

# CITY OF LOS ANGELES

CALIFORNIA

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August 15, 2016

REF: CEB-170-16

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 LOCATED AT 631 W. JEFFERSON BLVD - 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 regarding its building located at 631 W. Jefferson Blvd. 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 facility to the current limited franchise to install and maintain an additional private line telecommunications facility located at 631 W. Jefferson Blvd. That facility will connect its building located at 631 W. Jefferson Blvd. to USC's existing telecommunications pullbox along 32<sup>nd</sup> Street by the placement of two (2) 4-inch PVC conduits into portions of the public rights-of-way.

**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 new facility addition is calculated as follows:

631 W. Jefferson Blvd.

Two 4-inch PVC conduits x \$2.50/linear foot x 98 feet = \$490 per year

**Fiscal Impact**

If approved, implementation of this private line telecommunications franchise will generate revenue in the total amount of \$490.00 per year in addition to USC's current annual franchise fee obligation in the amount of \$284,349.38 for a new annual total of \$284,839.38. 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 one 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 approval recommendation, the requested private line telecommunications franchise additions will become effective in 60 days.

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 & Chief Information Officer

- cc: Honorable Mayor Eric Garcetti  
Honorable Councilmember & Chair, Nury Martinez  
Honorable Marqueece Harris-Dawson  
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  
Jeanne Holm, ITA  
William Imperial, ITA