

AN ORDINANCE AMENDING CHAPTER 3.40 OF THE ALBANY MUNICIPAL CODE (AMC) AND GRANTING A NON-EXCLUSIVE TELECOMMUNICATION SYSTEM FRANCHISE TO AT&T CORP. FOR THE CONSTRUCTION AND OPERATION OF A TELECOMMUNICATION SYSTEM; FIXING TERMS, CONDITIONS AND COMPENSATION OF SUCH FRANCHISE; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Albany has determined that the financial, legal and technical ability of AT&T CORP. is reasonably sufficient to provide services, facilities, and equipment necessary to meet the future cable-related needs of the community.

NOW THEREFORE, the people of the City of Albany do ordain as follows;

Section 1. AMC Chapter 3.40.010 through 3.40.220 is amended to read as follows:

3.40.010 Franchise granted.

There is hereby granted by the City of Albany, hereinafter referred to as "City", to AT&T CORP., authorized to conduct business in Oregon, their successors and assigns, hereinafter each referred to as "Franchisee", the nonexclusive right and privilege to conduct business as a telecommunications carrier as that term is defined in ORS 133.721(8) within the City and to place, erect, lay, maintain and operate in, upon, over and under streets, alleys, avenues, thoroughfares and public highways, places and grounds within the City, poles, wires and other appliances and conductors for all telephone, telegraph and other communication purposes unless otherwise regulated. Such wires and other appliances and conductors may be strung upon poles or other fixtures above ground, or at the option of the Franchisee, its successors and assigns, may be laid underground, and such other apparatus may be used as may be necessary to property to operate and maintain the same.

The scope of this grant allows the installation, maintenance and repair of telecommunications facilities by the Franchisee in the City's rights of way to provide telecommunications services, internet access services, and private line services through but not within the City. In the event the Franchisee intends to provide services other than telecommunication services, internet services or private line services or intends to provide any of the services to or for customers within the City's boundaries, Franchisee shall be required to obtain an additional or revised agreement from the City to the extent required by law.

Notwithstanding the foregoing, the City Manager or his/her designee shall have the authority to prescribe which public ways will be used and the location of communications facilities within the public way as may be reasonably necessary to minimize public inconvenience. This franchise agreement anticipates 8,389 feet of cable and/or of conduit owned and maintained by Franchisee at \$2.00 per foot resulting in an annual fee of \$16,788. The fee shall be adjusted annually by the change in the Consumer Price Index Urban Consumers. The Franchisee agrees to provide a map documenting the location of the 8,389 feet of conduit. This franchise does not authorize a cable television system nor video programming.

3.40.020 Excavations and construction.

It shall be lawful for Franchisee to make all needful excavations in any of such streets, alleys, avenues, thoroughfares and public highways, places and grounds in the City for the purpose of placing, erecting, laying and maintaining poles, or other supports or conduits for said wires and appliances and auxiliary apparatus or repairing, renewing or replacing the same. Said work shall be done in compliance with state and federal laws, as well as local rules, regulations, ordinances or orders, which may during the continuance of this franchise be adopted from time to time by the City. Franchisee shall obtain from the City all applicable permits, which will require plan submittal, approval, and the payment of fees before work begins. The Franchisee shall file with the City maps showing the location of any construction, extension, or relocation or any of the facilities of the Franchisee and shall obtain the City's approval of

the location and plans prior to the commencement of the work. All transmission and distribution structures, lines, and equipment erected by the Franchisee within the City shall be so located as to cause minimum interference with the proper use of streets, bridges, and other public ways and places, and to cause minimum interference with the rights or reasonable convenience of property owners who adjoin any of the streets, bridges, or other public ways or places. Franchisee shall protect, support, temporarily disconnect or relocate any of its equipment required to do so by the City by reason of traffic conditions, public safety, street vacation, highway and street construction, change or establishment of street grade, installation of sewers, drains, water pipes, power lines, signal lines, and tracks, or any other type of structures or improvements by the City. Unless approved by the City no newly overlaid street or newly constructed street shall be excavated by the Franchisee for a period of five years from the time of completion of the street overlay or the street construction. In any such case, Franchisee shall be excused by the City from extending services if a practical alternate route cannot be found. When any excavation is made by the Franchisee, the Franchisee shall promptly restore the affected portion of the street, bridge, easement area, or public place to the reasonably same conditions in which it was prior to the excavation. The restoration shall be done in compliance with City specifications, requirements, and regulations in effect at the time of such restoration. If the Franchisee fails to restore promptly the affected portion of the street, bridge, or public place to the same condition in which it was prior to the excavation, the City may make the restoration; and the reasonable costs of making the restoration, including the cost of inspection, supervision, and administration shall be paid by the Franchisee.

3.40.030 Tree trimming.

Subject to the provisions of this ordinance, Franchisee may trim trees when necessary in public rights-of-way for the operation of the lines, wires, cables and antennae or other appurtenances, provided such trimming shall be done by competent employees, agents, or contractors; and it shall be done without cost or expense to the City.

Said tree trimming shall be allowed only after Franchisee makes application and a written permit is approved by the City Manager of the City of Albany or any person appointed by the City Manager to exercise this function. Tree trimming and applications therefore shall be in accordance with City ordinances, and in the absence of any specific ordinance requirement, subject to such terms as the City shall reasonably require for such purposes.

3.40.040 Use of poles.

The City reserves to itself the right at any time to use the poles and other installations of the Franchisee erected or installed under the authority granted in this chapter for any City-owned facilities of whatsoever nature, but it is agreed that such use shall not interfere with the Franchisee's use thereof. Franchisee shall not be required to own or operate any facilities the City is using if the Franchisee ceases to have a need therefore.

3.40.050 Construction and performance bond.

Prior to the commencement of any construction work by the Franchisee, the Franchisee shall file both a construction and performance bond in an amount approved by the City in favor of the City and any other person who may suffer damages as a result of the breach of any duty by the Franchisee assured by such bond. Such bond as contemplated herein shall be in a form approved by the City and shall, among other matters, cover the cost of removal of any property of Franchisee. In no event shall the amount of said bond be construed to limit the liability of the Franchisee for damages. The City, at its sole option, may waive this requirement, or permit the consolidation of the construction bond with the performance bond.

3.40.060 Rearrangement of facilities to permit moving of building and other objects.

Upon seven days' notice in writing from any person desiring to move a building or other object, the Franchisee shall temporarily raise, lower or remove its facilities upon any street, bridge, or public place within the City, when necessary to permit the person to move the building or other object across or along such street, bridge or public place. The raising, lowering, or removal of the facilities of the Franchisee shall be in accordance with all applicable ordinances and regulations of the City. The notice required by

this section shall bear the approval of the City Manager, and shall detail the route of movement of the building or other objects.

3.40.070 Street repair – Expense responsibility.

Whenever Franchisee shall disturb any of the streets for the purpose aforesaid, it or they shall restore the same to good order and condition as soon as practicable without unnecessary delay, and failing to do so the City shall have the right to fix a reasonable time within which such repairs and restoration of streets shall be completed, and upon failure of such repairs being made by said company, its successors and assigns, the City shall cause such repairs to be made at the expense of Franchisee.

3.40.080 Improvements – Utility obstruction prohibited.

The City reserves the right to construct, install, maintain, and operate any public improvement, work or facility, to do any work that the City may find desirable on, over, or under any street, bridge or public place, and to vacate, alter or close any street, bridge or public place. Nothing in this chapter shall be construed in any way to prevent the proper authorities of the City from sewerage (sanitary and storm), providing water service, grading, planking, rocking, paving, repairing, altering, or improving any of the streets, alleys, avenues, thoroughfares, and public highways, places and grounds within the City in or upon which the poles, wires or other conductors of Franchisee shall be placed, but all such work or improvements shall be done if possible so as not to obstruct or prevent the free use of said poles, wires, conductors, conduits, pipes, or other apparatus, and the moving of company facilities, where required due to such work by the City, will be done by Franchisee without cost to the City. The Franchisee shall furnish maps or drawings to the City or contractor, as the case may be, showing the approximate location of all its structures in the area involved in such proposed work. Any such work done for or at the request of a private individual, entity, developer or development shall be done at the expense of such private individual, entity, developer or development.

3.40.090 Emergency removal and alternate routing of facilities.

If, at any time, in case of fire or disaster in the franchise territory, it shall become necessary in the reasonable judgment of the City to cut or move any of the wires, cable, amplifiers or other appurtenances to the system of the Franchisee, such cutting or moving may be done and any repairs rendered necessary thereby shall be made by the Franchisee, at its sole expense; provided, that such repairs are not necessitated by a negligent act of the City, in which case costs for repairs shall be borne by the City. The City shall hold the Franchisee, its agents, employees, officers and assigns hereunder harmless from any claims arising out of the City's cutting or moving of Franchisee's facilities. In the event continued use of any street is denied to the Franchisee by the City for any reason, the Franchisee shall provide service to affected subscribers over such alternate routes as shall be determined by Franchisee within a reasonable period of time.

3.40.100 Cables, wires – Rearrangement – Notice.

Whenever it becomes necessary to temporarily rearrange, remove, lower or raise the aerial cables or wires or other apparatus of the Franchisee to permit the passage of any building, machinery or other object, the said Franchisee will perform such rearrangement within a reasonable period after written notice from the person or persons desiring to move said building, machinery or other objects. Said notice shall bear the approval of such official as Council may designate, shall detail the route of movement of the building, machinery or other objects, shall provide that the costs of such rearrangement shall be borne by the person or persons giving said notice and shall further provide that the person or persons giving said notice will indemnify and save Franchisee harmless of and from any and all damages or claims of whatsoever kind or nature caused directly or indirectly from such temporary rearrangement of the aerial plant of the Franchisee, and, if required by Franchisee, shall be accompanied by a cash deposit or a good and sufficient bond to pay any and all reasonable costs as estimated by Franchisee.

3.40.110 Compliance with laws, rules and regulations.

At all times during the term of this franchise, Franchisee shall comply with all applicable laws, ordinances, rules and regulations of the United States of America, the State of Oregon, and the City of Albany, including all agencies and subdivisions thereof. Franchisee shall be subject to the lawful exercise

of the police power of the City of Albany and to such reasonable regulations of general applicability as the City may from time to time hereafter by resolution or ordinance provide insofar as such regulations or ordinances do not materially alter or impair the rights and obligations of Franchisee and are adopted pursuant to the lawful police power of the City. No provision of this franchise shall be construed as a waiver of local, state or federal law, or as a limit of liability. Franchisee shall at all times keep and maintain all of its poles, fixtures, conduits, wires, and its entire system in good state of repair and shall at all times conduct its operations under this franchise, including installation, construction or maintenance of its facilities, in a safe and workmanlike manner so as not to present a danger to the public or the City. The location, construction, extension, installation, maintenance, removal and relocation of the facilities of the Franchisee shall conform to the requirements of the state and federal statutes and regulations adopted pursuant thereto in force at the time of such work, and such reasonable specifications in force at the time of such work, as the City may from time to time adopt. All installations, rearrangements, removals, lowering or raising of aerial cables or wiring or other apparatus shall be done in conformance with the requirements of the National Electric Safety Code, the laws of the State of Oregon and the ordinances of the City. The City may provide such specifications relating thereto as may be necessary or convenient for public safety or the orderly development of the City. The City may amend and add to such specifications from time to time.

3.40.120 Sale of subscriber lists prohibited.

The Franchisee shall not sell, or otherwise make available any list which identifies subscribers by name or address, to any person, agency or entity, except as needed to maintain current services or implement new services to subscribers in connection with Franchisee's services.

3.40.130 Payment.

Effective August 13, 2014, and until the franchise's expiration, said Franchisee shall pay to the City, annually, \$2.00 per linear foot of conduit and/or cable owned and maintained by Franchisee. The fee shall be adjusted annually by the change in the Consumer Price Index Urban Consumers . This franchise fee shall be deposited in the U.S. mail, postage prepaid, addressed to the Administrative Services Director of the City and postmarked on or before the last business day of September. If a payment is not mailed by the date set forth above, the payment shall be deemed delinquent and shall accrue interest at the rate of nine percent per annum from the date of the applicable reporting period. The franchise payments made by Franchisee will be accepted by the City from the Franchisee, in payment of any separate fees that are imposed by the City on Franchisee for street openings, construction or inspection or maintenance of fixtures or facilities. However, Franchisee shall not deduct charges and penalties imposed by the City for noncompliance with charter provisions, ordinances, resolutions, or permit conditions from the franchise fee required by this chapter. Franchisee shall also pay to the City as additional consideration under this franchise an administrative fee totaling \$2,000, due on the effective date of this franchise, which may be deducted from Franchisee's payment set forth herein.

3.40.140 Other fees and charges.

Nothing in this chapter shall give the Franchisee any credit against any nondiscriminatory business tax to the extent such tax applies to revenues other than those revenues that are the subject of the franchise fee, or any ad valorem property tax now or hereafter levied against real property or personal property within the City, or against any local improvement assessments levied on the Franchisee's property.

3.40.150 Reporting of funds.

With each franchise fee payment, the Franchisee shall furnish a sworn statement or declaration under oath from an authorized officer or designee, setting forth the amount and calculation of the payment. The statement shall detail the gross linear feet of cable and/or conduit which exists within the Albany City limits and the calculation of the franchise fee paid, and shall specify the nature and amount of all exclusions and deductions from such revenue claimed by the Franchisee in calculating the franchise fee. The City Manager of the City may require the Franchisee to provide any additional information reasonably necessary for administration of the franchise fee. The Franchisee shall keep available and open to inspection by the City Manager of the City all accounts, books, and other records reasonably necessary for ascertaining the franchise liability. Franchisee shall provide any additional information requested by

the City within 48 hours of any such request delivered to Franchisee, to be produced at Albany City Hall, office of the City Manager, during regular office hours. In the event that an audit of the franchise fee payments results in a determination that an additional payment is due to the City, such additional payment shall be subject to interest at the rate of nine percent per annum from the date the original payment was due. . If the additional payment amount exceeds five percent (5%) of the amount reported, Franchisee shall reimburse City for all audit costs. No interest shall be due with respect to annexation by the City for which notice was not provided to Franchisee pursuant to the provision of ORS 222.005.

3.40.160 Indemnification and Insurance.

The Franchisee shall defend, indemnify and hold harmless the City, its agents, officers and employees from any and all claims, demands, and damages of any kind, including attorney’s fees, which may arise from any negligent act or omissions of the Franchisee, its agents, officers or employees, in connection with the Franchisee’s operations pursuant to this franchise. Notwithstanding the above, the Franchisee shall not indemnify the City, its contractors, agents, officers and employees for any negligence or intentional act of the City or its contractors, agents, officers and employees

The Franchisee shall, for the purposes of carrying out the provisions of this section, prior to commencing construction of any kind, have in full force and effect, and file and maintain during the term of the franchise a Certificate of Insurance evidence thereto with the City Recorder, good and sufficient policies covering:

1. Worker's Compensation Insurance as required by the State of Oregon including Employers Liability with limits of \$1,000,000; franchisee shall ensure that each of its sub-contractors complies with these same requirements and shall contain a Waiver of Subrogation against the City: and
2. Commercial General Liability Insurance with limits of \$5,000,000 per occurrence and \$10,000,000 general aggregate; and
3. Business Automobile Liability Insurance, for any owned, hired or non-owned vehicles used in the performance of this agreement with combined single limits of \$5,000,000 each accident.
4. Pollution Liability Insurance with limits of \$5,000,000 Each Incident and in the aggregate. If policy is on a “Claims Made” basis it must provide a 24 month tail or reporting period.

The City of Albany, its officers, agents, and employees, shall be named an Additional Insured in said policy for losses caused in whole or in part by reason of the exercise of the rights and privileges herein granted.

1. City’s additional insured status shall (i) be limited to bodily injury, property damage or personal and advertising injury caused, in whole or in part, by Franchisee, its employees, agents or independent contractors; (ii) not extend to claims for punitive or exemplary damages arising out of the acts or omissions of City, its employees, agents or independent contractors or where such coverage is prohibited by law or to claims arising out of the gross negligence of City, its employees, agents or independent contractors; and, (iii) not exceed Franchisee’s indemnification obligation under this Agreement, if any.

Upon any material alteration or cancellation of any of the coverage, the Franchisee shall give the City 30 days notice in advance of the effective date of the alteration or cancellation of the coverage, if not replaced.

1. Notwithstanding the forgoing, Franchisee may, in its sole discretion; self insure any of the required insurance under the same terms as required by this Agreement. In the event Franchisee elects to self-insure its obligation under this Agreement to include City as an additional insured, the following conditions apply:(i) City shall promptly and no later than thirty (30) days after notice thereof provide Franchisee with written notice of any claim, demand, lawsuit, or the like for which it seeks coverage pursuant to this Section and provide Franchisee with copies of any demands, notices, summonses, or legal papers received in connection with such claim, demand, lawsuit, or the like; (ii) City shall not settle any such claim, demand, lawsuit, or the like without the prior written consent of Franchisee; and (iii) City shall fully cooperate with Franchisee in the defense of the claim, demand, lawsuit, or the like.

3.40.170 Continuation – Termination.

The rights, privileges and franchise herein granted shall continue and be in force until August 13, 2024 except that it is understood and agreed that either party may at any time terminate or renegotiate this agreement upon 24 months' notice in writing.

3.40.180 Forfeiture and remedies.

In addition to any other rights set out elsewhere in this franchise, the City reserves the right to declare a forfeiture of the franchise, and all of the Franchisee's rights arising there under in the event that Franchisee violates any material provision of the franchise, including but not limited to failing to pay or any suspension of Franchisee's payments of franchise fees to the City under this franchise, failure by Franchisee to submit timely reports regarding the calculation of its gross revenues-based franchise fees to the City, failure to maintain the liability insurance and/or bonds required under this franchise, or failure to comply with all other state, federal or local laws as set forth in this franchise. In the event Franchisee violates any material provision of the franchise, the City shall provide written notice of default and shall allow 45 days for Franchisee to remedy the violation. Extraordinary events (earthquake, flood, fire) beyond the control of the Franchisee shall result in an additional 60 days to remedy the violation. All remedies and penalties under this chapter, including termination of the franchise, are cumulative, and the recovery or enforcement of one is not a bar to the recovery or enforcement of any other such remedy or penalty. The remedies and penalties contained in this chapter, including termination of the franchise, are not exclusive, and the City reserves the right to enforce the penal provisions of any ordinance or resolution and to avail itself of any and all remedies available at law or in equity. Failure to enforce shall not be construed as a waiver of a breach of any term, condition or obligation imposed upon the Franchisee by, or pursuant to, this chapter. A specific waiver of a particular breach of any term, condition or obligation imposed upon the Franchisee by, or pursuant to, this chapter or acceptance of any payment due shall not be waiver of any other or subsequent or future breach of the same or of any other term, condition or obligation itself.

3.40.190 Severability.

In the event any of the provisions of this franchise are deemed to be void, invalid or unenforceable, that provision shall be severed from the remainder of this franchise so as not to cause the invalidity or unenforceability of the remainder of this franchise. All remaining provisions of this franchise shall then continue in full force and effect. If any provision shall be deemed invalid due to its scope and breadth, such provisions shall be deemed valid to the extent of the scope and breadth permitted by law.

3.40.200 Attorneys' fees and Jurisdiction.

In the event an attorney is employed to enforce the provisions of this franchise (including any bankruptcy, insolvency or similar proceedings affecting creditors rights generally), the prevailing party shall be entitled to recover reasonable attorneys' fees and other costs incurred, irrespective of whether any legal proceedings is commenced. If any legal action, arbitration or other proceeding is brought to construe, interpret or enforce the terms of this franchise, the prevailing party shall be entitled to recover reasonable attorneys' fees and other costs incurred in connection therewith, both at trial and on any appeal there from or petitions for review thereof. Such sum shall include an amount estimated by the court as the

reasonable costs and fees to be incurred by the prevailing party in collecting any monetary judgment or award or otherwise in enforcing any order, judgment or decree entered in such suit, action or other proceeding. Jurisdiction for all litigation will rest exclusively with the courts of the state of Oregon with venue in Linn County.

3.40.210 Successors and assigns.

This franchise is binding upon and will inure to the benefit of all parties hereto, their respective heirs, legal representatives, successors and assigns. Franchisee, however, shall not make any assignment without the written consent of the City, and any assignment made without the City's consent shall be null and void. The City will not unreasonably withhold approval of an assignment.

3.40.220 Franchise nonexclusive.

This franchise is not exclusive and shall not be construed as a limitation on the City in granting rights, privileges and authority to other persons similar to, or different from, those granted by this chapter, or in constructing, installing, maintaining or operating any City-owned public utility. In the event the City enters into a franchise, permit, license, authorization, or other agreement of any kind with any other person or entity other than Franchisee to enter into the City's streets and public ways for the purpose of conducting business as a telecommunications carrier as that term is defined in ORS 133.721(8) within the City, the material provisions thereof shall be reasonably comparable to those contained herein, insofar as this is not in conflict with rules of government, in order that one operator not be granted an unfair competitive advantage over another, and to provide all parties equal protection under the law.

Section 2: Franchise effective only upon acceptance of Franchisee.

This franchise is effective on the date provided herein only upon written acceptance of its terms by an authorized representative of Franchisee.

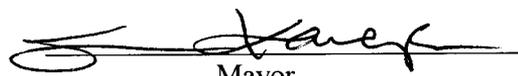
Section 3: Emergency Clause.

In as much as this ordinance is necessary for the immediate preservation of the public peace, health, and safety of the City of Albany, or to facilitate the prompt and timely completion of important City business, an emergency is hereby declared to exist; and this Ordinance shall take effect and be in full force and effect when signed by the Mayor.

Passed by Council: Aug 13, 2014

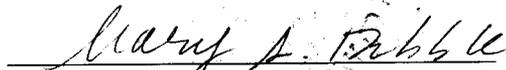
Approved by Mayor: Aug 13, 2014

Effective Date: Aug 13, 2014



Mayor

ATTEST:



City Clerk