



RESEARCH



Franchise Agreement Survey Report

DECEMBER 2019

Franchise Agreement Survey Report

League of Oregon Cities
December 2019

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This LOC study of utility franchise agreements contains new information on city franchise revenues and fees. Since the early 2000s, telecom revenue has been declining as cable revenues have remained relatively stable. This difference masks the median trend in the revenue. Combined, city franchise revenue from these two major sources has been declining. Adjusted for inflation, this decrease is even greater. Per city resident, cable revenues have also declined despite an increase in per capita telecom revenue. A similar trend has developed in other city franchises, including water and city-owned electric utilities. This data from 2019 confirms the findings from the LOC's 2015 survey.

Introduction

A revenue-expenditure imbalance for cities has resulted from the combination of Oregon's restrictive property tax system and an increase in expenses beyond city control. The importance of property tax revenues to cities cannot be overstated. They are the single highest and most flexible revenue source for funding core city services, such as public safety and street projects.

In a recent League of Oregon Cities (LOC) survey, costs associated with employees (wages, healthcare and retirement) were identified by cities as their three highest cost drivers. Controlling the top three expenses is beyond a city's ability—as they are controlled by market factors and state and federal regulations. To maintain services to their communities, cities are looking to revenue sources other than property taxes. In a 2014 League survey, 54% of respondents cited franchise fees as either their second or third highest revenue source.

Franchise fees (also sometimes called privilege taxes) are a legal agreement between a city and another entity to compensate for the entity's use of the city's right of way. These agreements can include a contract negotiated by a city and its utility providers, or an ordinance approved by a city council. In either case, the agreement often outlines the rate charged, terms and conditions, and any special services provided.

These agreements ensure that those using a right of way are paying fees to reimburse cities for the use of public property. They also prevent general taxpayers from subsidizing extraordinary use. Franchise fees are typically calculated as a percentage of the revenues of a utility company to customers in a service area. Considering Oregon's limiting property tax system, reduction of franchise fee revenue would have a detrimental effect on city budgets.

Since 2002, the LOC surveys its members every few years to collect and analyze data on the status of franchise agreements throughout the state, with the last survey conducted in 2015. The survey asks cities to provide their most recent rates and rate calculations for telecommunication and cable franchises. Questions are also posed for other franchises, such as electricity, water, garbage, and franchises to other governments. This information is crucial to understanding revenue sources in Oregon cities and to forecasting future revenue trends.

Survey Results

Telecommunication Franchises

Telecommunications franchise agreements are one of the largest sources of revenue generated in a city's right of way. Establishment of these telecommunications agreements can vary. According to the survey, 59% of responding cities indicated at least some of their telecommunications agreements are established by ordinance. Sixty-nine percent establish theirs by contract or one-off agreement. Other common methods included licensing and establishment by city code. While agreement duration ranged from three years to "open ended," the average duration was 10.3 years, slightly less than the 11-year average from the previous survey. This duration indicates that most telecommunications agreements are established for the long term.

Cities address the unique position of providers that operate in the right of way differently. Sixty-eight percent of cities do not require telecommunications providers to pay a general business license fee or tax. This occurs more often in the cities with a population greater than 10,000. This added cost in those cities that require telecommunications franchises to pay additional fees or taxes is typically less than \$1000 per

year. This fee is often charged based on the number of telecommunication company employees within city limits. It should be noted that the 2015 survey found this license to be typically less than \$100, perhaps indicating an increase in cost of business licenses in Oregon cities. Cities also may charge permit fees for a company to operate in the municipal right of way. Twenty-two percent of cities charged this fee, 73% of which were in cities with a population greater than 10,000.

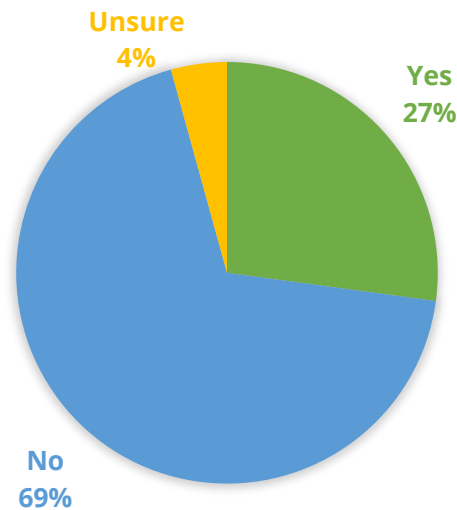


Figure 1: Does your city have a general business license/registration fee/tax which telecom ROW users must pay?

Cell towers and telecommunications towers are often placed on public property within city limits. While the median number of cell towers in respondent cities was one, this number can vary tremendously. Portland lists more than 900 cell towers within city limits. Among respondent cities, 39% report telecommunications towers on public property. Again, this is most likely to occur in larger cities (with a population more than 10,000) and in the Metro and Central Oregon regions. Fifty-four percent of respondents do not have telecommunications towers on city property. The monthly lease rate for the property on which these towers stand ranges from \$150 per month to \$6,000 per month. The lease rate depends on the city and the nature of the individual agreement.

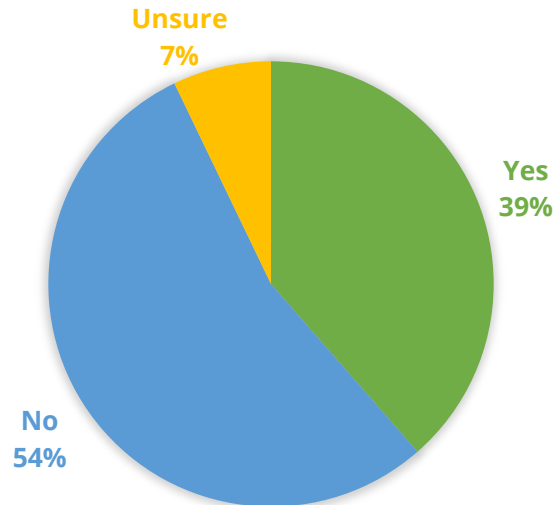


Figure 2: Is city property (not ROW) being used as a site for any of these telecom towers and/or antennas?

Cities may also charge telecommunications providers to replace wireless attachments on utility poles in the right of way. Since 2015, the number of cities that do not charge for these attachments has declined from 70% to 55% , indicating an increase in charges for wireless attachments. Fifty-three percent of cities that charge for these attachments are in Metro small cities region.

Telecommunication Rates and Revenues

For FY2019, the average telecommunications franchise fee rate was 5.6%, although the plurality of cities charged the legal maximum of 7%. The average rate charged increased the larger the city population. Average for a 1st quintile city (cities with a population less than 450) was 3.2% ; whereas cities in the 5th quintile (greater than 10,000 population) were more than 6% on average. Revenues per franchisee increased in a similar manner. Cities with a population less than 450 brought in an average of \$1,748 per franchise; cities greater than 10,000 population averaged \$112,177.

| 2018-2019 Telecommunications Rates & Revenue | | | | |
|---|---------------------------|----------------------|---------------------------|------------------------------|
| Quintile | Franchise Fee Rate | 18-19 Revenue | Privilege Tax Rate | Privilege Tax Revenue |
| 1st Quintile | 3.2% | \$1,748 | 0.0% | \$0 |
| 2nd Quintile | 5.1% | \$1,886 | 2.5% | \$0 |
| 3rd Quintile | 5.5% | \$15,747 | 1.0% | \$434 |
| 4th Quintile | 5.3% | \$15,903 | 0.0% | \$0 |
| 5th Quintile | 6.3% | \$112,177 | 7.0% | \$95,582 |
| TOTAL | 5.6% | \$60,588 | 4.1% | \$46,771 |
| Region | | | | |
| N. Coast | 6.5% | \$6,836 | 5.0% | \$76,348 |
| Metro | 6.5% | \$89,694 | 6.2% | \$51,087 |
| N. Willamette | 5.7% | \$22,750 | 1.8% | \$79,738 |
| S. Willamette | 5.1% | \$32,630 | 3.4% | \$45,563 |
| C. Coast | 5.3% | \$8,529 | 0.0% | \$0 |
| S. Coast | 6.3% | \$13,375 | 6.0% | \$2,115 |
| S. Oregon | 5.7% | \$36,573 | 7.0% | \$36,660 |
| Gorge | 4.6% | \$2,127 | NA | NA |
| C. Oregon | 3.8% | \$98,014 | 0.0% | \$0 |
| SC Oregon | 5.6% | \$301,545 | NA | NA |
| NE Oregon | 5.9% | \$5,077 | NA | NA |
| E. Oregon | 6.3% | \$4,292 | NA | NA |
| TOTAL | 5.6% | \$60,588 | 4.1% | \$46,771 |

Table 1: Fiscal Year 2019 Average Telecommunications Franchise Fee & Privilege Tax Rates and Revenues¹

Cable Franchises

Cable franchises, similar to telecommunications franchises, are the other major category of franchise agreements examined by this survey. Most cities surveyed establish cable agreements by ordinance or individual agreement. These proportions are similar to telecommunications, as is the median length of cable agreements (10.3 years).

There are, however, notable and fundamental differences between cable and telecommunications agreements. Cable franchises in the last several years have begun offering voice-over-internet-protocol (VoIP), which allows for phone calls via internet connection. Thirty-two percent of cities responded to having VoIP as part of their cable franchise agreement. This figure is similar to the LOC's 2015 response to the same survey question (31%), indicating little change in the frequency of VoIP services. This service was statistically more likely to be offered Metro, Valley regions and in the South Coast region.

Large cities and cities in the Metro region were also more likely to have added provisions in their cable agreements. Forty-seven percent of cities (72 percent of these in cities with a population greater than 10,000) had additional provisions. The most common added provisions included free or reduced prices for cable in city government facilities, or public, educational and government access (PEG) channels. Like telecommunications, business licenses and taxes are usually not charged to cable utilities. Seventy-four percent of cities do not impose license fees. This is also statistically less likely to occur in both valley regions.

¹ Per Foot Fees not included in Table 1.

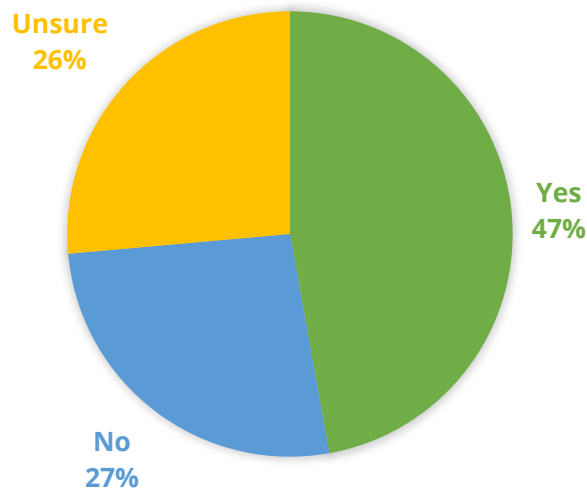


Figure 3: Do the city cable (franchise) agreements include additional service provisions?

Cable Rates and Revenues

Cable rates for Fiscal Year 2019 averaged 4.8 percent. This is lower than the rates for telecommunications franchises, and is likely due to a low average in smaller cities. Cities with a population less than 450, possibly to encourage cable utilities to provide service in their cities, averaged a franchise rate of 1.7%, compared to the 5% most commonly charged in cities with a population greater than 10,000. With the exceptions of Central Oregon (0 % average rate) and the Columbia Gorge (6 %), all other regions averaged about 5% rate charged to franchisees.

| 2018-2019 Cable Rates & Revenue | | | | |
|--|---------------------------|----------------------|---------------------------|------------------------------|
| Quintile | Franchise Fee Rate | 18-19 Revenue | Privilege Tax Rate | Privilege Tax Revenue |
| 1st Quintile | 1.7% | \$0 | 0.0% | \$0 |
| 2nd Quintile | 4.5% | \$6,972 | 0.0% | \$0 |
| 3rd Quintile | 5.3% | \$14,544 | 0.0% | \$0 |
| 4th Quintile | 5.0% | \$41,009 | NA | NA |
| 5th Quintile | 5.0% | \$268,797 | 3.0% | \$21,082 |
| TOTAL | 4.8% | \$177,847 | 0.5% | \$3,514 |
| Region | | | | |
| N. Coast | 5.0% | \$0 | NA | NA |
| Metro | 5.0% | \$191,789 | 3.0% | \$21,082 |
| N. Willamette | 4.9% | \$213,831 | 0.0% | \$0 |
| S. Willamette | 5.0% | \$200,227 | NA | NA |
| C. Coast | 5.0% | \$21,595 | 0.0% | \$0 |
| S. Coast | 5.0% | \$66,438 | NA | NA |
| S. Oregon | 5.0% | \$261,790 | NA | NA |
| Gorge | 6.0% | NA | NA | NA |
| C. Oregon | 0.0% | \$0 | 0.0% | \$0 |
| SC Oregon | NA | NA | NA | NA |
| NE Oregon | 5.0% | \$95,000 | NA | NA |
| E. Oregon | 5.0% | \$47,544 | NA | NA |
| TOTAL | 4.8% | \$177,847 | 0.5% | \$3,514 |

Table 2: Fiscal Year 2019 Average Cable Franchise Fee & Privilege Tax Rates and Revenues

Government Franchises

Use of a city's right of way is most often granted to utility providers. This, however, is not exclusive to private firms, and can also be granted to other government entities. These government franchises can take the form of franchise fees to other governments (cities and special districts) or franchises charged to the city itself. This latter charge (often called an in-lieu-of franchise) is most often used for city business activities as an accounting practice. While 71% of responding cities do not charge government franchises, larger cities are most likely to have such arrangements. Most common in-lieu-of franchises are charged for water, wastewater and stormwater utilities. All these are most often owned by the city. Ninety-five percent of cities do not pay franchise fees to other governments.

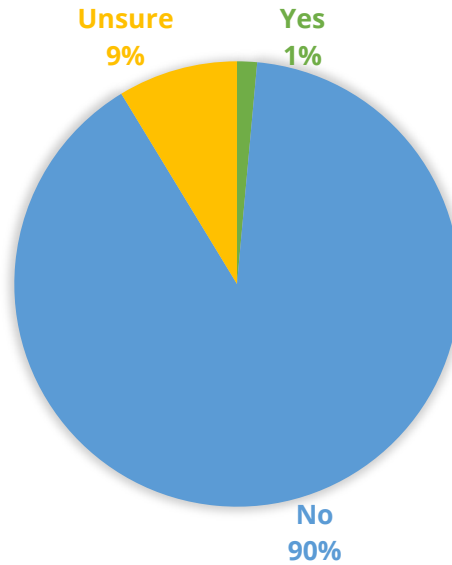


Figure 4: Does your city pay ROW usage fees to other government entities?

Other Franchises

While telecommunication and cable franchise fees are large revenue sources in a city, other services provide franchise revenue as well. These include:

- Electric (often the largest source of franchise revenue)
- Natural gas
- Solid waste
- Water
- Wastewater
- Other

Other franchises can vary dramatically based on a city's region and local economy. For example, Salem and Portland both have flat fee franchises charged to universities. Portland has several franchises with private companies that operate oil and gas pipelines, cement production, and sustainable energy.

Historical Analysis²

The LOC has telecommunications revenue data from 31 cities dating back to fiscal year 2003. This number is down from 58 in 2015, as some cities were removed due to inconsistent responses. Analyzing median data in this manner can be performed in two ways. First, by examining revenues nominally, or by looking at revenue as the simple dollar amount. Issues arise with this figure when considering inflation. Inflation produces an outcome in which \$10 today will be worth less in the future. As a result, telecommunications revenue is shown below as both nominal and adjusted to account for inflation (chained to 2003 dollars).

² Inflation adjustments based on Bureau of Labor Statistics CPI Calculations for Western Region Class-B/C (i.e. cities under 2.5 million). June CPI Used. <https://data.bls.gov/timeseries/CUURN400SA0>

While the nominal data indicates a gradual decline in franchise revenue, the inflation adjusted (or real dollar amount) shows a much steeper decline in the amount of revenue collected by cities from telecommunications utilities. This trend is partially due to fewer residents use of landline phones. This data indicates that less revenue will be available from telecommunications franchise in the future. While these cities saw rapid decline in revenues in the 2000’s, telecom revenues have stabilized and actually increased slightly in recent years.

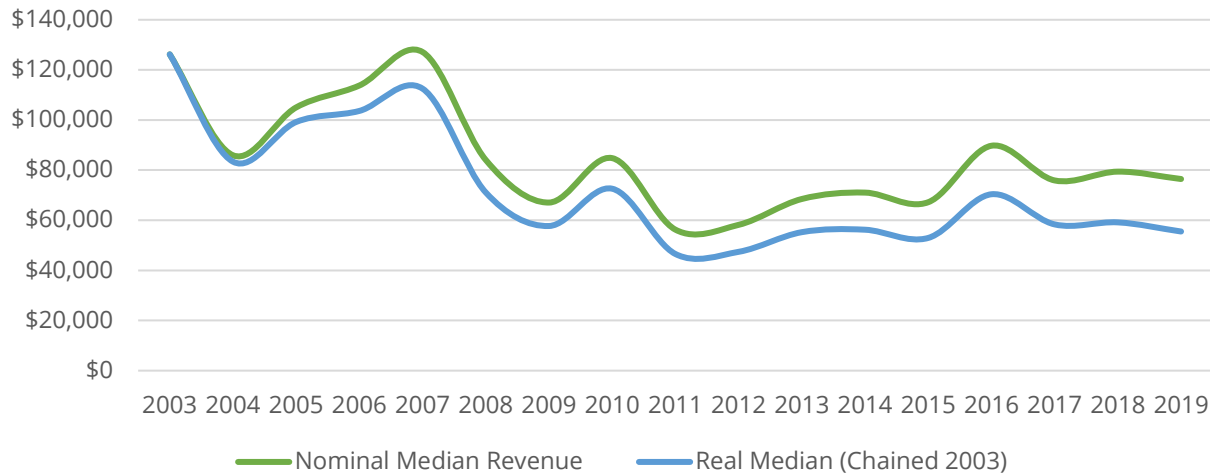


Figure 5: Historical Telecommunications Revenues 2003-2019

Forty-three cities were provided data on cable revenues since 2001. To remain comparable to telecommunication, only data from 2003 is presented. Cable revenues have a more positive trend than telecommunication franchises, though not as much as reported three years earlier. Figure 6 shows that after adjusting for inflation, cable franchise revenue is largely flat. This change has occurred in these cities despite changing behavior on the part of the end user, with more and more hours spent daily using services online. Cable companies also have an advantage in some areas of Oregon with the VoIP services that could displace telecommunications further in coming years.

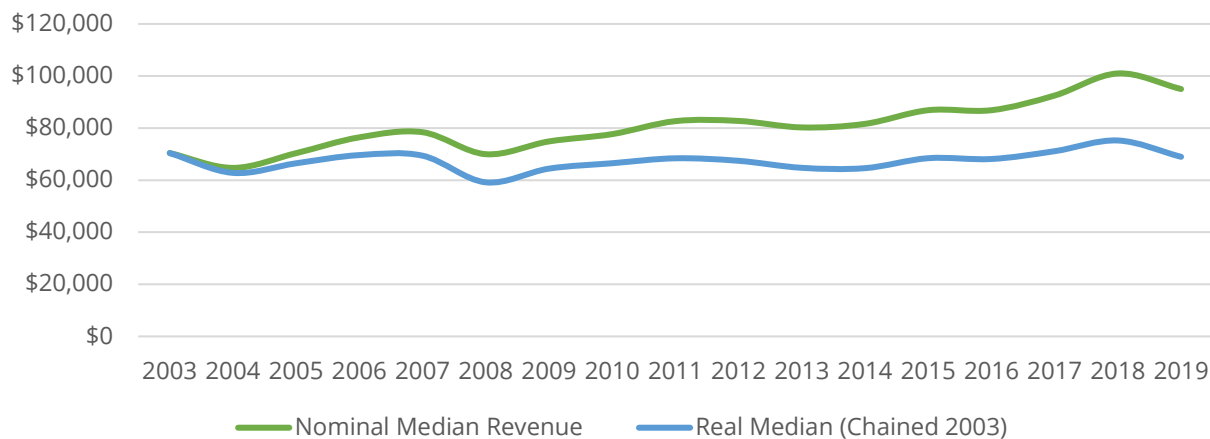


Figure 6: Historical Cable Revenues 2003-2019

When these two revenue sources are compared, the results (Figure 7) shows that while adjusted for inflation, revenues in telecommunications and cable franchise remain relatively steady, though telecommunications revenues are decidedly more variable. Among the cities for which the LOC has long-term data, revenue has remained flat since the early 2010s.

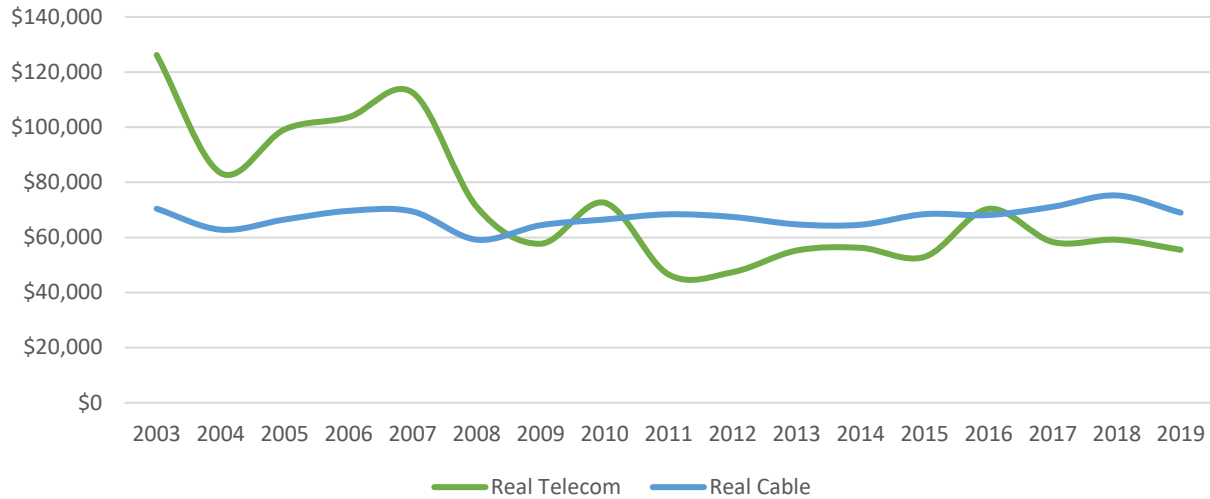


Figure 7: Combine Inflation Adjusted Telecommunications & Cable Revenues 2003-2019

It should be noted that this pool of revenue has been flat in these cities for nearly 10 years. However, this has not halted the influx of new residents and subsequent increase in population. Larger populations mean less money per person for essential city services, the results (Table 3) is that cities receive less revenue per capita over time.

| 2003 | | 2019 | |
|---------|--------|---------|--------|
| Telecom | Cable | Telecom | Cable |
| \$6.92 | \$6.41 | \$7.97 | \$4.53 |

Table 3: 2003 & 2019 Per capita Median Revenues

The above table shows the changes in per capita revenue, comparing 2003 and 2019. While telecom revenue per capita has actually increased by almost \$1 per person in the last 16 years, cable has decreased markedly. This indicates that cable franchise revenues are not keeping up with population growth. Despite the scale revenue source is relatively stable, it remains the same size in ever growing cities.

The LOC has relatively complete data for telecommunications and cable franchise revenue but unfortunately not for other major franchise revenues, such as electric utilities. Yet, for the few cities that have submitted such data in the past, the same trend appears true of electric franchises as well. This is consistent with what the LOC has found in the past.

Summary

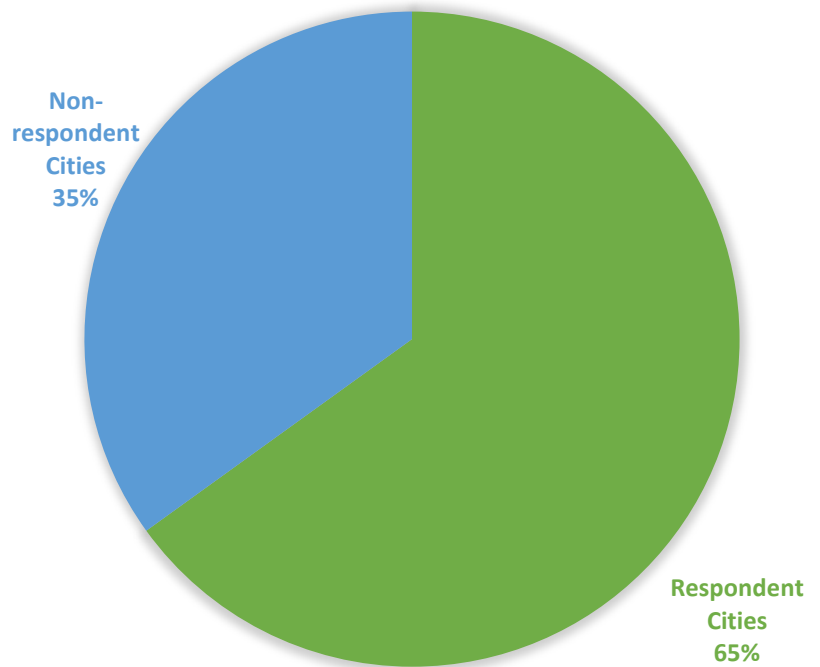
Charges for the use of a city's right of way take many forms, and are often dependent on a city's size, location and history. In general, larger cities and those in the Metro region tend to have the most complex franchise agreements, as well as the most unique sources of franchise revenue. Universally, however, franchises represent an essential revenue source for all Oregon cities.

Analysis of city revenue over the last decade reveals that franchise revenue is either steady or in decline. In most circumstances, these revenue sources are spread increasingly thin due to population growth. While telecommunications and cable were the primary focus of the research, this trend appears to be true for other franchises as well.

Survey Methods

This survey was conducted from June 10 to August 2, 2019, and responses were received from 72 cities. These cities represent 1,825,560 residents, or 65 percent of Oregon’s population residing in cities. The LOC created the survey using Qualtrics and distributed it to city managers, city recorders, and other individuals with positions equal to a city’s chief executive officer. These individuals often relied on support from relevant city staff or forwarded the survey to be completed by that individual.

| POPULATION | | |
|-----------------|-----------|-------|
| | # | % |
| Quintile | | |
| 1st Quintile | 15 | 20.8% |
| 2nd Quintile | 7 | 9.7% |
| 3rd Quintile | 12 | 16.7% |
| 4th Quintile | 12 | 16.7% |
| 5th Quintile | 26 | 36.1% |
| TOTAL | 72 | |
| Region | | |
| N. Coast | 4 | 5.6% |
| Metro | 14 | 19.4% |
| N. Willamette | 15 | 20.8% |
| S. Willamette | 6 | 8.3% |
| C. Coast | 3 | 4.2% |
| S. Coast | 3 | 4.2% |
| S. Oregon | 4 | 5.6% |
| Gorge | 4 | 5.6% |
| C. Oregon | 4 | 5.6% |
| SC Oregon | 3 | 4.2% |
| NE Oregon | 7 | 9.7% |
| E. Oregon | 5 | 6.9% |
| TOTAL | 72 | |



Cities are divided into population quintiles, or groups of cities representing roughly one-fifth of the 241 total cities. This is done to provide more accurate comparison of differences among city populations. If LOC randomly selected cities from each quintile, we would expect 20% to come from each of the five quintiles. Among respondent cities, there was overrepresentation in the Metro, South Willamette Valley, and Central and South-Central Oregon regions. There was an overrepresentation among cities with a population greater than 10,000, which is common with LOC surveys. Further, the survey had an underrepresentation of cities in several regions, particularly North and Central Coast regions, Southern Oregon and Northeastern and Eastern Oregon regions. Cities in the 2nd, 3rd, and 4th population quintiles were underrepresented among respondents.

Appendix A: Invitation to Participate

The League needs your help – please complete this survey by Friday, July 19.

Included in this email you will find the LOC's 2019 Right-of-Way (ROW) Usage and Franchise Fees Survey. Please take the time to fill it out **by July 19th**. This survey will guide us in updating our ROW usage and franchise fee database.

ROW fees are consistently under pressure at the Legislature. To effectively defend against industry challenges, it is critical that we have detailed information on the franchise fees that your city collects. This information may also be used proactively to pursue legislation regarding protecting and enhancing a city's right to this critical revenue source. The results also serve as a comparison tool for cities around the state.

NOTE: Please submit all answers using the online form. Please use the attached PDF only for information and guidance.

Survey Link Below:

http://orcities.co1.qualtrics.com/jfe/form/SV_3VMxn7CLzNyLX0h

Please don't hesitate to contact me if you have any questions regarding the survey at research@orcities.org or 503-588-6550.

Thank you in advance for taking the time to fill out this important survey.



Jim McCauley, *Legislative Director*

503-588-6550

1201 Court St. NE, Suite 200, Salem, OR 97301-4194

www.orcities.org



Appendix B: Survey Instrument

2019 ROW & Franchise Fee Survey

Q1 City Name:

Q2 Name of person responding:

Q3 Title of person responding:

Q4 Email Address of person responding:

Q5 In order to accurately analyze and report on your city's fees for use of the right-of-way, **four (4) years of data on telecommunications, cable television, utility, and other right of way users** is requested. Cities can authorize this use either through a right of way code, franchise agreements, through other methods or a combination of these methods. In the following survey, the League asks questions related to: Telecommunications Providers Cable Television/Video Providers Right of Way Licenses and Registrations Government Franchise Agreements (In-Lieu-Of Franchises) Other utilities and right of way users (such as electric, natural gas, solid waste, water and wastewater)

Q6 Telecommunication Companies

Terms & Definitions

ILEC: (Incumbent Local Exchange Carrier) Primary provider of local phone service.
Examples: Qwest, Sprint, Verizon, Qwest dba and CenturyLink CLEC: (Competitive Local Exchange Carrier) Alternative provider competing with ILECs. Examples: ATG, Electric Lightwave and Verizon
Long Haul & Back Haul Carriers: Provider who has facilities in city's right of way, but does not provide services to residence. Usually charged a per foot fee. Wireless carriers: provider who uses spectrum to provide wireless services. Internet providers: Companies that provide hardwired internet. Example: Comcast, CenturyLink. VoIP: Voice over internet providers. Infrastructure Owner: like Extenet

Q7 Please list the telecommunication companies who use the city’s right of way as well as the type of provider (ILEC, CLEC, Long Haul Carrier, Wireless, Internet, Other).

| | Company Name (1) | Type of Provider (2) |
|---------------|------------------|----------------------|
| Company 1 (1) | | |
| Company 2 (2) | | |
| Company 3 (3) | | |
| Company 4 (4) | | |
| Company 5 (5) | | |

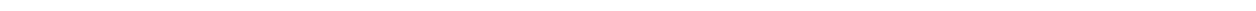


Q8 Please list any telecom right of way use fees (including franchise fees or ROW license fees), privilege taxes, and/or per foot fees or minimums as well as the revenue generated by these taxes and fees for **FY2015-2016**. Please list in the same order as in Question 7.

| | ROW Usage (Franchise Fee) Rate (%) (1) | ROW Usage Fee Revenue (\$ (2) | Privilege Tax Rate (%) (3) | Privilege Tax Revenue (\$) (4) | Per Foot Fee Rate (%) (5) | Per Foot Fee Revenue (\$) (6) |
|------------------|---|-------------------------------------|-------------------------------|--------------------------------------|------------------------------|-------------------------------------|
| Company 1 (1) | | | | | | |
| Company 2 (2) | | | | | | |
| Company 3 (3) | | | | | | |
| Company 4 (4) | | | | | | |
| Company 5 (5) | | | | | | |

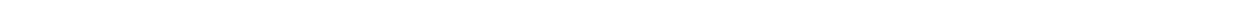
Q9 Please list any telecom right of way use fees (including franchise fees or ROW license fees), privilege taxes, and/or per foot fees or minimums as well as the revenue generated by these taxes and fees for FY2016-2017. Please list in the same order as in Question 7.

| | ROW Usage (Franchise Fee) Rate (%) (1) | ROW Usage Fee Revenue (\$ (2) | Privilege Tax Rate (%) (3) | Privilege Tax Revenue (\$) (4) | Per Foot Fee Rate (%) (5) | Per Foot Fee Revenue (\$) (6) |
|------------------|---|-------------------------------------|-------------------------------|--------------------------------------|------------------------------|-------------------------------------|
| Company 1 (1) | | | | | | |
| Company 2 (2) | | | | | | |
| Company 3 (3) | | | | | | |
| Company 4 (4) | | | | | | |
| Company 5 (5) | | | | | | |



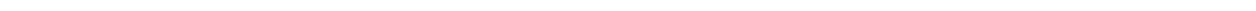
Q10 Please list any telecom right of way use fees (including franchise fees or ROW license fees), privilege taxes, and/or per foot fees or minimums as well as the revenue generated by these taxes and fees for FY2017-2018. Please list in the same order as in Question 7.

| | ROW Usage (Franchise Fee) Rate (%) (1) | ROW Usage Fee Revenue (\$ (2) | Privilege Tax Rate (%) (3) | Privilege Tax Revenue (\$) (4) | Per Foot Fee Rate (%) (5) | Per Foot Fee Revenue (\$) (6) |
|------------------|---|-------------------------------------|-------------------------------|--------------------------------------|------------------------------|-------------------------------------|
| Company 1 (1) | | | | | | |
| Company 2 (2) | | | | | | |
| Company 3 (3) | | | | | | |
| Company 4 (4) | | | | | | |
| Company 5 (5) | | | | | | |



Q11 Please list any telecom right of way use fees (including franchise fees or ROW license fees), privilege taxes, and/or per foot fees or minimums as well as the revenue generated by these taxes and fees for FY2018-2019. Please list in the same order as in Question 7.

| | ROW Usage (Franchise Fee) Rate (%) (1) | ROW Usage Fee Revenue (\$ (2) | Privilege Tax Rate (%) (3) | Privilege Tax Revenue (\$) (4) | Per Foot Fee Rate (%) (5) | Per Foot Fee Revenue (\$) (6) |
|------------------|---|-------------------------------------|-------------------------------|--------------------------------------|------------------------------|-------------------------------------|
| Company 1 (1) | | | | | | |
| Company 2 (2) | | | | | | |
| Company 3 (3) | | | | | | |
| Company 4 (4) | | | | | | |
| Company 5 (5) | | | | | | |



Q12 How does your city authorize telecom companies to use the right of way? (Check all that apply)

- Contract (1)
- City Ordinance (2)
- Code (4)
- Franchise (5)
- Other (Please Describe) (3) _____

Q13 What is the Length of time of your telecom agreements or licenses? (Please answer in years)

Q14 Does your city receive any form of compensation as a result of your telecom licenses or agreements?

- Yes (1)
- No (2)
- Unsure (3)

*Display This Question:
If Q14 = Yes*

Q15 Please describe

Q16 Does your city have a general business license/registration fee/tax which telecom ROW users must pay?

- Yes (1)
- No (2)
- Unsure (3)

*Display This Question:
If Q16 = Yes*

Q17 How much revenue was generated from the general business license fee on telecom providers for FY 2018-2019?

*Display This Question:
If Q16 = Yes*

Q18 What is the rate and methodology of the general business license fee?

*Display This Question:
If Q16 = Yes*

Q19 Does the general business license/registration fee offset the franchise fee or is the provider required to pay both?

- License fee offsets franchise fee (1)
- Both must be paid (2)
- Unsure (3)

Q20 Does your city charge a permit fee for operating in the right of way for telecom?

- Yes (1)
- No (2)
- Unsure (3)

*Display This Question:
If Q20 = Yes*

Q21 Does your city's telecom agreement or licenses waive permit fees for franchised telecom providers?

- Yes (1)
- No (2)
- Unsure (3)

*Display This Question:
If Q21 = No*

Q22 How much permit fee revenue was collected from telecom providers in FY 2018-2019?

Q23 How many cell towers and/or antennas are located in the city?

Q24 Is city property (not ROW) being used as a site for any of these telecom towers and/or antennas (i.e. water towers, parks, city owned buildings)?

- Yes (1)
- No (2)
- Unsure (3)

*Display This Question:
If Q24 = Yes*

Q25 What is the monthly lease rate?

Q26 Does your city charge for wireless attachments on city owned utility poles and other city owned poles (street lights, signal poles, etc) in the right of way?

- Yes (1)
- No (2)
- Unsure (3)

*Display This Question:
If Q26 = Yes*

Q27 Please describe the amount and method of collection (i.e. \$500 per month, 5% of gross revenue, etc.) If your city requires a master lease agreement, please include in the description.

Q28 Does your city cable provider provide Voice-Over-Internet-Protocol (VoIP)?

- Yes (1)
- No (2)
- Unsure (3)

*Display This Question:
If Q28 = Yes*

Q29 What is the annual revenue from VoIP?

Q30 How does your city authorize wireless providers in the right of way? (Check all that apply)

- Contract (1)
- City Ordinance (2)
- Code (4)
- Franchise (5)
- Other (Please Describe) (3) _____

Q31 Does your city have established fees for Small Wireless Facilities in the ROW?

- Yes (1)
- No (2)
- Unsure (3)

*Display This Question:
If Q31 = Yes*

Q32 What type of fees does your city charge and at what rate (Check all that apply and enter dollar amount)?

- Application Fee (\$) (1) _____
- ROW Usage Fee (\$) (2) _____
- Annual Usage Fee (\$) (3) _____
- Attachment Fee (\$) (4) _____
- Permit Fee (\$) (5) _____
- Other, Please Describe (6) _____

Q33 *Cable Television/ Video Franchises*

Q34 Please list any **Cable TV/Video Provider** franchise fees, right of way fees, and/or privilege taxes as well as the revenues generated by these taxes and fees for **FY2015-2016**.

| | Franchise Fee Rate (%) (1) | Franchise Fee Revenue (\$) (2) | Privilege Tax Rate (%) (3) | Privilege Tax Revenue (\$) (4) |
|------------------------|-------------------------------|-----------------------------------|-------------------------------|-----------------------------------|
| Cable Company 1 (1) | | | | |
| Cable Company 2 (2) | | | | |
| Cable Company 3 (3) | | | | |
| Cable Company 4 (4) | | | | |
| Cable Company 5 (5) | | | | |

Q35 Please list any **Cable TV/Video Provider** franchise fees, right of way fees, and/or privilege taxes as well as the revenue generated by these taxes and fees for **FY2016-2017**.

| | Franchise Fee Rate (%) (1) | Franchise Fee Revenue (\$) (2) | Privilege Tax Rate (%) (3) | Privilege Tax Revenue (\$) (4) |
|------------------------|----------------------------|--------------------------------|----------------------------|--------------------------------|
| Cable Company 1 (1) | | | | |
| Cable Company 2 (2) | | | | |
| Cable Company 3 (3) | | | | |
| Cable Company 4 (4) | | | | |
| Cable Company 5 (5) | | | | |

Q36 Please list any **Cable TV/Video Provider** franchise fees, right of way fees, and/or privilege taxes as well as the revenue generated by these taxes and fees for **FY2017-2018**.

| | Franchise Fee Rate (%) (1) | Franchise Fee Revenue (\$) (2) | Privilege Tax Rate (%) (3) | Privilege Tax Revenue (\$) (4) |
|------------------------|-------------------------------|-----------------------------------|-------------------------------|-----------------------------------|
| Cable Company 1 (1) | | | | |
| Cable Company 2 (2) | | | | |
| Cable Company 3 (3) | | | | |
| Cable Company 4 (4) | | | | |
| Cable Company 5 (5) | | | | |

Q37 Please list any **Cable TV/Video Provider** franchise fees, right of way fees, and/or privilege taxes as well as the revenue generated by these taxes and fees for **FY2018-2019**.

| | Franchise Fee Rate (%) (1) | Franchise Fee Revenue (\$) (2) | Privilege Tax Rate (%) (3) | Privilege Tax Revenue (\$) (4) |
|------------------------|----------------------------|--------------------------------|----------------------------|--------------------------------|
| Cable Company 1 (1) | | | | |
| Cable Company 2 (2) | | | | |
| Cable Company 3 (3) | | | | |
| Cable Company 4 (4) | | | | |
| Cable Company 5 (5) | | | | |



Q38 How does your city authorize cable companies to use the right of way:? (Check all that apply)

- Contract (1)
- City Ordinance (2)
- Code (4)
- Franchise (5)
- Other (Please Describe) (3) _____

Q39 What is the Length of time of your cable franchise agreements? (Please answer in years)

Q40 Do the city cable (franchise) agreements include additional service provisions? (i.e. community access provisions)

- Yes (1)
- No (2)
- Unsure (3)

*Display This Question:
If Q40 = Yes*

Q41 Please list the additional services provided.

Q42 Does your city have a general business license fee/tax which cable providers must pay?

- Yes (1)
- No (2)
- Unsure (3)

*Display This Question:
If Q42 = Yes*

Q43 How much revenue was generated from the general business license fee on cable providers for FY 2014-2015?

*Display This Question:
If Q42 = Yes*

Q44 What is the rate and methodology of the general business license fee?

*Display This Question:
If Q42 = Yes*

Q45 Does the general business license fee offset the franchise fee or is the provider required to pay both?

- License fee offsets franchise fee (1)
- Both must be paid (2)
- Unsure (3)

Q46 **Government Fees**
(In-Lieu-of Franchise Fees)

Q47 Does your city collect fees for use of the right of way from any other government entity?

- Yes (1)
- No (2)
- Unsure (3)

*Display This Question:
If Q47 = Yes*

Q48 Please list any rates charged and revenues received from *other governmental entities* in FY2018-2019.

| | ROW Usage Fee Rate (%) (1) | ROW Usage Fee Revenue (\$) (2) |
|----------------------------|----------------------------|--------------------------------|
| Telecommunication (1) | | |
| Cable (2) | | |
| Water (3) | | |
| Wastewater (4) | | |
| Electric (5) | | |
| Other (Please Specify) (6) | | |

Q49 Does your city charge ROW usage fees to itself?

- Yes (1)
- No (2)
- Unsure (3)

*Display This Question:
If Q49 = Yes*

Q50 Please list any fees the city *charges itself (in-lieu-of fees)*, as well as the revenue generated by these fees for FY2018-2019.

| | ROW Usage Fee Rate (%) (1) | ROW Usage Fee Revenue (\$) (2) |
|----------------------------|----------------------------|--------------------------------|
| Telecommunication (1) | | |
| Cable (2) | | |
| Water (3) | | |
| Wastewater (4) | | |
| Other (Please Specify) (5) | | |

Q51 Does your city pay ROW usage fees to other government entities?

- Yes (1)
- No (2)
- Unsure (3)

*Display This Question:
If Q51 = Yes*

Q52 Please list any fees *paid to other government entities*, as well as the expenses accrued by these fees for FY2018-2019.

| | Name of Government (1) | ROW Usage Fee Rate (%) (2) | ROW Usage Fee Revenue (\$) (3) |
|----------------------------|------------------------|----------------------------|--------------------------------|
| Telecommunication (1) | | | |
| Cable (2) | | | |
| Water (3) | | | |
| Wastewater (4) | | | |
| Electric (5) | | | |
| Other (Please Specify) (6) | | | |

Q53 Other Franchises and ROW Usage Agreements

Q54 Please list any **Electric Provider** right of way use fees (including franchise fees or ROW license fees) and/or privilege taxes as well as the revenue generated by these taxes and fees for FY2018-2019.

| | ROW Usage Fee Rate (%) (1) | ROW Usage Fee Revenue (\$) (2) | Privilege Tax Rate (%) (3) | Privilege Tax Revenue (\$) (4) |
|---------------|----------------------------|--------------------------------|----------------------------|--------------------------------|
| Company 1 (1) | | | | |
| Company 2 (2) | | | | |
| Company 3 (3) | | | | |
| Company 4 (4) | | | | |
| Company 5 (5) | | | | |

Q55 Please list any **Natural Gas Provider** right of way use fees (including franchise fees or ROW license fees) and/or privilege taxes as well as the revenue generated by these taxes and fees for FY2018-2019.

| | ROW Usage Fee Rate (%) (1) | ROW Usage Fee Revenue (\$) (2) | Privilege Tax Rate (%) (3) | Privilege Tax Revenue (\$) (4) |
|---------------|----------------------------|--------------------------------|----------------------------|--------------------------------|
| Company 1 (1) | | | | |
| Company 2 (2) | | | | |
| Company 3 (3) | | | | |
| Company 4 (4) | | | | |
| Company 5 (5) | | | | |

Q56 Please list any **Solid Waste Provider** right of way use fees (including franchise fees or ROW license fees) and/or privilege taxes as well as the revenue generated by these taxes and fees for FY2018-2019.

| | ROW Usage Fee Rate (%) (1) | ROW Usage Fee Revenue (\$) (2) | Privilege Tax Rate (%) (3) | Privilege Tax Revenue (\$) (4) |
|---------------|----------------------------|--------------------------------|----------------------------|--------------------------------|
| Company 1 (1) | | | | |
| Company 2 (2) | | | | |
| Company 3 (3) | | | | |
| Company 4 (4) | | | | |
| Company 5 (5) | | | | |

Q57 Please list any **Water Provider** right of way use fees (including franchise fees or ROW license fees) and/or privilege taxes as well as the revenue generated by these taxes and fees for FY2018-2019.

| | ROW Usage Fee Rate (%) (1) | ROW Usage Fee Revenue (\$) (2) | Privilege Tax Rate (%) (3) | Privilege Tax Revenue (\$) (4) |
|---------------|----------------------------|--------------------------------|----------------------------|--------------------------------|
| Company 1 (1) | | | | |
| Company 2 (2) | | | | |
| Company 3 (3) | | | | |
| Company 4 (4) | | | | |
| Company 5 (5) | | | | |

Q58 Please list any **Wastewater Provider** right of way use fees (including franchise fees or ROW license fees) and/or privilege taxes as well as the revenue generated by these taxes and fees for FY2018-2019.

| | ROW Usage Fee Rate (%) (1) | ROW Usage Fee Revenue (\$) (2) | Privilege Tax Rate (%) (3) | Privilege Tax Revenue (\$) (4) |
|---------------|----------------------------|--------------------------------|----------------------------|--------------------------------|
| Company 1 (1) | | | | |
| Company 2 (2) | | | | |
| Company 3 (3) | | | | |
| Company 4 (4) | | | | |
| Company 5 (5) | | | | |

Q59 Please list any **Other Provider** right of way use fees (including franchise fees or ROW license fees) and/or privilege taxes as well as the revenue generated by these taxes and fees for FY2018-2019.

| | ROW Usage Fee Rate (%) (1) | ROW Usage Fee Revenue (\$) (2) | Privilege Tax Rate (%) (3) | Privilege Tax Revenue (\$) (4) |
|---------------|----------------------------|--------------------------------|----------------------------|--------------------------------|
| Company 1 (1) | | | | |
| Company 2 (2) | | | | |
| Company 3 (3) | | | | |
| Company 4 (4) | | | | |
| Company 5 (5) | | | | |

Q60 This concludes the survey. Do you have any additional comments?

Appendix C: Responses by City

Due to the size and complexity of the data, all information by city will be available on LOC-Data.

Appendix D: Small Cities Regional Maps

