



## Legislation Text

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**File #:** ID 16-0358, **Version:** 1

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Ordinance to Approve the Franchise Agreement between the City of Greensboro and MCI Communication Services, Inc: SECOND READING

Department: Engineering and Inspections  
Council District: All

Public Hearing: No  
Advertising Date/By: N/A

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### **PURPOSE:**

To give the second approval of the franchise agreement between the City of Greensboro and MCI Communication Services, Inc. The first approval was granted on June 21, 2016.

### **BACKGROUND:**

North Carolina General Statute §160A-76 requires that all franchise grants, renewals, extensions, or amendments be made by ordinance and also requires that all such ordinances be passed at two regular meetings of the City Council.

The City of Greensboro and MCI Communication Services, Inc. have entered into a franchise agreement which received its first approval by ordinance at the June 21, 2016 City Council meeting. This is the second of two regular meetings of the City Council at which the franchise agreement may be approved.

The franchise agreement begins retroactively on July 1, 2015 for a term of ten (10) years with an option for MCI Communication Services, Inc to renew for an additional five (5) year period by notifying the City in writing. . This retroactive is due to earlier settlement with MCI and franchise negotiation during FY 16.

The proceeds of the franchise agreement have been incorporated into the current fiscal year budget.

### **BUDGET IMPACT:**

The City will receive an annual franchise fee based on the amount of linear footage of MCI Communication Services, Inc's installations in the City's rights-of-way. Currently, the franchise fee is \$13,073.70 per year for 43,579 linear feet. The total linear footage and the franchise fee will be calculated and adjusted yearly through the regular process. These fees for FY 15 will be deposited into account number 101-6010-01.7217 and the fees for FY 16 will be deposited into account number 101-0701-02.7217.

### **RECOMMENDATION / ACTION REQUESTED:**

It is recommended that City Council give the second and final approval of the franchise agreement between MCI Communication Services, Inc and the City of Greensboro.