

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):  March 13, 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: February 27, 2013
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 franchise to LightSpeed Networks Inc. for Telecommunications Services, for a period of 10 years. (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, and the City approved a temporary revocable permit to LightSpeed Networks on January 23, 2013. Ordinance 185863. The temporary revocable permit was granted for a maximum of one year to allow the company to immediately begin construction of its telecommunications system in the public right-of-way pending the completion of the formal City Charter franchise procedure. Those procedures have now been met, and LightSpeed Networks requests the City formally grant it a franchise agreement for a ten-year term on substantially similar terms as granted to LightSpeed Networks under the temporary revocable permit.

Under the formal City Charter franchising requirements, the ordinance was published in the Daily Journal of Commerce on February 1, 2013, and a notice published in the Oregonian on February 1, 2013. The Bureau requests the first reading for this ordinance on March 13, 2013, and the second reading on April 17, 2013. Under this schedule the effective date will be on June 19, 2013.

**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 no new impact on the community.

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?

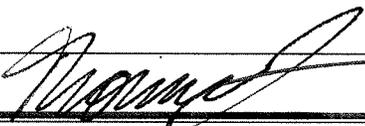
c) How did public involvement shape the outcome of this Council item?

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

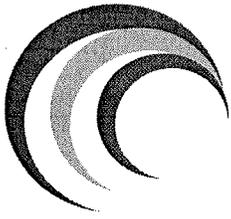
e) Primary contact for more information on this public involvement process (name, title, phone, email):

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 which had been previously granted to LightSpeed Networks as a temporary revocable permit under substantially similar terms.

  
 BUREAU DIRECTOR (Typed name and signature)

Thomas W. Lannom, Director



# Office for Community Technology

City Council  
Agenda Item  
Staff Supplemental Report

185981

TO: Mayor Charlie Hales  
FROM:  Thomas W. Lannom, Director  
DATE: February 13, 2013  
RE: Grant a franchise to LightSpeed Networks Inc. for Telecommunications Services, for a period of 10 years. (Ordinance)

Requested Placement Date: Consent Agenda on March 13, 2013

I. RECOMMENDATION. The Office for Community Technology recommends that Council approve the franchise for 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, and the City approved a temporary revocable permit to LightSpeed Networks on January 23, 2013. Ordinance 185863. The temporary revocable permit was granted for a maximum of one year to allow the company to immediately begin construction of its telecommunications system in the public right-of-way pending the completion of the formal City Charter franchise procedure. Those procedures have now been met, and LightSpeed Networks requests the City formally grant it a franchise agreement for a ten-year term on substantially similar terms as granted to LightSpeed Networks under the temporary revocable permit.

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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.

185981

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