

# CITY OF LOS ANGELES

CALIFORNIA



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May 9, 2016

REF: CEB-075-16

Honorable Members of the City Council  
City of Los Angeles  
Room 395, City Hall  
Los Angeles, CA 90012

BY \_\_\_\_\_  
CITY CLERK  
2016 MAY -9 AM 9:49  
CITY CLERKS OFFICE  
PROBATION

Attn: Innovation, Grants, Technology, Commerce and Trade Committee

Subject: **GI TC ONE WILSHIRE, LLC PRIVATE LINE TELECOMMUNICATIONS  
FRANCHISE TRANSFER AND CHANGE OF CONTROL APPLICATION  
AND RECOMMENDATION OF APPROVAL - COUNCIL FILE NO. 98-1597**

This report is in response to an application received by the Information Technology (ITA) from GI TC One Wilshire, LLC, requesting approval and grant by the City Council and Mayor, of the transfer and change of control of a private line telecommunications franchise now held by Hines REIT One Wilshire, LP. Pursuant to the Los Angeles Administrative Code, ITA prepares recommendations to the City Council regarding applications and other actions to be taken by the City regarding information technology systems franchises that encroach upon the City's public rights-of-way.

## Background

A private line telecommunications facility franchise is an encroachment permit that provides for the interconnection between two points in the public rights-of-way (PROW), utilized solely for signal transmission and not to serve any customer within the City of Los Angeles. GI TC One Wilshire, LLC is requesting that the City grants the transfer and change of control of a limited franchise to continue the operation of a private line telecommunications facility using the City's PROW pursuant to City Ordinance No. 183766. That facility will continue to connect GI TC One Wilshire, LLC's building located at 624 South Grand Avenue and a building owned by Downtown Properties, LLC, a California Limited Liability Company, at 611 Wilshire Boulevard through a duct bank containing 12 four-inch diameter conduits, in the City's PROW as set forth in the draft transfer and change of control ordinance prepared and filed to the City Council by the City Attorney's Office.

## Fiscal Impact

If approved, transfer and change of control of this private line telecommunications franchise will continue to generate revenue in the amount of \$4,800.00 per year. If GI



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TC One Wilshire, LLC elects to pay the full amount due for the remaining nine year term of the renewed franchise, the additional revenue due will be \$43,200.00. In addition, GI TC One Wilshire, LLC is required to maintain a franchise performance bond in the amount of \$1,000.

### **Pricing Rates**

The regular franchise fee rates that apply to the City's private line telecommunications franchisees is \$5/linear foot for fiber and conduit in City's public PROW, \$2.50/linear foot for aerial installations and \$15/cubic foot for other telecommunications facilities such as vaults and boxes in the City's PROW. The annual franchise payment amount is calculated as follows:

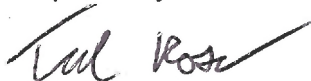
$$\begin{aligned} 80 \text{ linear feet} \times \text{twelve conduit}/\$5/\text{linear foot} &= \$4,800.00/\text{year} \\ 9/\text{years}/\text{franchise term} \times \$4,800.00/\text{yr} &= \$43,200.00 \end{aligned}$$

### **Recommendation**

ITA has reviewed the transfer and change of control application of GI TC One Wilshire, LLC for the City of Los Angeles' (City) grant of a private line telecommunications franchise and subject to the consent of City Council and Mayor, recommends approval of that transfer and change of control application request as set forth above.

If you have any questions, please contact Jeanne Holm at (213) 978-3311 or William Imperial at (213) 922-8383.

Respectfully submitted,



Ted Ross  
General Manager

cc: Honorable Mayor Eric Garcetti  
Honorable Ron Galperin, City Controller  
Miguel Santana, City Administrative Officer  
Mandana Khatabshahidi, Office of the Chief Legislative Analyst  
Mike Dundas, Office of the City Attorney  
Honorable Councilmember & Chair, Bob Blumenfield  
Honorable Jose Huizar, Council District 14  
Jeanne Holm, ITA  
William Imperial, ITA