

June 9, 2005

Honorable Mayor and Members of
the Hermosa Beach City Council

Regular Meeting of
June 14, 2005

**LETTER PROPOSAL FROM TREYSPAN INC. EXPRESSING AN INTEREST
IN OBTAINING A FRANCHISE AGREEMENT TO PROVIDE A WIRELESS
BROADBAND SERVICE TO THE CITY.**

Recommendation:

That the City Council review the letter proposal and direct staff to negotiate a non-exclusive franchise agreement and return with the franchise agreement for approval.

Background:

The proposal to provide a wireless broadband service to the residents and businesses by Treyspan Inc. would use the public rights of way to install facilities to provide this service. The service, once installed, would be a fee based offering by the company. Additional, information regarding the service offerings, fees and time frame for installation and activation will be detailed in the franchise agreement. Treyspan Inc. will provide access to the network at no cost. In return, Treyspan Inc. would like to install its system using street light poles, both those owned by the City and SCE. They have also asked that the city provide assistance in working with SCE for the pole attachment agreements.

This approach is similar to what the City did with the Metrocom system that was reviewed and approved several years ago. In that case, the city was to receive free service from the system under terms of the agreement that was drafted. That system was not completed in Southern California.

There are a few other items that would also be included in a draft franchise agreement and they are a term, compensation and indemnity. If directed, staff would start the process of drafting the franchise agreement, negotiate its terms and prepare it for approval by the City Council.

Respectfully submitted,

Stephen R. Burrell
City Manager