

CITY OF LOS ANGELES
CALIFORNIA

TED M. ROSS
INTERIM GENERAL MANAGER

MARK P. WOLF
EXECUTIVE OFFICER



ERIC GARCETTI
MAYOR

INFORMATION TECHNOLOGY
AGENCY

ROOM 1400, CITY HALL EAST
200 NORTH MAIN STREET
LOS ANGELES, CA 90012
(213) 978-3311
FAX (213) 978-3310

ITA.LACITY.ORG

July 17, 2015

REF: ASB-185-15

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

Attn: Trade, Commerce and Technology 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 instances, 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 addition to the current limited franchise to install and maintain a private line telecommunications facility at USC's Health Science Campus. That facility will connect its building located at 2215 E. Alcazar Street with the Franchisee's existing information technology facilities by fiber and encroach into portions of the public rights-of-way on a pathway between 1633 San Pablo Street and 2215 E. Alcazar Street.

Fiscal Impact

If approved, implementation of this private line telecommunications franchise will generate revenue in the amount of \$300.00 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 \$283,104.38. In addition, USC is required to maintain a franchise performance bond in the amount of \$4.5 million dollars.

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, \$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 for the new facility addition is calculated as follows:

$$60 \text{ linear feet} \times \$2.50/\text{linear foot} \times 2 \text{ } 4'' \text{ conduits} = \$300/\text{year}$$

Recommendation

ITA has reviewed USC's application requesting the City of Los Angeles' (City) grant an addition 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 recommendation, the requested PLF addition it will become effective in 60 days.

If you have any questions, please contact Mark P. 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 Councilmember & Chair, Bob Blumenfield
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
Mark P. Wolf, ITA
William Imperial, ITA