



## REQUEST FOR COUNCIL ACTION

**AGENDA DATE:** October 28<sup>th</sup>, 2024

**AGENDA ITEM:** Consider adopting an Ordinance establishing Franchise Fees.

**PREPARED BY:** Matt Wegwerth

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### **BACKGROUND:**

The City has been reviewing various options for funding the Street Improvement Program. Currently, the city bonds for projects and utilizing the general levy for making loan payments. Franchise fees are a mechanism for generating revenue that is more equitable than utilizing property taxes. Non-profits, tax-exempt, government entities and churches currently do not assist with funding the street program but would with the franchise fee model.

In order to implement franchise fees, the first step is to establish Franchise Agreements with the three electric service providers within the City of Grand Rapids. These agreements have been approved. Attached is the Franchise Fee Ordinance that establishes implementation.

The fee structure will be included in the City-wide fee schedule, and will be brought forward by Administration.

### **REQUESTED COUNCIL ACTION:**

Make a motion adopting an Ordinance establishing Franchise Fees and publish in short form.