

CITY OF LOS ANGELES  
CALIFORNIA

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June 8, 2015

REF: ASB-131-15

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

Attn: Innovation, Technology and General Services Committee

Subject: **KAISER FOUNDATION HOSPITALS, LLC PRIVATE LINE FRANCHISE  
RENEWAL APPLICATION AND RECOMMENDATION OF APPROVAL  
COUNCIL FILE NO. 15-0584**

This report is in response to an application received by the Information Technology (ITA) from the Kaiser Foundation Hospitals LLC requesting the approval and issuance of the grant of a private line telecommunications facilities franchise by the City Council and Mayor. Pursuant to the Los Angeles Administrative Code, ITA prepares recommendations to the City Council regarding applications and other actions to be taken by the City regarding information technology systems franchises that encroach upon the City's public rights-of-way.

### 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 of Los Angeles (City). Kaiser Foundation Hospitals, LLC is requesting that the City grants the renewal of a limited franchise to install and maintain a private line telecommunications facility which will encroach into portions of the public rights-of-way located in seven principal areas of the City at the Kaiser Foundation Hospital LLC facility locations at or near the Sunset Boulevard and Edgemont area of Hollywood, as set forth in the Draft Ordinance prepared and filed to the City Council by the City Attorney's Office.

### Fiscal Impact

If approved, implementation of this private line telecommunications franchise will generate revenue in the amount of \$26,830 per year. If Kaiser Foundation Hospitals, LLC, elects to pay the full amount due for the ten year term of the franchise, the additional revenue due will be \$268,300. In addition Kaiser Foundation Hospitals, LLC is required to provide the City with a franchise performance bond in the amount of \$130,900.

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### **Pricing Rates**

The regular franchise fee rates that apply to the City's private telecommunications franchisees is \$5/linear foot for fiber and conduit in City's public rights-of-way (PROW) and \$15/cubic foot for other telecom facilities such as vaults and boxes in PROW. The annual franchise payment amount is calculated as follows:

3,206 linear feet x \$5/linear foot = \$16,030

600 linear feet x \$15/linear foot = \$9,000

60 linear feet x \$30/linear foot = \$1,800

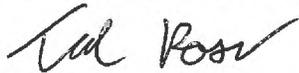
Total = \$26,830/year or \$268,300/ten year period of franchise

### **Recommendation**

ITA has reviewed the Kaiser Foundation Hospitals, LLC application for the renewal of a private line telecommunications franchise and subject to the consent of City Council and Mayor, recommends approval of that renewal application request as set forth above.

If you have any questions, please contact Mark P. Wolf at (213) 978-3311 or William Imperial at (213) 922-8383.

Respectfully submitted,



Ted Ross  
Interim General Manager

cc: Honorable Mayor Eric Garcetti  
Honorable Ron Galperin, City Controller  
Miguel Santana, City Administrative Officer  
Mandana Khatabshahidi, Office of the Chief Legislative Analyst  
Mike Dundas, Office of the City Attorney  
Honorable Councilmember & Chair, Bob Blumenfield  
Mark P. Wolf, ITA  
William Imperial, ITA