CURRENT CITY POLICIES:
<http://www.portlandonline.com/auditor/index.cfm?c=28809>
<http://www.portlandonline.com/auditor/index.cfm?c=28215>
- VII. CITIZEN PARTICIPATION. N/A
- VIII. OTHER GOVERNMENT PARTICIPATION. N/A
- IX. IF THIS IS A CONTRACT, DOES CONTRACTOR HAVE A CURRENT BUSINESS LICENSE? Yes

WHAT IS THEIR BUSINESS LICENSE NUMBER? #684639

IS THEIR ACCOUNT WITH THE CITY CURRENT? Yes

IF NOT, HOW MUCH IS OWING? N/A



Office for Community Technology

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

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

DATE: December 18, 2012
TO: Mayor Charlie Hales
FROM: Thomas W. Lannom, Revenue Bureau

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison

SUBJECT: *Grant a temporary, revocable permit to LightSpeed Networks, Inc. for Telecommunications Services and establish terms and conditions. (Ordinance)

1. **INTENDED THURSDAY FILING DATE:** January 16, 2013
2. **REQUESTED COUNCIL AGENDA DATE:** January 23, 2013
3. **CONTACT NAME & NUMBER:** Jennifer Li, 503-823-5359
4. **PLACE ON:** X CONSENT REGULAR
5. **BUDGET IMPACT STATEMENT ATTACHED:** X Y N N/A
6. **(3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM:** Y N X N/A

7. BACKGROUND / ANALYSIS

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

8. FINANCIAL IMPACT

The City will receive \$10,000 in franchise fees or 5% of gross revenues, whichever is greater. This revenue is intended for the general fund and is not new revenue. Although LightSpeed Networks is a new franchisee, the company currently pays utility licensee fees under City Code Chapter 7.14, the Utility License Law at 5% of gross revenues. Under the Utility License Law, a licensee may deduct franchise fees from the utility license fees required.

9. RECOMMENDATION / ACTION REQUESTED

The Office for Community Technology recommends that Council approve the temporary, revocable permit to LightSpeed Networks Inc. for telecommunications services.

