



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#17-1539

TO: Honorable Mayor & Members
Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: January 3, 2018

TITLE: An Ordinance Entering Into a New Franchise Agreement with Peoples Gas System

Recommendation

It is recommended that the City Commission adopt an ordinance amending the franchise agreement with Peoples Gas System by entering into a new franchise agreement with Peoples Gas System for a period of thirty years.

Background

The City of Fort Lauderdale and Peoples Gas System currently have a non-exclusive franchise agreement, effective as of June 7, 1987, for Peoples Gas System to construct, operate, and maintain gas system facilities in, under, over, and on the streets of the City of Fort Lauderdale. Peoples Gas System pays a franchise fee to the City as consideration for and as a condition of the grant to grantee of the non-exclusive right to occupy municipal streets and rights-of-way for the construction, operation, and maintenance of grantee's facilities. In return for the right to occupy streets and rights-of-way, under the current franchise agreement, Peoples Gas System pays the City a fee calculated as an amount equal to six percent (6%) of the gross receipts of grantee. The franchise agreement expired in 2017.

As stated in the new, drafted franchise agreement with Peoples Gas System, the City will continue to receive a sum of money equal to six percent (6%) of the company's gross revenue. Gross revenue shall mean all revenues received by Peoples Gas System from any customer from the sale, transportation, distribution, or delivery of gas. The previous thirty (30) year franchise agreement did not include transportation, distribution, and delivery as part of the gross revenues distribution. This will increase the amount received by the City.

Resource Impact

Revenues related to this agreement are included in the FY 2018 operating budget in amount of \$242,700; the City will receive an estimated additional amount of \$150,000 due to a change in the franchise agreement for transportation, distribution, and delivery not previously received as part of their gross distribution beginning in February 2018.

The Additional funds for these revenues in the accounts listed below will be contingent upon the approval of the Consolidated Budget Amendment CAM 17-1136.

<i>Funds available as of December 12, 2017</i>					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	ACTUAL RECEIVED (Character)	AMOUNT
001-FIN040301-A603	Other General Fund Revenues	Taxes/ People's Gas Franchise Fee	\$196,555,893	\$22,656,708	\$150,000.00
TOTAL AMOUNT →					\$150,000.00

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Public Places Cylinder of Excellence, specifically advancing:

- Goal 4: Be a healthy community with fun and stimulating recreational activities for our neighbors.
- Objective 2: Celebrate our community through special events and sports.

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We are Here*.

Attachment

Exhibit 1 – Ordinance

Prepared by: Ryan Henderson, City Manager’s Office

Department Director: Lee R. Feldman, ICMA-CM, City Manager