

ORDINANCE No.

Extend term of franchise granted to Northwest Metal Fab & Pipe, Inc. to construct, operate and maintain a conduit system within City streets (Ordinance; amend Ordinance No. 180044)

The City of Portland ordains:

Section 1. The Council finds:

1. In 2006, the City Council approved an ordinance granting a ten-year franchise to Northwest Metal Fab & Pipe, Inc. (Northwest Metal) to construct, operate and maintain a conduit system within City streets. Ordinance No. 180044. The franchise became effective on June 3, 2006.
2. In 2016, City Council granted a two-year extension. Ordinance No. 187815. Northwest Metal requested the extension to give it time to find a qualified third party to purchase its conduit system. At the time, staff recommended that no additional extensions be granted at the end of the initial two-year extension.
3. Northwest Metal reports it is in negotiations with potential buyers and requests a second extension. In the meantime, Northwest Metal agrees to work with the City on a renewed franchise if it cannot successfully negotiate a sale by the end of this second extension.
4. Staff recommends that Council extend the franchise for nine months to allow time for Northwest Metal to sell its existing conduit facilities to a qualified third party, acceptable to the City, and to continue negotiating a renewed franchise. At the end of this second extension, Northwest Metal agrees it will have successfully negotiated a sale or staff will have a renewed franchise with Northwest Metal to present to Council.

NOW, THEREFORE, the Council directs:

- a. Ordinance No. 180044 is amended to extend the term of the franchise, continuously and without interruption, through March 3, 2019.
- b. All other terms and conditions of the franchise shall remain the same and unchanged.
- c. On or before the thirtieth (30th) calendar day after this ordinance becomes effective, Northwest Metal shall file with the City Auditor a written acceptance of this ordinance that meets the approval of the City Attorney and is executed by a duly authorized representative of Northwest Metal. Any failure on the part of Northwest Metal to file such written acceptance within such time shall be deemed an

abandonment and rejection of this ordinance. Such acceptance shall be unqualified and shall be construed to be an acceptance of all the terms contained in this ordinance and Ordinance No. 180044.

Passed by the Council:

Mary Hull Caballero
Auditor of the City of Portland
By:

Mayor Ted Wheeler
Prepared by: MR/MKH
June 18, 2018

Deputy

IMPACT STATEMENT

Legislation title: Extend term of franchise granted to Northwest Metal Fab & Pipe, Inc. to construct, operate and maintain a conduit system within City streets (Ordinance; amend Ordinance No. 180044)

Contact name: Melvin Riddick
Contact phone: 3-0066
Presenter name: Melvin Riddick

Purpose of proposed legislation and background information:

In 2006, Council first approved a franchise for Northwest Metal Fab and Pipe, Inc. to maintain a conduit system in the City. In 2016, City Council granted a two-year extension. The company expressed an interest in selling the conduit system to a third party. City staff is currently negotiating a renewal franchise with Northwest Metal Fab or its successor. City staff recommends that the Council extend the existing franchise through March 3, 2019 to allow time for the company to explore selling the system. In the meantime, the parties will continue negotiations for a new agreement which will be required at the end of this extension regardless of whether a buyer is located.

Financial and budgetary impacts:

The City will continue to receive franchise fees for use of the right of way from Northwest Metal Fab for approximately \$20,000 per year.

Community impacts and community involvement:

N/A

Budgetary Impact Worksheet

Does this action change appropriations?

- YES: Please complete the information below.
- NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount