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Sandi Fukumoto  
SCL Extension of Franchise from City of Lake Forest Park ORD  
January 8, 2014  
Version #1

**CITY OF SEATTLE**  
**ORDINANCE \_\_\_\_\_**

COUNCIL BILL 118041

AN ORDINANCE relating to the City Light Department, authorizing the extension of the franchise from the City of Lake Forest Park to construct, operate, maintain, replace and repair an electrical light and power system in, across, over, along, under, through and below certain designated public rights-of-way, to September 30, 2014 or the effective date of a replacement franchise agreement, whichever occurs first.

WHEREAS Seattle City Light is authorized to construct, operate, maintain, replace and repair its electrical light and power system in, across, over, along, under, through and below certain designated public rights-of-way in the City of Lake Forest Park under a franchise granted by the City of Lake Forest park Ordinance 779 and accepted by the City of Seattle by Ordinance 119387; and

WHEREAS, Seattle City Light's current franchise with the City of Lake Forest Park is scheduled to expire on March 31, 2014; and

WHEREAS, the City of Seattle and the City of Lake Forest Park are negotiating the terms and conditions of a new franchise and need additional time to conclude the negotiations; and

WHEREAS, it is also required that the Lake Forest Park City Council approve the extension by ordinance for this extension to be effective; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. That the City of Seattle authorizes the extension of the franchise from the City of Lake Forest Park to construct, operate, maintain, replace and repair an electrical light and power system to serve residential, multi-family and commercial areas, to September 30, 2014 or the effective date of a replacement franchise agreement, whichever occurs first.



1 Section 2. This ordinance shall take effect and be in force 30 days after its approval by  
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it  
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the \_\_\_\_ day of \_\_\_\_\_, 2014, and  
5 signed by me in open session in authentication of its passage this  
6 \_\_\_\_ day of \_\_\_\_\_, 2014.

7 \_\_\_\_\_  
8  
9 President \_\_\_\_\_ of the City Council

10  
11 Approved by me this \_\_\_\_ day of \_\_\_\_\_, 2014.

12 \_\_\_\_\_  
13  
14 Edward B. Murray, Mayor

15  
16 Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2014.

17 \_\_\_\_\_  
18  
19 Monica Martinez Simmons, City Clerk

20 (Seal)



**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
Seattle City Light	Sandi Fukumoto (684-0423)	Saroja Reddy (615-1232)

**Legislation Title:**

AN ORDINANCE relating to the City Light Department, authorizing the extension of the franchise from the City of Lake Forest Park to construct, operate, maintain, replace and repair an electrical light and power system in, across, over, along, under, through and below certain designated public rights-of-way, to September 30, 2014 or the effective date of a replacement franchise agreement, whichever occurs first.

**Summary of the Legislation:**

This ordinance authorizes an extension for the franchise from the City of Lake Forest Park to construct, operate, maintain, replace and repair an electrical light and power system in, across, over, along, under, through and below certain designated public rights-of-way, to September 30, 2014 or the effective date of a replacement franchise agreement, whichever occurs first. The current Franchise Agreement expires on March 31, 2014. Seattle City Light and the City of Lake Forest park have been engaged in negotiations to renew the current franchise. In order to successfully complete these negotiations and comply with the two Cities' legislative timelines, an extension of the existing franchise is warranted.

**Background:**

Seattle City Light provides electric service to the residents and businesses in the City of Lake Forest Park under a 15 year Franchise Agreement, which was effective beginning March 1, 1999, granted by the City of Lake Forest Park Ordinance 779 and accepted by the City of Seattle by Ordinance 119387. The Franchise Agreement grants Seattle City Light a non-exclusive franchise to operate within the City of Lake Forest Park's rights-of-way, and establishes terms and conditions under which Seattle City Light and the City of Lake Forest Park work together on a variety of franchise issues, including rates as established by the Seattle City Council, fees, and operational requirements.

Since late 2012, Seattle City Light and the City of Lake Forest Park have been engaged in discussions to renegotiate the Franchise Agreement. Meetings were held with the City of Lake Forest Park to discuss what is working well with the current Franchise Agreement and to identify areas for improvement. Subsequently, Seattle City Light has been working internally and with City of Lake Forest Park to draft and negotiate a new franchise agreement that will maintain consistency with Seattle City Light's Strategic Plan, and



provide the City of Lake Forest Park with the same level of outstanding service, reliability, environmental stewardship, and accountability as we provide for customers within the Seattle city limits.

**This legislation does not have any financial implications.**

**This legislation has financial implications.**

**Other Implications:**

**a) Does the legislation have indirect financial implications, or long-term implications?**  
This legislation extends the term of the current Franchise Agreement and will allow the two parties to continue negotiating the terms of a new long-term franchise agreement to provide electrical service to residents and businesses within the City of Lake Forest Park and for Seattle City Light to continue to construct, operate, maintain, replace and repair its system within the City of Lake Forest Park's rights-of-way.

**b) What is the financial cost of not implementing the legislation?**  
Failure to pass this extension ordinance would not have direct financial impacts until the existing Franchise Agreement expires without a new agreement to replace it. However if a new agreement is not in place by March 30, 2014, then the financial impacts could be significant, and well beyond the scope of this note.

**a) Does this legislation affect any departments besides the originating department?**  
No.

**b) What are the possible alternatives to the legislation that could achieve the same or similar objectives?**  
Finalize negotiations and execute a new franchise agreement without the extension and authorize the new agreement through an ordinance with a full ratify and confirm clause for the new franchise.

**c) Is a public hearing required for this legislation?**  
No.

**d) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**  
No.

**e) Does this legislation affect a piece of property?**  
No.

**f) Other Issues:**  
N/A

List attachments to the fiscal note below: N/A



**City of Seattle**  
Edward B. Murray  
Mayor

February 4, 2014

Honorable Tim Burgess  
President  
Seattle City Council  
City Hall, 2<sup>nd</sup> Floor

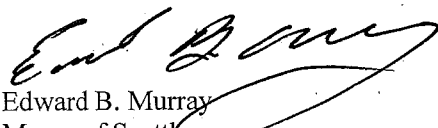
Dear Council President Burgess:

I am pleased to transmit the attached proposed Council Bill that authorizes an extension for the existing franchise agreement from the City of Lake Forest Park for Seattle City Light to construct, operate, maintain, replace and repair an electrical light and power system in, across, over, along, under, through and below certain designated public rights-of-way, to September 30, 2014 or the effective date of a replacement franchise agreement, whichever comes first. The current franchise expires on March 31, 2014. Seattle City Light and the City of Lake Forest Park have been engaged in negotiations to renew the current franchise. In order to successfully complete these negotiations and comply with the two Cities' legislative timelines, additional time is needed and an extension of the existing franchise agreement is warranted.

Seattle City Light provides electric service to the residents and businesses in the City of Lake Forest Park under a 15 year Franchise Agreement, which was effective beginning March 1, 1999. The Agreement grants Seattle City Light a non-exclusive franchise to operate within the City of Lake Forest Park's public rights-of-way, and establishes terms and conditions under which Seattle City Light and the City of Lake Forest Park work together on a variety of franchise issues, including electric rates as established by Seattle City Council, fees, and operational requirements. In late 2012, Seattle City Light engaged the City of Lake Forest Park in discussions to renegotiate the Agreement. Meetings were held with the City of Lake Forest Park to understand what is working well with the current Agreements, as well as to identify areas for improvement. Subsequently, Seattle City Light has been working internally and with the City of Lake Forest Park to draft and negotiate an Agreement that will maintain consistency with Seattle City Light's Strategic Plan, and provide the City of Lake Forest Park with the same level of outstanding service, reliability, environmental stewardship, and accountability as we provide for customers within the Seattle city limits.

Additional time to conclude negotiations will assist in the continuing successful arrangement between Seattle City Light and the City of Lake Forest Park. Thank you for your consideration of this legislation. Should you have questions, please contact Phil West at (206) 684-3718.

Sincerely,

  
Edward B. Murray  
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

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