



Legislation Text

File #: 23-0201, **Version:** 1

Ordinance Authorizing the First Renewal to the Telecommunications Franchise Agreement Between the City of Hampton, Virginia and Verizon Virginia LLC, the Successor to Verizon Virginia Inc.

PURPOSE/BACKGROUND:

The City of Hampton (the "City") granted to Verizon Virginia Inc., a Virginia Public Service Corporation, (hereinafter referred to as the "Original Grantee") that certain Telecommunications Franchise Agreement (the "Agreement" or the "Franchise") entered into by and between the Parties that was effective as of July 16, 2008 subject to the terms and conditions of that certain Ordinance adopted by the City Council at the regular meeting held on July 16, 2008 ("Original Effective Date"), to occupy and use the streets to install, construct, maintain, upgrade, repair and remove equipment of its telecommunications system. In accordance with §15.2-2100 of the Code of Virginia, as amended, proper notice was given in this matter by the City of an invitation to bid on a franchise to provide a telecommunications system in the City, and a public hearing was duly held at the aforesaid City Council meeting on July 16, 2008. On or about December 31, 2011, the Original Grantee through its application to the Commonwealth of Virginia State Corporation Commission did convert its entity, Verizon Virginia Inc., to a Virginia limited liability company organized under the new name of Verizon Virginia LLC ("Verizon" or the "Grantee").

The Franchise commenced on the Original Effective Date and expires fifteen (15) years after the Original Effective Date on July 16, 2023 (the "Expiration Date"), unless the Franchise is renewed. The Franchise terms provided that if the Grantee is not then in default under the terms of the Franchise, the Grantee shall have the option, subject to City Council approval and without unreasonable delay, to renew this Franchise for three (3) consecutive renewal terms of five (5) years each (each, an "Extended Term"). The Extended Terms were also approved by the Council at the July 16, 2008 meeting, and since a public hearing and a bid were conducted at that meeting, then an additional public hearing and bid is not necessary.

At the time of renewal, the City is aware of no default by the Grantee under the terms of the Agreement, and the Grantee has duly notified the City of its desire to exercise its renewal option. The City agrees that the Grantee is entitled to be granted a renewal of the Agreement per its terms.

Discussion:

See Purpose/Background above.

Impact:

See Purpose/Background above.

Recommendation:

Approve the First Renewal of the Franchise Ordinance

WHEREAS, the City of Hampton (the "City") granted to Verizon Virginia Inc., a Virginia Public Service Corporation, (the "Original Grantee") that certain Telecommunications Franchise Agreement (the "Agreement" or the "Franchise") entered into by and between the parties that was effective as of July 16, 2008, subject to the terms and conditions of that certain Ordinance adopted by the City Council at the regular meeting held on July 16, 2008 ("Original Effective Date"), to occupy and use the streets to install, construct, maintain, upgrade, repair and remove equipment of its telecommunications system. A copy of the said Franchise is attached hereto as Exhibit "A" and made a part hereof;

WHEREAS, in accordance with §15.2-2100 of the Code of Virginia, as amended, proper notice was given in this matter by the City of an invitation to bid on a franchise to provide a telecommunications system in the City, and a public hearing was duly held at the aforesaid City Council meeting on July 16, 2008;

WHEREAS, on or about December 31, 2011, the Original Grantee through its application to the Commonwealth of Virginia State Corporation Commission did convert its entity, Verizon Virginia Inc., to a Virginia limited liability company organized under the new name of Verizon Virginia LLC ("Verizon" or "Grantee"). A copy of the Certificate of Entity Conversion is attached hereto as Exhibit "B" and made a part hereof;

WHEREAS, the Franchise provided that if the Grantee is not then in default under the terms of the Agreement, the Grantee shall have the option, subject to City Council approval and without unreasonable delay, to renew this Franchise for three (3) consecutive renewal terms of five (5) years each (each, an "Extended Term");

WHEREAS, at the time of renewal, the City is aware of no default by the Grantee under the terms of the Agreement, and the Grantee has duly notified the City of its desire to exercise its renewal option; and

WHEREAS, the City agrees that the Grantee is entitled to be granted a renewal of the Agreement per the terms of conditions of the First Renewal to the Telecommunications Franchise Agreement (the "First Renewal") attached hereto as Exhibit "C" and made a part hereof.

NOW, THEREFORE, BE IT ORDAINED, by the Council of the City of Hampton, Virginia as follows:

1. The City grants the First Renewal to the Grantee which will take effect on July 16, 2023, and expire on July 16, 2028, unless otherwise terminated or renewed in accordance with the terms and conditions of the Franchise and the First Renewal;

2. That the City Manager, or her authorized designee, is hereby authorized to execute the First Renewal attached hereto, in substantially the same form as set forth in this Ordinance, and to take any and all actions necessary to carry out the purposes of this Ordinance, subject to approval by the City Attorney.

