



Adoption of Telecommunications Franchise Agreement

Ordinance A-234-A – Granting a Non-Exclusive Franchise and Right to Construct, Operate and Maintain Fiber-Based Services within City Rights-of-way.

Meeting Date	Staff Contact	Email
March 11, 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. Hunter Communications is requesting a renewal of its currently expired, existing telecommunications franchise agreement. Authority, limitations, compensation and operating and reporting requirements for this right are defined and described in Ordinance A-234-A and is presented to Council for first reading with this public hearing. Final ordinance review and approval will be scheduled for second reading at the April 8, 2025 Council meeting public hearing.

Suggested Motion

I move to approve first reading of Ordinance A-234-A, an ordinance granting to Hunter Communications & Technologies a non-exclusive franchise and right to construct, operate and maintain a fiber-based service facility; to occupy City rights of way; and to provide fiber-based services in the City of Coburg, Oregon and move the ordinance to a second reading for final approval and adoption.

BACKGROUND

Franchise agreements are standard mechanisms utilized to memorialize the authorization of right, operating requirements, standards and associated fee for private business use of public rights of way for necessary infrastructure used to provide an array of services to residents and businesses in a jurisdiction.

Hunter Communications began operating within Coburg with a franchise agreement in 2015 and has continued to operate within the parameters of the prior franchise agreement.

The current franchise agreement approved via Ordinance A-234 by City Council on July 9, 2015 has expired and Ordinance A-234-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 five years.

Changes proposed by City staff and Lane Council of Governments contract Legal Staff include:

- Adding recitals at the beginning,
- Requiring that the City's Additional Insured status under Hunter insurance is done *by endorsement* (this is a common requirement—in the event that there is a claim, it prevents the insurance company from denying its obligation to defend the city),
- Adding a section setting forth construction standards,
- Adding a requirement that Hunter maintain maps of their facilities, and make those available to the city,
- Adding a requirement that Hunter cooperate to temporarily relocate lines if requested by a private party (such as is necessary for a house move),
- Adding a requirement that Hunter install facilities underground in any areas where other utilities are already underground,
- Allowing the city, at its option, to take over any facilities that Hunter may abandon, and
- Adding a requirement that Hunter furnish a performance bond to guarantee their installations.

RECOMMENDATION

Staff recommends Council approve first reading of Ordinance A-234-A as presented.

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 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.

PUBLIC INVOLVEMENT

The last public meeting regarding this franchise agreement was held on July 14, 2015.

NEXT STEPS

Upon Council approval of first reading, a second reading of the ordinance will be scheduled. Upon final approval, staff will coordinate with Hunter Communications for acceptance and execution of the agreement.

ATTACHMENTS

1. Draft Ordinance A-234-A – An Ordinance Granting an Electric Utility Franchise and General Utility Easement to PacifiCorp
2. Ordinance A-234-A – With the proposed edits.