1	CITY OF SANTA FE, NEW MEXICO		
2	BILL NO. 2012-29		
3	INTRODUCED BY:		
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5	Mayor Coss		
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10	AN ORDINANCE		
11	RELATING TO TELECOMMUNICATIONS FACILITIES AUTHORIZED IN THE		
12	PUBLIC RIGHTS-OF-WAY, ARTICLE 27-2 SFCC 1987; AMENDING SECTION 27-2.3		
13	SFCC 1987 TO AMEND THE DEFINITIONS OF APPLICANT, GROSS REVENUE,		
14	PROVIDER AND TELECOMMUNICATIONS SERVICES; AMENDING SECTION 27-2.5		
15	SFCC 1987 TO INCLUDE THAT THE TELECOMMUNICATIONS FACILITIES IN		
16	THE PUBLIC RIGHTS OF WAY ORDINANCE APPLIES TO PROVIDERS WITH		
17	TELECOMMUNICATIONS NETWORKS IN THE PUBLIC RIGHT-OF-WAY THAT		
18	DO NOT PROVIDE SERVICES WITHIN THE CITY LIMITS; AMENDING SECTION		
19	27-2.13 SFCC 1987 TO CORRECT A CITATION; AND MAKING SUCH OTHER		
20	STYLISTIC OR GRAMMATICAL CHANGES THAT ARE NECESSARY.		
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22	Section 1. Section 27-2.3 SFCC 1987 (being Ord. #2010-14, §5, as amended) is		
23	amended to amend the following definitions:		
24	Applicant means any person who files an application with the city under subsection 27-2.		
25	SFCC 1987 in order to obtain a franchise to use the public rights-of-way to provide		

1 telecommunications services [within the city]. 2 Gross revenue means: 3 A. Includes the following types of provider revenues derived from the provision of 4 telecommunications services to customers within the city served from telecommunication facilities 5 located in the public rights-of-way: 6 (1) Recurring, nonrecurring and usage charges paid by customers for 7 telecommunications or other services provided through use of the telecommunications 8 network: 9 (2) Revenues received from access fees, interconnection fees, or any other fees 10 relating to or arising out of the use of the telecommunications network (including the 11 facilities and equipment of such network) by any person providing commercial mobile radio 12 service, cellular, personal communications service, or other communications service; 13 (3) Interlata (local access transit area) toll revenue; 14 **(4)** Intralata toll revenue; 15 Equipment lease and sale revenue not to include revenue from the sale or (5) 16 lease of equipment that is readily available in the consumer retail market; 17 **(6)** Installation and service fees; 18 **(7)** Data transport or network charges; 19 Any amounts collected by a provider from its customers denominated as (8) 20 reimbursement for expenses of construction, equipment and related expenses paid by 21 provider for the benefit of its customers; or Payments received by a provider from any federal or state agency or other 22 (9)23 carriers pursuant to any universal service fund requirement. Excludes the following types of revenue derived from the provision of 24 B.

telecommunications services to customers within the city limits:

- 1 Proceeds from the sale of bonds, mortgages, or other evidence of (1) 2 indebtedness, securities or stocks; 3 (2) Bad debt write-offs and customer credits; 4 Revenue from direct advertising; (3) 5 (4) Any amounts collected by a provider from its customers that are required to 6 be remitted to a federal or state agency as part of a universal service fund or other 7 government program; 8 (5) Amounts collected for taxes, fees or surcharges and paid to the federal, state 9 or local governments; 10 (6)Any franchise fee or tax; or 11 **(7)** Revenue from the sale or lease of equipment that is readily available in the 12 consumer retail market. 13 (8) Revenue from the provision of internet access services as defined in the 14 Federal Internet Tax Freedom Act, 47 U.S.C. § 151, but only to the extent prohibited by law. 15 C. Gross revenue as set forth above shall be interpreted consistent with FCC regulations 16 and rulings, and any relevant decision by a federal court and to the fullest extent allowed by 17 applicable law. Any change in federal law subsequent to the effective date of a franchise shall not 18 affect the definition of gross revenues unless the change specifically preempts one of the components 19 of the definition. Gross revenue shall be measured and monitored periodically by the city. As 20 telecommunications services continue to advance and evolve, the definition of gross revenues will be 21 read based on the intent reflected in the above list. When a bundling of services is offered by a 22 provider that includes services included in gross revenues or excluded from gross revenues there will 23 be a pro rata allocation between franchise fees based services and nonfranchise fee categories based
 - Provider means:

on the provider's product usage rate.

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B. Except to the extent that a provider or a person uses the public rights-of-way, a provider or any person which provides commercial mobile radio service, cellular, personal communications service, or other communications service shall not be subject to this chapter with respect to such service.

Telecommunications services means the offering of telecommunications [within the eity] for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

Section 2. Section 27-2.5 SFCC 1987 (being Ord. #2010-14, §7, as amended) is amended to read:

27-2.5 Compensation and Charges.

A. Fees and Charges.

(1) Franchise fee. As partial compensation for the use of the public rights-of-way, each telecommunications services provider shall be subject to an annual fee of three percent (3%) of the provider's gross revenue or for providers with telecommunications networks and/or facilities in the public rights-of-way that do not provide telecommunications

- (2) Franchise filing fee. Each applicant shall submit a nonrefundable application filing fee for each franchise request. The filing fee shall initially be two thousand five hundred dollars (\$2,500), and may be adjusted annually by resolution of the governing body. Additional land use review fees shall apply as set forth in subsection 27-2.13G. SFCC 1987.
- Non-monetary consideration. Upon mutual agreement between the city and provider, a provider may pay up to one percent (1%) of the annual fee in the form of non-monetary consideration, including, without limitation, network capacity, conduit, equipment, or other infrastructure or services for use by the city for the purposes specified below. This non-monetary consideration shall be negotiated with each provider taking into account the unique characteristics of each provider's services and network. Said consideration shall be valued in a fair manner based on the provider's actual costs, including make-ready costs, maintenance, and repair charges, labor and material costs, plus ten percent (10%) as reimbursement for supervision and general and administrative costs. Further, any non-monetary consideration furnished to the city shall be for the city's public and noncommercial purposes. Use by the city under subsection 27-2.5B(7)(a) SFCC 1987 below, shall be included in the calculation of non-monetary consideration pursuant to this paragraph along with any other use of provider facilities by the city.
- (4) Permit, inspection, and review/location charges. Each provider shall pay all permit and inspection charges related to a provider's construction in the public rights-of-way, as assessed by the director in accordance with city requirements including, without limitation, Section 23-2 SFCC 1987.

B. Payment of Franchise Fee.

- (1) Commencing the calendar quarter following the calendar quarter any public rights-of-way franchise becomes effective, payment of the franchise fees and other fees due hereunder are required to be made within forty-five (45) days after the end of each calendar quarter. The fee shall be based on gross revenues received by the provider for the preceding quarter. Such payment shall be made through an electronic deposit process as established by the city treasurer.
- (2) In the event that a fee payment is not received by the city on or before the due date set forth in this subsection or in a franchise, or the fee owed is not fully paid, the provider subject to the fee shall be charged a penalty of:
 - (a) Two percent (2%) per quarter to a maximum of ten percent (10%); and
 - (b) Interest on the outstanding amount owed from the due date at an interest rate equal to two percent (2%) above the rate for three-month federal treasury bills at the most recent United States treasury department sale of such treasury bills occurring prior to the due date of the franchise fee payment.
- (3) The provider shall furnish to the city with each payment of compensation required by this section a detailed written statement showing the amount of gross revenue received by the provider within the city limit or attributable to its telecommunications facilities within the city limit, broken out by provider's line of business for the period covered by the payment. The city treasurer shall within a reasonable time after submission determine the basis and accuracy of the amounts reported. Where the amount paid by the provider is less than ninety-five percent (95%) of the amount actually due, the provider shall also compensate the city for the city's costs in discovering and recovering the underpayment. However, neither payment of the fee nor failure to make such investigation shall estop the city in any way or

prevent subsequent investigation, collection, or return of any amount properly due.

- (4) In the event that it is claimed by the city that the amount of the fee paid for any calendar year is insufficient, or in the event that the provider claims that the amount is excessive, and the parties cannot agree, the city and the provider shall follow the dispute resolution provisions of this section.
- (5) In the event that the fee or portion thereof set forth in any franchise is declared illegal, unconstitutional, or void for any reason by any court or proper authority, the provider shall be contractually bound to pay the city an amount equal to the reasonable use of the city's public rights-of-way. This section, however, shall not constitute a waiver of any claim the provider may assert against the city.
- (6) Acceptance by the city of any payment due under a franchise shall not be deemed to be a waiver by the city of any breach of the franchise occurring prior thereto, nor shall the acceptance by the city of any such payments preclude the city from later establishing that a larger amount was actually due under the franchise, or from collecting any balance due to the city.
- (7) In consideration of the rights and privileges granted by any franchise, the following apply:
 - (a) The city shall have and provider shall grant to it the right and privilege at the city's expense to suspend and maintain wires and necessary control boxes on poles placed by the provider in the public right-of-way if space therein is available, which the city may require for fire, police, emergency, or other municipal purposes. All such wires shall be placed in mutually agreed upon locations on the poles or in the conduits so as not to interfere with the service of the provider and shall not pose a danger to the provider's facilities, customers, or customer's property. However, nothing in the franchise shall limit the provider's right to reserve conduit

space and/or pole space which in its sole discretion it retains for purposes of assuring its ability to provide future services or the safety or servicing of its facilities.

- (b) City agrees, in consideration of the establishment of the service and furnishing of the facilities described in subsection 27-2.5B(7)(a) SFCC 1987, to hold the provider free and harmless from all claims or liability for damage which may arise out of the city's operation of such wires and control boxes. In no event shall the city be required to pay any pole attachment fees in connection with the exercise of the city's rights under this subsection; however, the fair market value of the city's use of provider's wires or control boxes without recurring costs shall be included as part of non-monetary consideration paid by the provider as further provided for in subsection 27-2.5A(3) SFCC 1987.
- (8) To facilitate the city's annual budget process, on or before the 1st of November and each succeeding 1st of November thereafter during the term of any franchise granted under this section, the provider will provide the city with an estimate of the gross revenue and resultant fee for the following calendar year. Nothing herein shall preclude the provider and the city from agreeing to a revised payment schedule.

C. City's Right to Audit.

(1) Providers shall keep complete and accurate books of accounts and records of their business and operations pursuant to any franchise granted hereunder in accordance with generally accepted accounting principles. If required by the FCC, providers shall use the system of accounts and the forms of books, accounts, records, and memoranda prescribed by the FCC in 47 CFR or its successor, and as may be further described herein. The director may require the keeping of additional records or accounts which are reasonably necessary for purposes of identifying, accounting for, and reporting gross revenue and uncollectibles for purposes of any franchise. Providers shall keep their books of account and records in such a

way that identification of revenues by type of service within the city is available.

- Upon reasonable prior notice by the city of not less than thirty (30) days, or such other time as may be agreed upon by the city and the provider, the city shall have the right to review or audit the provider's books and records in accordance with regularly accepted accounting and audit standards regarding any amounts which may be owed under a franchise. This right includes the right to review and audit all books and records of revenue not included in the calculation of the fee paid. The city shall give written notice to the provider of any additional amount claimed to be due to the city as a result of the city's review. If the provider disputes the additional amount allegedly due to the city, if any, the dispute shall be determined according to the dispute resolution provisions of this section.
- (3) In the event of an audit, the provider shall provide city-specific books, records, contracts, account codes, documents, and papers for its operations within the city.
- (4) All such books, records, and accounts of the provider shall be retained by the provider for a period of six (6) years, in accordance with § 37-1-3 NMSA 1978, or its successor. The provider shall make such records as are necessary for the city to complete its audit and be available for inspection by the city upon thirty (30) days notice from the city.
- (5) All audits will take place on provider premises within the city of Santa Fe or provider will pay the reasonable, documented costs required for the auditor to go to provider's offices. The city's auditors may review all directly relevant materials and may make copies of any materials with the approval of the provider. Such approval will not be unreasonably withheld.
- (6) In addition to paying all fees owed plus interest, in the event that the city reviews the provider's franchise fee payments, and finds that the provider has underpaid the fee owed for any year in an amount exceeding five percent (5%) of the franchise fees actually paid, the provider shall pay the reasonable cost of the city's review and underpayment

recovery costs.
2 (7)

(7) The city will maintain confidentiality of information provided by providers to the maximum extent permitted by law when providers have notified the city of the confidential nature of specifically identified information reasonably marked by the provider as "Confidential." The city will maintain the confidentiality of this information to the maximum extent permitted by law.

Section 3. Section 27-2.13 SFCC 1987 (being Ord. #2010-14, §15, as amended) is amended to read:

27-2.13 Land Use Review.

- A. Zoning Districts; Location. Telecommunications facilities are permitted in all zoning districts, except self-supporting lattice and guyed towers are prohibited in the public rights-of-way in residential and historic districts. However, to the maximum extent practicable, telecommunications networks shall be designed in such a manner as to locate facilities:
 - (1) On existing structures;
 - (2) In nonresidential districts; and
 - (3) Along major arterials.
- B. Maximum Height. Telecommunications facilities located on existing structures shall not exceed the height of the structure upon which the facility is located. Telecommunications facilities located on new structures shall not exceed the maximum height for buildings otherwise permitted as set forth in Chapter 14 SFCC 1987.
- C. Aesthetic Requirements. Subject to applicable federal standards, the following criteria shall be met:
 - (1) Telecommunications facilities shall be installed underground to the maximum extent feasible, including without limitation, in residential areas where covenants regulate underground installations.

- (2) If above ground, the telecommunications facilities shall be designed, installed and maintained in such a manner as to minimize the visual impact. Acceptable methods to minimize visual impact shall include, but not be limited to: concealment, screening, camouflaging, color, materials, texture, shape, size and location.
- (3) Consideration shall be given to minimize disruption to or alteration of the natural environment.
- (4) No permanent lighting is permitted unless the lighting is necessary for compliance with federal, state or local law. Permanent lighting shall not include equipment status indicating lights not exceeding fifteen (15) watts of power.
- (5) Telecommunications facilities located within the historic districts shall be reviewed by the historic design review board for compliance with this subsection.
- D. Archaeological Requirements. The provider shall comply with subsection 14-5.3 SFCC 1987 regarding the city's archaeological review districts.
 - E. Other Requirements.
 - (1) No signs are permitted unless the sign is required for safety reasons or for compliance with the federal, state or local law, or unless permitted by the city.
 - (2) All above ground telecommunications facilities shall be maintained so as to be orderly and attractive.
 - (3) All telecommunications facilities shall be designed, constructed and installed in such a manner as to minimize noise to the maximum extent possible, but in no event shall it exceed the standards set forth in Section 10-2 SFCC 1987.
 - (4) All lockable telecommunications facilities shall be kept locked when not being actively serviced by the provider.
 - (5) All nonlockable telecommunications facilities shall be kept closed when not being actively serviced by the provider.

- F. Application to Land Use Department. After approval of a franchise as set forth in subsection 27-2.4 SFCC 1987 and prior to construction, any person proposing to construct telecommunications facilities in the city's public rights-of-way shall submit an application to the land use department for review by the planning commission.
 - (1) The application, in a form prescribed and as necessary updated by the land use department, shall, without limitation:
 - (a) Describe the applicant's proposed telecommunications services and facilities;
 - (b) Demonstrate compliance with this subsection;
 - (c) Include a map at a suitable scale of the project area indicating the proposed route and specific locations of telecommunications facilities and specific information regarding a facility's radio frequency emissions;
 - (d) If a significant gap in coverage is claimed by the applicant, the applicant shall prove by clear and compelling evidence that the proposed facilities are necessary to close a defined and disclosed significant gap in service coverage, and that its proposed facilities are the least intrusive means to close the proven significant gap;
 - (e) To the extent that facilities are located in the Historic or Escarpment Overlay Districts or do not comply with the priorities set forth in subsection 27-2.13A (1)-(3) of this section, demonstrate that the applicant has investigated alternative siting and that no other practicable alternative exists; and
 - (f) Demonstrate that the applicant has complied with the National Historic Preservation Act for the siting of proposed facilities that may affect sites that are listed or eligible for listing in the National Register of Historic Places.
 - (2) The application shall be in writing with the accompanying data in a format

- (3) The applicant may submit one (1) application showing multiple phases or may submit a new application for each successive phase.
- G. Land Use Review Fee. Each application, which may include multiple phases as set forth in paragraph F(3) of this subsection, shall be accompanied by a nonrefundable fee of two thousand five hundred dollars (\$2,500.) or the fee established by the governing body for development plan review, whichever is less.
- H. Staff Review of Application. The land use department and other city staff as necessary shall review the application according to the standard procedures established by the land use department for applications to the planning commission.
- I. Community Information Availability. Following verification by the land use department that the application is complete, the application and related submittal documents shall be made available to the public on the city's website and in the land use department at least fifteen (15) days prior to the planning commission hearing.
 - J. Public Notice of Public Hearing and Review by Planning Commission.
 - (1) The planning commission agenda shall be mailed and published by the land use department as set forth in subsection 14-3.1H(1)[(a)(i)](b) SFCC 1987.
 - (2) No less than fifteen (15) days prior to the public hearing, the applicant shall give notice to the public as set forth below. The posters, mailings and display advertisements shall state the nature of the application; the date, time and place of the public hearing; and the availability for the public to review the application as set forth above. In addition, the mailings and display advertisement shall include a map of the project area indicating the proposed route and specific locations of all proposed above ground facilities and equipment. The applicant shall:

- (a) Place in the public right-of-way in a location approved by the city, or if the project is on private or public property immediately adjacent to the public right-of-way in a location approved by the city, one (1) poster obtained from the land use department at each major intersection within the project area provided that there shall be no less than one (1) poster every one-quarter (1/4) mile along the proposed route.
- (b) Mail by first class mail a notice in a format approved by the land use department to all property owners and physical addresses adjacent to the public rights-of-way where the telecommunications services are to be located.
- (c) Publish a display advertisement in the local daily newspaper of general circulation.
- K. Planning Commission Review.
- (1) The planning commission shall review the application for compliance with this subsection and all relevant city codes.
 - (2) In approving an application, the planning commission shall determine that:
 - (a) The application is in compliance with this subsection;
 - (b) The application is necessary in order to close a proven significant gap in service coverage, either generally or of the applicant; and
 - (c) The applicant has demonstrated that no other less intrusive means or alternative to the approved facilities siting exists.
- (3) The planning commission may not regulate the placement of telecommunications facilities on the basis of the environmental effects of radio frequency emissions where such telecommunications facilities comply with 47 C.F.R. 1.1310 et seq.
- (4) The planning commission may place conditions upon its approval of the application but the conditions shall not prohibit or have the effect of prohibiting the provision of the telecommunications services.

- (6) A decision of the planning commission is appealable as set forth in subsection 14-3.17 SFCC 1987.
- (7) Any denial of an application or any approval of an application containing any conditions not accepted by the applicant shall:
 - (a) Be in writing, and
 - (b) Shall cite to the administrative record, and
 - (c) Shall not become final until approved by the same body at its next regularly scheduled meeting.

L. Modifications to Approved Plans.

- (1) Modifications to approved telecommunications facilities plans that comply with the standards of this Section 27-2 and do not materially modify the approved telecommunications plan may be approved by the land use director. An example of a material modification to the approved telecommunications plan is a route for which residents did not receive notice of the planning commission public hearing, or an increase in effective radiated power or any proposed increase in frequency. Relocation of a single antenna to an adjacent structure along the approved route is not a material modification.
- (2) The maintenance, repair, replacement-in-kind, or reinforcement of existing telecommunications facilities, or the undergrounding of new telecommunications facilities are not modifications to approved plans and shall not require approval of the land use department or the planning commission.

M. Waivers.

(1) The planning commission may grant a waiver of the requirements set forth in this subsection 27-2.13 SFCC 1987 provided that the commission finds based on clear and convincing evidence provided by the applicant that the waiver:

1	(a) Is necessary to a	ssure continuing service coverage by the applicant at	
2	the same level, or is necessary to close a significant gap in coverage proven by clear		
3	and convincing evidence;		
4	(b) Is in the best inte	rest of the community as a whole;	
5	(c) Will not jeopardi	ze public safety and welfare;	
6	(d) Will better serve	the purposes contained in Section 27-2 SFCC 1987;	
7	and		
8	(e) The applicant de	monstrates that compliance with the requirement is	
9	not practicable due to physical or legal constraints proven by the applicant by clear		
10	and convincing evidence.		
11	(2) The planning commission	on shall consider the following when granting a	
12	waiver:		
13	(a) The general appe	arance of the facility;	
14	(b) The nature of use	es on adjacent and nearby properties;	
15	(c) The physical surr	oundings and constraints; and	
16	(d) Improved teleco	mmunications services including service coverage	
17	and the potential for increasing the affordability of telecommunications services		
18	through competition.		
19	N. Permits Required. In addition to the permits required set forth elsewhere in Section		
20	27-2 and city code, the following permits are required from the land use department:		
21	(1) Secondary electrical per	mit at each antenna or other facility site requiring	
22	secondary electrical service; and		
23	(2) Other permits as may be	required.	
24	O. Monitoring Standards.		
25	(1) At all times, a telec	ommunications provider shall ensure that its	

telecommunications facilities comply with the most current regulatory and operational standards including but not limited to radio frequency emissions standards adopted by the FCC and antenna height standards adopted by the Federal Aviation Administration.

- (2) The telecommunications provider shall obtain and maintain the most current information from the FCC regarding allowable radio frequency emissions and all other applicable regulations and standards, and, at the following indicated times, shall file a report with the land use director indicating whether the provider is in compliance with such standards, advising the land use director of any regulatory changes that require modifications to the telecommunications facilities and advising the land use director of the measures taken by the provider to comply with such regulatory changes as follows:
 - (a) Prior to the commencement of the installation of the telecommunications facility;
 - (b) Within ten (10) days after initial activation of the telecommunications facility (the initial compliance report);
 - (c) Every year, on the anniversary of the submittal of the initial compliance report, and
 - (d) Upon any proposed increase of at least ten percent (10%) in the effective radiated power or any proposed change to frequency use, and
 - (e) Within ten (10) days after the activation of the proposed increase in effective radiated power or change in frequency use of the telecommunications facility.
- (3) Both the initial and updated certifications shall be subject to review and approval by the city, and shall be public records.
- (4) At the land use directors' sole discretion, a qualified independent radio frequency engineer, selected by and under contract to the city, may be retained to review said

certifications for compliance with FCC regulations and for actual compliance with the FCC regulations at the telecommunications facility.

- (5) All costs associated with the city's review of these certifications shall be the responsibility of the provider, which shall promptly reimburse the city for the cost of review.
- P. Enforcement. The land use director has the authority to interpret this subsection in accordance with the purpose of this section and shall administer and enforce the provisions of this subsection.

APPROVED AS TO FORM:

GENO ZAMORA, CITY ATTORNEY

CAO/M/Melissa/Bills 2012/2012-29 Telecom ROW (Amends)