

CITY OF LOS ANGELES

CALIFORNIA



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February 9, 2024

REF: EXE-022-24

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

Attention: Government Operations Committee

Subject: **STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) PRIVATE FRANCHISE RENEWAL APPLICATION AND RECOMMENDATION APPROVAL (CF NO. 93-0556)**

Recommendation

The Information Technology Agency (ITA) has reviewed the renewal application of the State of California Department of Transportation (CALTRANS) for a private line telecommunications franchise. The franchise was originally granted in 1993 by the City Council and Mayor. ITA recommends approval of the renewal application. Because private line franchises are effectuated by ordinance, ITA also recommends that the City Council request that the City Attorney prepare and present a draft ordinance to City Council with a ten year term, to effectuate the renewal of this franchise.

Background

A private line telecommunications facility is an encroachment permit that provides for the interconnection between two points in the public rights-of-way, utilized solely for signal transmission and not to serve any customer within the City.

In 1993, CALTRANS was granted a 21-year telecommunications franchise, with an automatic 10-year renewal, for the placement of conduit in the City's public rights-of-way in the downtown area: (i) along Main Street from Second Street to Route 101, (ii) along Spring Street from Second Street to Route 101, (iii) along Aliso Street between Los Angeles Street and Spring Street, and (iv) along Vermont Avenue across Rosewood Avenue ([CF No. 93-0556](#) and Los Angeles City [Ordinance No. 168735](#)).

The infrastructure that was installed continues to be a part of the CALTRANS network that serves the needs of the State and residents of California.

Specifically, the telecommunications facility is an integral part of the CALTRANS network that collects and distributes data as part of the Caltrans District 7 Advanced

Transportation Management System (ATMS) and the Regional Integration of Intelligent Transportation Systems (RIITS). These systems provide data to various services in the region. This includes the Changeable Message Signs (CMS) that are used on highways to provide road information and Amber alerts to travelers. In addition, the Los Angeles County Metropolitan Transportation Authority (Metro) uses RIITS to support the exchange of transportation information and resources between and within government organizations for regional operational mobility improvements.

In 1993, the City Council also approved modifications and exclusions to standard provisions of private line telecommunications franchises for the CALTRANS private line franchise, including the waiver of the performance bond and waiver of franchise fees.

CALTRANS has now applied to renew said private line franchise for ten (10) years, which is the maximum allowed under City Charter for a franchise renewal, and seeks to continue the waiver of the performance bond and waiver of franchise fees.

Pricing Rates

CALTRANS has requested to continue the waiver of the payment of franchise fees. ITA has no opposition [takes no position or joins in that request] to the request given that the purpose of the operations of the telecommunications facility is to serve the needs of the State and residents of California.

If CALTRANS were to apply for a franchise of a general operations private line telecommunications franchise in the future, ITA may recommend the payment of those franchise fees for those new telecommunications facilities in the PROW.

The regular franchise fee rates that apply to the City's private telecommunications franchises is \$5/linear foot for up to a 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 fee payment to be waived if approved by the City Council and Mayor would be calculated as follows:

Two 3" conduits x \$5/linear foot x 5280/linear conduit feet = \$52,800/year
Full payment amount for the term of the franchise (10 years) = \$528,000

Fiscal Impact

If approved, the renewal of the private line telecommunications franchise will generate \$2,500 in application fees and continue the waiver of the performance bond as well as the waiver of the franchise fees for the duration of the franchise term.

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If you have any questions, please contact Manuel Giron at manuel.giron@lacity.org.

Sincerely,

A handwritten signature in black ink that reads "Ted Ross". The signature is fluid and cursive, with the first name "Ted" and last name "Ross" clearly legible.

Ted Ross
General Manager

ec: Honorable Karen Bass, Mayor
Honorable Hydee Feldstein Soto, City Attorney
Sharon Tso, Office of the Chief Legislative Analyst
Matthew W. Szabo, Office of the Chief Administrative Officer
Richard Tom, Office of the City Attorney
Josh Templet, Office of the City Attorney
Roger Fernandez, Information Technology Agency
Manuel Giron, Information Technology Agency
ITA Executive Team