



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
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. 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 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-230-A on to second reading on November 12, 2024 as presented

(Or)

I move to move Ordinance A-230-A on to second reading on November 12, 2024 with the following amendments ... _____

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
- 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 move Ordinance A-230-A 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 Astound Broadband 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 (\$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

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 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.