

ORDINANCE NO. _____

An ordinance amending Sections 13.25, 13.25.1, and 13.26 of Article 7, Chapter 1, Division 13 of the Los Angeles Administrative Code to increase the utility or pipeline franchise application deposit from \$6,000 to \$10,000.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. Section 13.25 of Article 7, Chapter 1, Division 13 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

Sec. 13.25. Posting Deposit.

Every application for a franchise, permit, or privilege shall be accompanied by a cash deposit in an amount established in Section 13.25.1, or by a certified check for said amount payable to the City, to pay for application processing costs. Every bid shall be accompanied by a cash deposit of \$500, or a certified check for said amount payable to the City, as a guarantee of good faith by the bidder.

Sec. 2. Section 13.25.1 of Article 7, Chapter 1, Division 13 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

Sec. 13.25.1. Amount of Deposit.

A. Every application, as referred to in Section 13.25, for the following types of franchises shall be accompanied by a cash deposit, or a certified check for said amount payable to the City, to pay for application processing costs as follows:

Each application for an Information Technology System franchise ...	\$2,500
Each application for a utility or pipeline franchise.....	\$10,000
Each application for a railroad franchise	\$3,000

For a utility or pipeline franchise application, if the responsible City department determines that additional deposit funds are needed to pay for application processing costs, the department may halt processing the application and require the applicant to pay an additional deposit in an amount the department estimates will be needed to cover the costs.

B. In addition to the deposits established in Subsection A above, each applicant and each existing franchise grantee who makes an application for additional franchise facilities pursuant to the terms and conditions of its franchise shall deposit with the City that sum estimated by the responsible City department to be sufficient to

reimburse the City for the costs of conducting the CEQA environmental review of the application.

1. The deposit may vary in amount from time to time depending upon the scope of the environmental review and the estimated City costs of the work reasonably anticipated as necessary to complete the review, provided that the estimated sum required to be deposited shall be based upon, and not be inconsistent with, the actual costs of similar work done by the responsible department in the regular course of its duties. The amount of the deposit may be increased by the responsible department at any time if the remaining balance is less than estimated City costs. In the event costs incurred by the City are less than the deposit received by the City, the applicant shall be entitled to reimbursement of the excess from the deposit.

2. Money received as a deposit from an applicant pursuant to this subsection shall be deposited into the responsible department Trust Fund and shall be transferred to the General Fund to first reimburse the City costs incurred in conducting the environmental review.

3. The costs that are to be reimbursed for each City department shall consist of the actual costs of the City which include, but are not limited to: wages, including overtime, retirement, compensated time off, and other benefits; bureau/division overhead, departmental overhead, and general City overhead, which are incurred in connection with the employees assigned to perform the environmental review and process an application; the direct costs of material and equipment required to perform the review and process an application; the reasonable out-of-pocket costs incurred by any employee assigned to perform the review or process an application; and the cost of hiring outside consultants necessary to provide the City with special expertise.

Sec. 3. Section 13.26 of Article 7, Chapter 1, Division 13 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

Sec. 13.26. Returning of Deposit.

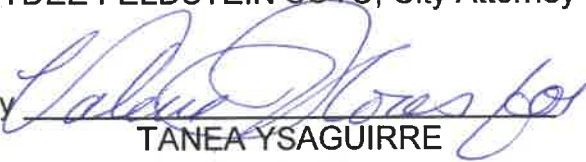
Upon the franchise, permit, or privilege being awarded, all deposits paid by unsuccessful bidders shall be returned. The deposit of the successful bidder shall be retained until the approval and filing of a bond, whereupon the \$500 deposit shall be returned and the remainder, if any, of the other deposit amount established in Section 13.25.1 shall be returned after the payment of all costs incurred by the City in connection with application processing and CEQA environmental review costs, if any, of the franchise, permit, or privilege.

Sec. 4. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Approved as to Form and Legality

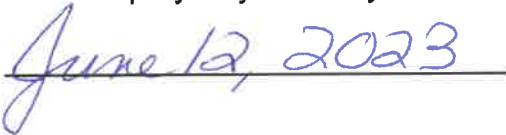
HYDEE FELDSTEIN SOTO, City Attorney

By



TANEA YSAGUIRRE
Deputy City Attorney

Date



File No. _____

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Increase in Pipeline Franchise Application Deposit CF 21-0065.docx

The Clerk of the City of Los Angeles
hereby certifies that the foregoing
ordinance was passed by the Council
of the City of Los Angeles.

CITY CLERK

MAYOR

Ordinance Passed _____

Approved _____