



PacifiCorp Franchise Agreement

Ordinance A-100-D – Granting a Franchise to use Rights of Way within the City of Coburg

Meeting Date	Staff Contact	Email
October 8, 2024	Adam Hanks, City Administrator	Adam.Hanks@ci.coburg.or.us

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. PacifiCorp is requesting a renewal of its existing electric utility franchise agreement. Authority, limitations, compensation and operating and reporting requirements for this right are defined and described in Ordinance A-100-D presented to Council for first reading in the public hearing. Final ordinance review and approval will be scheduled for second reading at the November 12, 2024 Council meeting public hearing.

Suggested Motion

I move to move Ordinance A-100-D on to second reading on November 12, 2024 as presented

(Or)

I move to move Ordinance A-100-D on to second reading on November 12, 2024 with the following amendments ... _____

BACKGROUND

PacifiCorp operates in Oregon as Pacific Power and provides electric utility services to residents and businesses within the City of Coburg and utilizes City rights of way to do so with both overhead and underground infrastructure to serve its customers.

The current franchise agreement approved via Ordinance A-100-C by City Council on July 9, 2013 has expired and Ordinance A-100-D 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 seven years.

Changes proposed include:

- Reduction from a ten year term to a seven year term
- Acceptance by PacifiCorp within 60 days rather than 30 days

- Clarification of customer reporting requirements for City review/audit/tracking
- Tree removal notification/communication clarifications

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 move Ordinance A-100-D to second reading as presented. Desired additions, deletions or other modification to the ordinance language may be able to be incorporated into the proposed ordinance for second reading at the November 12, 2024 Council meeting if staff is able to confirm agreement with PacifiCorp legal staff as well as City staff and legal review within the required public hearing process timeline requirements.

BUDGET / FINANCIAL IMPACT

Franchise fees are a significant revenue stream 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 remains consistent with the prior rate of 7.5%. Total franchise fee revenues have been estimated for the 2024-25 fiscal year as \$279,300, up from just under \$260,000 in FY23-24.

The PacifiCorp share of total franchise fee revenues is between 50-60% of total franchise revenues annually depending somewhat on weather (heat/cold). The potential rate increases currently proposed to the Oregon Public Utilities Commission (PUC) will likely move the total allocation higher if approved and implemented.

PUBLIC INVOLVEMENT

No dedicated public involvement on this agenda item has occurred.

NEXT STEPS

Upon initial review and presentation for first reading at the October 8 Council public hearing, the ordinance will be scheduled for a public hearing for second reading on the November 12, 2024. Upon Council approval, staff will coordinate with PacifiCorp for acceptance and execution of the agreement.

ATTACHMENTS

1. Draft Ordinance A-100-D – An Ordinance Granting an Electric Utility Franchise and General Utility Easement to PacifiCorp
2. Ordinance A-100-C – With the proposed edits.