

RESOLUTION NO. 2348

**A RESOLUTION AUTHORIZING CITY STAFF TO INITIATE PROCEEDINGS TO ADJUST
THE FRANCHISE FEE STRUCTURE WITH PACIFICORP**

WHEREAS, Franchise agreements are typical between cities and utility providers which allows the utility providers to utilize the publicly-owned right-of-way to place their infrastructure and it is common for the cities to collect a fee from the utility for the privilege; and

WHEREAS, the City of Hermiston (City) has a current franchise agreement with PacifiCorp, dba Pacific Power (Utility); and

WHEREAS, the current fee was structured to be calculated by linear foot due to the Utility serving minimal customers within the City; and

WHEREAS, with recent annexations to the City, the Utility now has the potential of serving a substantial number of new customers; and

WHEREAS, the City desires to modify the franchise fee to allow the City to collect a franchise fee based on a percentage of the Utility's gross revenues collected from customers within the City; and

WHEREAS, City staff believe it is in the best interest of the City to initiate proceedings with the Utility to adjust the Utility's franchise fee structure from a linear foot flat fee to include a franchise fee of five percent (5%), with the franchise fee structure to equal five percent (5%) of the Utility's gross revenues generated within the City for a calendar year, provided that the fee shall not total less than \$2,500 per year.

NOW, THEREFORE, THE CITY OF HERMISTON RESOLVES AS FOLLOWS:

1. That the city staff is approved to initiate proceedings with PacifiCorp to adjust the current franchise fee structure included in the current franchise agreement.
2. That a franchise fee equal to five percent (5%) of the Utility's gross revenues generated within the City for a calendar year, provided that the fee shall not total less than \$2,500 per year is approved.
3. That this resolution is effective immediately upon its passage.

PASSED by the Common Council this 9th day of December 2024.

SIGNED by the Mayor this 9th day of December 2024.

Dr. David Drotzmann, MAYOR

ATTEST:

Lilly Alarcon-Strong, CMC, CITY RECORDER