

FISCAL IMPACT REPORT

General Information:

(Check) Bill: x Resolution:

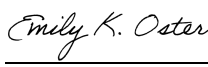
Short Title(s): Granting Ezee Fiber Texas Franchise

Sponsor(s): Mayor Alan Webber

Reviewing Department(s): Public Works Department

Staff Completing FIR: Sean Moody Date: 23-July-24 Phone: (505) 995-6931

Reviewed by City Attorney:  Date: Oct 4, 2024

Reviewed by Finance Director:  Date: Oct 4, 2024

Summary:

This Bill would allow Ezee Fiber Texas, LLC, ("Applicant"), a non-exclusive franchise to operate a telecommunications network within the city of Santa Fe limits ("city"), the right to use public rights-of-way to provide telecommunications services within the city, and fixes the terms and conditions thereof. Granting this franchise will increase the number of competitive commercial options for obtaining internet service. As compensation for use of the public rights-of-way, the Applicant would be required to pay the City of Santa Fe ("City") an infrastructure maintenance franchise fee of two percent (2%) of all gross revenue charged by the Applicant to service addresses in the city. The franchise fee revenue will accrue to the City's municipal general fund.

Departments Affected:

Public Works Department

Consequences of Not Enacting Legislation:

If this legislation is not adopted, then the number of competitive commercial options for obtaining internet services would not increase.

Conflict, Duplication, Companionship, or Relationship to Other Legislation:

Federal law requires competitively neutral and nondiscriminatory access to the public rights-of-way for telecommunications networks to promote competition among telecommunications services providers and to encourage the universal availability of telecommunications services to residents and businesses through careful management of the public rights-of-way. SFCC 1987, Section 27-2, the Telecommunications Facilities in the Public Rights-of-Way Ordinance (Ordinance 2010-14), establishes a policy for use of the public rights-of-way for telecommunications in the city.

Performance and Administrative Implications:

Impacts to the public rights-of-way including street cuts, aerial work, temporary traffic controls and obstructions, require separate permitting by the Streets and Drainage Maintenance Division. Above-ground facilities require Land Use review.

Fiscal Implications:

The franchise imposes an infrastructure maintenance franchise fee of two percent (2%) of gross revenue charged by the provider to service addresses located within the city. Because the provider does not currently provide services within the city, recurring and non-recurring revenue is projected to be zero dollars (\$) in Fiscal Years 2025, 2026, and 2027. The Applicant will need to build out its network as well as acquire customers.

Fiscal Impact

***See Fiscal Implications narrative above. Check here if no fiscal impact

Expenditures

Expenditure Type	FYE 2025	FYE 2026	FYE 2027	Require BAR (Y/N)	Recurring (R) or Non-recurring (NR)	Fund	3-Year Total Cost
<u>Personnel and Benefits*</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Capital Outlay</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Contractual/</u>	\$ _____	\$ _____	\$ _____		_____	_____	
<u>Professional Services</u>							
<u>Operating</u>	\$ _____	\$ _____	\$ _____		_____	_____	\$ _____
<u>Total:</u>	\$ _____	\$ _____	\$ _____				\$ _____

Expenditure Narrative: None.

Revenue

Revenue Type	FYE 2025	FYE 2026	FYE 2027	Recurring (R) or Non-recurring (NR)	Fund
General Fund	\$ _____	\$ _____	\$ _____	_____	_____
Special Revenue	\$ _____	\$ _____	\$ _____	_____	_____
CIP	\$ _____	\$ _____	\$ _____	_____	_____
Enterprise	\$ _____	\$ _____	\$ _____	_____	_____
Internal Service	\$ _____	\$ _____	\$ _____	_____	_____
Trust and Agency	\$ _____	\$ _____	\$ _____	_____	_____
Federal	\$ _____	\$ _____	\$ _____	_____	_____
Other	\$ _____	\$ _____	\$ _____	_____	_____
Total	\$ _____	\$ _____	\$ _____		

Revenue Narrative:

***The revenue source is an infrastructure maintenance franchise fee of two percent (2%) of gross revenue changed by the provider to service addresses located within the city of Santa Fe. Because the provider does not currently provide services in the city, recurring and non-recurring revenue is projected to be zero in Fiscal Years 2025, 2026, and 2027. To generate revenues and pay franchise fees, the Applicant will first need to build out its network as well as provide services to customers.

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