

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

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

1. Name of Initiator Mary Beth Henry	2. Telephone No. Ext. 3-5414	3. Bureau/Office/Dept. Revenue
4a. To be filed (date): September 17, 2014	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: September 12, 2014
6a. Financial Impact Section: X Financial impact section completed	6b. Public Involvement Section: X Public involvement section completed	

1) Legislation Title:

Amend City Code relating to franchises, public utility privilege taxes and Utility License Law for consistency and clarity (Ordinance; Replace Code Chapter 7.12 and amend Section 7.14.040)

2) Purpose of the Proposed Legislation:

To replace City Code Chapter 7.12 in order to eliminate obsolete provisions and ensure consistency and clarity between utility, franchise, and privilege tax code provisions; and to exclude charges relating to state 9-1-1 services from the calculations of telecommunications utilities who offer 9-1-1 related services to the state of Oregon Office of Emergency Management (OEM).

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. OCT anticipates that the proposed amendment to Chapter 7.14 will decrease utility license fee revenues by approximately \$13,500 to \$15,000 per month (\$162,000 to \$180,000 per year). OEM purchases services from telecommunications companies to connect 9-1-1 callers with the appropriate 9-1-1 center for response. Although OEM is not subject to the utility license fee, it has seen an increase in its bill from the telecommunications utility for 9-1-1 related services. The proposed amendment will exclude these services from the definition of gross revenues under Chapter 7.14 and will apply only to telecommunications utilities who offer 9-1-1 related services to OEM. CenturyLink is the only applicable company. OCT based the expected revenue impact on OEM billings. There

will be no revenue impact relating to the Chapter 7.12 amendments.

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.)*

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.

The ordinance proposes certain housekeeping amendments to City Code Chapters 7.12 and 7.14. This Ordinance is a routine item relating to OCT's franchising, utility tax, and privilege tax authority. There will be no new impact on the community from this item.

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

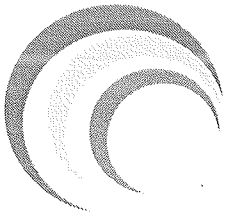
- a) What impacts are anticipated in the community from this proposed Council item?
- b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?
- c) How 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.

After City Council approval of the ordinance creating the small cell pilot project, staff will work with the carrier prior to construction to inform the public about specific proposed installations in their area deployed through this pilot program.

BUREAU DIRECTOR (Typed name and signature)

Thomas W. Lannom, Director



Office for Community Technology

City Council
Agenda Item
Staff Supplemental Report

186827

TO: Mayor Charlie Hales

FROM: Thomas W. Lannom, Director
Contact Person: Mary Beth Henry, x 3-5414

DATE: August 20, 2014

RE: Amend City Code relating to franchises, public utility privilege taxes and Utility License Law for consistency and clarity (Ordinance; Replace Code Chapter 7.12 and amend Section 7.14.040)

Requested Placement Date: Regular Agenda on September 17, 2014

I. RECOMMENDATION. The Office for Community Technology recommends that Council approve the ordinance amending Chapter 7.12 and 7.14 for consistency and clarity.

II. BACKGROUND. Through Portland City Code Chapter 7.12, the City levies and collects privilege taxes upon privately owned public utilities, people's utility districts, heating companies, electric cooperatives and telecommunications carriers operating in the public right of way without a franchise. The large majority of right of way users have franchise agreements, and the privilege tax only applies to a very small number of entities. Chapter 7.12 also addresses the administration of franchises granted for the use of the public right of way. Chapter 7.12 has not been substantially updated since 1991. A 2009 audit report by the City Auditor advised the City review and update Chapter 7.12 to eliminate obsolete provisions and ensure consistency between utility, franchise, and privilege tax code provisions.

The ordinance also proposes a new subsection for the Utility License Law, Chapter 7.14, to specify that charges relating to 9-1-1 services are excluded from the calculation of the utility license fee. In 2012, the City Council revised Chapter 7.14 to revise the utility license fee rate and the utility license fee base for telecommunications utilities operating within Portland. The State of Oregon Office of Emergency Management (OEM) purchases services from



telecommunications companies to connect 9-1-1 callers with the appropriate 9-1-1 center for response. Although OEM is not subject to the utility license fee, it has seen an increase in its bill from the telecommunications utility that provides 9-1-1 related services to OEM. The proposed amendment will apply to telecommunications utilities who offer 9-1-1 related services to OEM. CenturyLink is the only company to provide these services.

III. FINANCIAL IMPACT. OCT anticipates that the proposed amendment to Chapter 7.14 will decrease City revenues by approximately \$13,500 to \$15,000 per month (\$162,000 to \$180,000 per year). OCT based the expected revenue impact on OEM billings. There will be no financial impact as a result of the Chapter 7.12 amendments.

IV. LEGAL ISSUES. None

V. CONTROVERSIAL ISSUES. None

VI. LINK TO CURRENT CITY POLICIES:

<http://www.portlandonline.com/auditor/index.cfm?c=28808>

<http://www.portlandonline.com/auditor/index.cfm?c=28809>

VII. CITIZEN PARTICIPATION. None

VIII. OTHER GOVERNMENT PARTICIPATION. None

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

WHAT IS THEIR BUSINESS LICENSE NUMBER?

IS THEIR ACCOUNT WITH THE CITY CURRENT? ___

IF NOT, HOW MUCH IS OWING? _____