

August 1, 2005

Honorable Mayor and Members of
the Hermosa Beach City Council

Regular Meeting of
August 9, 2005

**PROPOSED NON-EXCLUSIVE FRANCHISE AGREEMENT BETWEEN
TREYSPAN INC. AND THE CITY OF HERMOSA BEACH**

Recommendation:

That the City Council approve the attached non-exclusive franchise agreement with TreySpan Inc. to build and operate a wireless broadband service in the City.

Background:

A representative from TreySpan Inc. made a presentation at the June 14, 2005 meeting and requested that the City Council consider granting them a non-exclusive franchise to build and operate a wireless broadband service in the city. This will be a subscription service. Staff was directed to return with a proposed franchise agreement for City Council review and approval.

The proposed franchise agreement is a non-exclusion franchise. It has a initial term of 5 years and provides that TreySpan pay a total of 5% franchise fee based on the defined gross receipts and also to pay a charge of \$60.00 per year for attaching their facilities to city owned poles or buildings. This amount is indexed with the CPI. TreySpan would also be subject to other fees and charges that would be associated with constructing the system.

TreySpan has reviewed the proposed non-exclusive franchise agreement and is prepared to execute once it has been approved by the City Council. TreySpan will also secure pole attachment agreements with SCE for portions of the system that they will build.

This service once fully deployed will offer an alternative to the other broadband providers serving the city. There are no costs to the City for granting the franchise or any capital or operational costs. TreySpan will offer service to the City for our operations at 50% of the retail prices for broadband service.

Respectfully submitted,

Stephen Burrell
City Manager