



# Astound Broadband LLC Franchise Agreement

## Ordinance A-230-A – Granting a Franchise to use Rights of Way within the City of Coburg

Meeting Date	Staff Contact	Email
November 12, 2024	Adam Hanks, City Administrator	<a href="mailto:Adam.Hanks@ci.coburg.or.us">Adam.Hanks@ci.coburg.or.us</a>

### SUMMARY AND REQUESTED COUNCIL ACTION

The City of Coburg has a number of franchise agreements with utilities that utilize City rights of way to provide services to residents and businesses of Coburg. Astound Broadband is requesting a renewal of its existing telecommunications franchise agreement. Authority, limitations, compensation and operating and reporting requirements for this right are defined and described in Ordinance A-230-A were presented to Council for first reading in a public hearing at the October 8, 2024 Council meeting. Final ordinance review and approval occurs via second reading at the November 12, 2024 Council meeting public hearing.

#### Suggested Motion

*I move to approve second reading of Ordinance A-230-A “An ordinance granting a franchise to use rights of way within the City of Coburg to Astound Broadband LLC repealing ordinance A-230 and setting an effective date” and direct staff to execute the agreement.*

### BACKGROUND

Astound Broadband LCC received its initial franchise ordinance approval from the Coburg City Council in September of 2024 to facilitate its immediate operational need of utilizing a small portion of City right of way to provide a hard connection between its network equipment and nearby cell towers it operates on.

The current franchise agreement approved via Ordinance A-230 by City Council on September 30, 2014 has expired and Ordinance A-230-A has been developed for Council review to continue the granting of authority to utilize the City of Coburg rights of way for a period of ten years.

#### Franchise Provision Highlights:

- Increase of annual fee from \$400 to \$600.
- New provision for annual 3% fee increase

# CITY COUNCIL STAFF REPORT

- Retention of provision to charge 5% of gross revenue within Coburg city limits, whichever is greater should Astound provide retail services within Coburg City limits in the future (none currently)
- Ten-year term
- Quarterly Payments

The prior and proposed ordinance language has been reviewed by both City staff and City contract legal services for legal compliance and current best practice.

## **RECOMMENDATION**

Staff recommends Council approve and adopt Ordinance A-230-A as presented.

## **BUDGET / FINANCIAL IMPACT**

Franchise fees are a significant revenue stream (\$279,000 estimated for FY25) for the City of Coburg and support activities, programs and services within the City's general fund. The franchise fee proposed within this draft ordinance contains a slight increase in expected revenues, but remains in line with the current limited utilization by Astound of the City's rights of way.

## **PUBLIC INVOLVEMENT**

A public hearing on this ordinance was held on October 8, 2024. No public testimony was provided to Council at that time, nor did Council recommend amendments to the ordinance language presented at that hearing.

## **NEXT STEPS**

Upon Council approval, staff will coordinate with Astound Broadband for acceptance and execution of the agreement.

## **ATTACHMENTS**

1. Draft Ordinance A-230-A – An Ordinance Granting an Electric Utility Franchise and General Utility Easement to Astound Broadband
2. Ordinance A-230 – With the proposed edits.