



Legislation Text

File #: ID 17-0358, **Version:** 1

Ordinance Amending Chapter 28.1 of the Greensboro Code of Ordinances with Respect to Telecommunications

Department: Information Technology
Council District: All

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

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PURPOSE:

To amend Chapter 28.1 of the Greensboro Code of Ordinances to eliminate the annual per linear foot fee for telecommunications companies that encroach in the City's rights-of-way.

BACKGROUND:

In 2016, the General Assembly passed Senate Bill 481 which amended §160A-296 by restricting how cities may charge fees to certain companies for utility use of rights-of-way. The law becomes effective July 1, 2017, and provides that if a city were to charge for activities conducted in the right-of-way, the fee must be calculated to be the difference between a city's right-of-way management expenses and the distributions a city receives from the state Under Article 5 of Chapter 105. In preparation for the new law, and in accordance with Council's instructions, city staff have been planning for the elimination of this fee for the past year. Currently, the City charges a rate of \$0.30 per linear foot for occupation in City rights-of-way. However, based upon research of similar sized cities, multiple conversations with industry representatives, and in keeping with Greensboro's goal of encouraging telecommunications businesses to locate to Greensboro, eliminating the per-linear-foot fee, at a rate of zero dollars and zero cents (\$0.00) per linear foot, is appropriate.

As the City's telecommunications needs grow, Greensboro seeks to open the telecom field in the interest of promoting business interests throughout the City. Eliminating the per-linear-foot fee will further that goal. The City has been notifying all telecommunications franchisees and encroachers regarding the rate elimination and have received an enthusiastic response from the telecommunications industry.

Upon adoption of this Ordinance change, staff will bring updated franchise agreements to City Council for each franchise operating in the City's rights-of-way. These franchise agreements must be voted on twice by City Council.

BUDGET IMPACT:

Under the old rate of \$0.30, the fiscal year 2017 revenues for the City would have been \$111,000 for franchises and \$4,042 for encroachments. Eliminating the per-linear-foot fee will result in zero revenue, however, the City will receive \$3,074,360 from the State of North Carolina through a distribution of state-wide

telecommunications taxes under Article 5 of Chapter 105. These revenue estimates are included in the Manager's current budget proposal.

RECOMMENDATION / ACTION REQUESTED:

The Information and Technology Department recommends City Council approve this ordinance amendment.