

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): April 24, 2013	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: April 10, 2013
6a. Financial Impact Section: X Financial impact section completed		6b. Public Involvement Section: X Public involvement section completed	

**1) Legislation Title:**

Grant a franchise to Zayo Group, LLC for telecommunications services for a period of 10 years.  
(Ordinance)

**2) Purpose of the Proposed Legislation:**

Office for Community Technology (OCT) staff have completed negotiations with Zayo Group LLC regarding a renewal franchise agreement for a period of ten 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.**

Zayo will continue to pay franchise fees to the City for its use of the right of way, combining its franchise fee payments as Zayo Group as the successor in interest to two separate entities, Abovenet and 360networks. 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 Zayo Group as the successor in interest to two entities which had previously been granted franchises (Abovenet and 360networks) to use the right of way to provide telecommunications services to the City of Portland.

**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?**

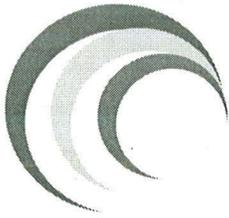
**e) Primary contact for more information on this public involvement process (name, title, phone, email):**

**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 franchise agreement.

BUREAU DIRECTOR (Typed name and signature)

Thomas W. Lannom, Director



# 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

City Council  
Agenda Item  
Staff Supplemental Report

186051

TO: Mayor Charlie Hales

FROM: Thomas W. Lannom, Director *Thomas W. Lannom*  
Contact Person: Jennifer Li, x 3-5359

DATE: March 29, 2013

RE: Grant a franchise to Zayo Group, LLC for telecommunications services for a period of 10 years. (Ordinance)

Requested Placement Date: Consent Agenda on April 24, 2013

- I. RECOMMENDATION. Grant a franchise to Zayo Group for ten years.
- II. **BACKGROUND.** In 1998, the City Council granted a ten-year franchise to 360networks (USA) inc. fka Pacific Fiber Link (360networks) to construct, operate and maintain a telecommunications system in the City's streets. In 2000, the City Council granted a ten-year franchise to Metromedia Fiber Network Services Inc. dba Abovenet Inc. (Abovenet) to construct, operate and maintain a telecommunications system in the City's streets. Zayo Group acquired 360networks in December 2011 and Abovenet in July 2012. Zayo owns and operates the telecommunications systems originally constructed by 360networks and Abovenet and will be solely responsible for performance and compliance of these systems. This ordinance combines Zayo's franchise responsibilities and authorities under one agreement for a new term. Under the formal City Charter franchising requirements, the ordinance was published in the Daily Journal of Commerce on February 8, 2013, and a notice published in the Oregonian on March 25, 2013. The Bureau requests the first reading for this ordinance on April 24, 2013 and the second reading on May 29, 2013. Under this schedule the effective date will be on July 29, 2013.



III. FINANCIAL IMPACT. Zayo will continue to pay franchise fees to the City for its use of the right of way, combining its franchise fee payments as Zayo Group as the successor in interest to two separate entities, Abovenet and 360networks. This revenue is intended for the general fund and is not new revenue.

186051

IV. LEGAL ISSUES. None

V. CONTROVERSIAL ISSUES. None

VI. LINK TO CURRENT CITY POLICIES:

<http://www.portlandoregon.gov/revenue/article/400895>

<http://www.portlandoregon.gov/revenue/article/400907>

VII. CITIZEN PARTICIPATION. None

VIII. OTHER GOVERNMENT PARTICIPATION. None

IX. IF THIS IS A CONTRACT, DOES CONTRACTOR HAVE A CURRENT BUSINESS LICENSE? Y

WHAT IS THEIR BUSINESS LICENSE NUMBER? 652535, 646531

IS THEIR ACCOUNT WITH THE CITY CURRENT? Y

IF NOT, HOW MUCH IS OWING? N/A