

CITY OF LOS ANGELES

CALIFORNIA

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March 22, 2016

REF: ASB-041-16

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

Attn: Entertainment and Facilities Committee

Subject: **UNIVERSITY OF SOUTHERN CALIFORNIA PRIVATE LINE FRANCHISE APPLICATION FOR NEW FACILITY ADDITION AND RECOMMENDATION OF APPROVAL (CF NO. 13-0815)**

This report is in response to an application received by the Information Technology (ITA) from the University of Southern California (USC) requesting the approval and issuance of the grant of an additional private line telecommunications facilities permit to the current franchise held by USC under City ordinance number 182724. Pursuant to the Los Angeles Administrative Code and City ordinance number 182724, ITA issues recommendations to the City Council regarding applications and other actions to be taken by the City regarding USC's information technology systems that encroach upon the City's public rights-of-way. Under the streamlined USC franchise process previously approved by a vote of the City Council, ITA issues a recommendation for approval or denial of additions to USC's franchised information technology systems. The City Council then has 60 days to take action on the recommendation of ITA. If no action is taken by the City Council within 60 days of ITA's recommendation for approval or denial of USC's application then ITA's recommendation is adopted by ordinance. In this instance, ITA **approves** of USC's new facility application under City ordinance number 182724 as set forth below.

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). USC is requesting that the City grants an additional two facilities to the current limited franchise to install and maintain two additional private line telecommunications facilities at USC's Health Science Campus. Those facilities will connect its buildings located between 1520 San Pablo Street and 1501 San Pablo Street and its buildings located between 1425 San Pablo Street and 1441 Eastlake Avenue with the Franchisee's existing information technology facilities by pneumatic

tubing and encroach into portions of the public rights-of-way on pathways between 1520 and 1501 San Pablo Street and 1425 San Pablo Street and 1441 Eastlake Avenue.

Pricing Rates

The regular franchise fee rates that apply to USC's private telecommunications franchisees is \$2.50/linear foot per 4" conduit in City's PROW, \$1.25/linear foot for aerial installations and \$7.50/linear foot for other telecom facilities exceeding a 6" cross-sectional diameter including conduit, vaults and boxes in the City's PROW. The annual franchise payment for the two new facility additions is calculated as follows:

San Pablo Crossing

One 24" conduit

\$7.50/linear foot x 86 feet = \$645 per year

Eastlake Crossing

One 24" conduit

\$7.50/linear foot x 80 feet = \$600 per year

Fiscal Impact

If approved, implementation of this private line telecommunications franchise will generate revenue in the total amount of \$1,245.00 per year in addition to USC's current annual franchise fee obligation in the amount of \$282,804.38 for a new annual total of \$284,049.38. In addition, USC is required to continue to maintain a franchise performance bond in the amount of \$4.5 million dollars.

Recommendation

ITA has reviewed USC's application requesting the City of Los Angeles' (City) grant two additions to its current private line telecommunications franchise and ITA recommends approval of that application request. As noted above, the City Council has 60 days to take any action on the recommendation of ITA. Should the City Council take no action on this approval recommendation, the requested private line telecommunications franchise additions will become effective in 60 days.

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

Respectfully submitted,


JOYCE EDSON FOR

Ted Ross
General Manager

Honorable Members of the City Council

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cc: Honorable Mayor Eric Garcetti
Honorable Nury Martinez, Chair
Honorable Paul Krekorian, Vice Chair
Honorable Joe Buscaino
Honorable Mitch O'Farrell
Honorable David E. Ryu
Honorable Curren D. Price, Jr.
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
Laura Ito, ITA
William Imperial, ITA