

ORDINANCE No. 186625

Authorize network hut license agreement with Google Fiber Oregon, LLC (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. In 2011, Council unanimously adopted Portland's Broadband Strategic Plan, recognizing that high-speed affordable broadband represents essential, basic infrastructure critical to Portland's future. In addition to quantifiable economic benefits, Council concluded that a network of fiber optics reaching into Portland's homes would provide substantial educational, environmental, and health benefits. Finally, the introduction of competitive choice providing alternatives for consumers may serve to improve services, stimulate technical advancements and lower prices.
2. Google Fiber provides gigabit services in the metropolitan area of Kansas City, Kansas and Kansas City, Missouri at speeds up to 100 times faster than basic broadband. Google has initiated service in Provo, Utah where it acquired a municipal fiber optic network and has plans to deploy fiber optic-based services in Austin, Texas.
3. On February 19, 2014, Google Fiber announced plans to explore building and operating fiber-to-the-premises (FTTP) symmetrical networks of up to 1 gigabit per second in nine metropolitan areas around the United States, with the goal of improving Internet access and fostering new applications through broadband Internet services. Google identified Beaverton, Gresham, Hillsboro, Lake Oswego, Portland and Tigard as one of those nine potential metropolitan areas.
4. Google asked 34 cities in those nine metropolitan areas to assemble certain information, identified in a "checklist". The checklist included such information as: procedures for utility construction permits in the right of way and for buildings; an evaluation of the permit process to ascertain whether the cities could handle a significant increase in permit requests; detailed GIS map data; and, an assessment of city assets such as fiber, conduit and real estate that might be leased for fiber network huts. Google's stated goal of the checklist was to make building a complex new network more efficient and less disruptive to the communities. Google asked the cities to submit the compiled checklist information to Google by May 1, 2014.
5. On or before May 1, 2014, the six Portland metropolitan area cities successfully uploaded their checklist information. Google has indicated that it is evaluating the received data and will respond if there are follow-up inquiries.

6. The network architecture of Google's fiber optic network requires sites to locate fiber huts – 12 x 28 foot equipment sheds to locate fiber optic network gear and optical connections. Google has identified that an important part of its evaluation process will be to identify where to place these fiber huts during network design. Google indicated that city-owned sites are preferable as hut locations, if zoned appropriately, meeting certain qualifying criteria and otherwise dispersed geographically. Google anticipates that one hut will be capable of serving approximately 20,000 households translating into approximately 15 for Portland in a full build-out scenario. Google asked the participating cities to review its proposed hut license, and to respond so that the license rights could be discussed in detail.
7. Google Fiber Oregon, LLC and Portland have negotiated the terms and conditions of a 10 year franchise for Google to use the streets to own and operate a fiber optic network to provide high-speed broadband Internet access and related services. If Portland is selected, Google has indicated that it anticipates engaging in commercially reasonable efforts to design, incrementally construct and install a fiber network within the City to provide, among other things, a residential broadband Internet service offering with upload and download speeds of up to 1 Gigabit. The deployment of such a network in the City of Portland would materially advance the goals of the City's Broadband Strategic Plan. The first reading of the Google fiber optic network franchise occurred on May 7, 2014. The second reading of the franchise is scheduled to occur on June 11, 2014. If approved under this schedule, the franchise would become effective on August 10, 2014.
8. The significant technological improvements embodied in Google's proposed state-of-the art fiber optic network, together with other identified public benefits, serve as material inducement for the City's willingness to enter into a Hut License Agreement with Google. City staff, working in cooperation with representatives from the five other Oregon cities, have developed a network hut license agreement with Google. Based upon discussions with Google representatives on the terms and conditions of the license agreement, the staff recommends that Council authorize the attached license agreement.
9. Google indicated that it will evaluate the cities' information submitted in response to the checklist, and complete a detailed study by the end of this year regarding which cities will be built by Google Fiber. Google has stated that it will sign the network hut license agreement when it chooses the hut sites during the network design process.

NOW, THEREFORE, the Council directs:

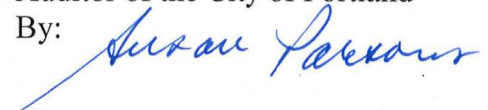
- a. The Mayor and the City Auditor are authorized to execute the Network Hut License Agreement with Google Fiber Oregon, LLC in the form attached to this Ordinance as Exhibit A.

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- b. On or before December 31, 2014, Google Fiber Oregon, LLC shall cause a duly authorized representative to execute the Network Hut License Agreement in the form attached to this Ordinance as Exhibit A. Any failure on the part of Google Fiber Oregon, LLC to fully execute the Agreement within such time shall be deemed an abandonment and rejection of this Ordinance, and this Ordinance shall thereupon be null and void.

Passed by the Council: JUN 04 2014

LaVonne Griffin-Valade
Auditor of the City of Portland

By:



Deputy

Mayor Charlie Hales
Prepared by: MBH/BW
May 19, 2014

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Agenda No.
ORDINANCE NO. 186625
 Title _____

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INTRODUCED BY Commissioner/Auditor: Mayor Charlie Hales	CLERK USE: DATE FILED <u>MAY 23 2014</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration - Hales Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Novick	LaVonne Griffin-Valade Auditor of the City of Portland By: <u>[Signature]</u> Deputy
BUREAU APPROVAL Bureau: Revenue Bureau Interim OMF CAO: Fred Miller Bureau Head: Thomas W. Lannom	ACTION TAKEN: MAY 28 2014 PASSED TO SECOND READING JUN 04 2014 9:30 A.M.
Prepared by: Mary Beth Henry Date Prepared: 05/19/2014	
Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
City Auditor Office Approval: required for Code Ordinances	
City Attorney Approval: required for contract, code, statement, franchise, communication, etc.	
Council Meeting Date: May 28, 2014	

AGENDA
TIME CERTAIN <input checked="" type="checkbox"/> Start time: 11:15 am Total amount of time needed: 20 Minutes (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/>
REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	✓	
2. Fish	✓	
3. Saltzman	✓	
4. Novick	✓	
Hales	✓	