

# CITY OF LOS ANGELES

CALIFORNIA

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June 8, 2015

REF: ASB-130-15

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

Attn: Innovation, Technology and General Services Committee

Subject: **HINES REIT ONE WILSHIRE LP PRIVATE LINE FRANCHISE RENEWAL  
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 the Hines Reit One Wilshire LP requesting the approval and issuance of the grant of a private line telecommunications facilities franchise by the City Council and Mayor. 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 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 (City). The Hines REIT One Wilshire LP is requesting that the City grants the renewal of a limited franchise to continue the operation of a private line telecommunications facility using the City's PROW. That facility will continue to connect the Franchisee'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 renewal ordinance prepared and filed to the City Council by the City Attorney's Office.

## Fiscal Impact

If approved, renewal of this private line telecommunications franchise will generate revenue in the amount of \$4,800.00 per year. If the Hines REIT One Wilshire LP elects to pay the full amount due for the ten year term of the renewed franchise, the additional revenue due will be \$52,800.00. In addition, the Hines REIT One Wilshire LP is required to continue to maintain a franchise performance bond in the amount of \$1,000.

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### **Pricing Rates**

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

80 linear feet x twelve conduit/\$5/linear foot = \$4,800.00/year

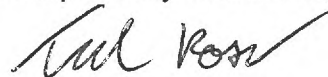
10/years/franchise term x \$4,800.00/yr = \$52,800.00

### **Recommendation**

ITA has reviewed the renewal application of the Hines REIT One Wilshire LP 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 renewal application request as set forth above.

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

Respectfully submitted,



Ted Ross  
Interim 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  
Mark Wolf, ITA  
William Imperial, ITA