

ARTICLE X.

LICENSES AND FRANCHISES

Section 1001. Granting of Franchises.

The City Council is empowered to grant by ordinance a franchise to any person, firm or corporation, whether operating under an existing franchise or not, to furnish the City and its inhabitants with transportation, communication, terminal facilities, water, light, heat, power, refrigeration, storage, or any other public utility of public service, and to use the public streets, ways, alleys, and other places, as the same now or may hereafter exist, for the construction and operation of plants, works, or equipment necessary or convenient for traversing any portion of the City for the transmitting or conveying of any service elsewhere. The City Council may prescribe the terms and conditions of any such grant. It may also provide, by procedural ordinance, the method of procedure and additional terms and conditions for making such grants, subject to provisions of this Charter. The City Council may, by ordinance or resolution, establish fees or charges for the granting of licenses or franchises.

Section 1002. Resolution of Intention, Notice, and Public Hearing.

Before granting any franchise, the City Council shall pass a resolution declaring its intention to grant the same, stating the name of the proposed grantee, the character of the franchise and the terms and conditions upon which it is proposed to be granted. Such resolution shall fix and set forth the day, hour and place when and where any persons having any interest therein or any objection to the granting thereof may appear before the City Council and be heard thereon. It shall direct the City Clerk to publish said resolution at least once within fifteen (15) days of the passage thereof in a newspaper in the City of San Luis Obispo. The time fixed for such hearing shall not be less than twenty (20) or more than sixty (60) days after the passage of said resolution. At the time set for the hearing, the City Council shall proceed to hear and pass upon all protests, and its decision thereon shall be final and conclusive. Thereafter, it may grant or deny the franchise, subject to the right of referendum of the people.

Section 1003. Term of Franchise.

Every franchise shall state the term for which it is granted, which, unless it is indeterminate as provided for herein, shall not exceed thirty-five (35) years. No franchise may be renewed until three (3) years before its term expires. A franchise grant may be indeterminate, that is to say, it may provide that it shall endure in full force and effect until the same, with the consent of the Public Utilities Commission of the State of California, shall be voluntarily surrendered or abandoned by its possessor, or until the State of California or some municipal or public corporation, thereunto duly authorized by law, shall purchase by voluntary agreement or shall condemn and take, under the power of eminent domain, all property actually used and useful in the exercise of such franchise and

situated within the territorial limits of the State, municipal or public corporation purchasing or condemning such property, or until the franchise shall be forfeited for non-compliance with its terms by the possessor thereof.

Section 1004. Grant to be in Lieu of All Other Franchises.

Any franchise granted by the City with respect to any given utility service shall be in lieu of all other franchises, rights, or privileges owned by the grantee, or by any successor of the grantee to any rights under such franchise, for the rendering of such utility service within the limits of the City as they now or may hereafter exist, except any franchise derived under Section [19](#) of Article [XI](#) of the Constitution of California as said section existed prior to the amendment thereof adopted October 10, 1911. The acceptance of any franchise hereunder shall operate as an abandonment of all such franchises, rights, and privileges within the limits of the City as such limits shall at any time exist, in lieu of which such franchise shall be granted. Any franchise granted hereunder shall not become effective until written acceptance thereof shall have been filed by the grantee thereof with the City Clerk. Such acceptance shall be filed within ten (10) days after the adoption of the ordinance granting the franchise and when so filed, such acceptance shall constitute a continuing agreement of such grantee that if and when the City shall thereafter annex, or consolidate with, additional territory, any and all franchises, rights, and privileges owned by the grantee therein, except a franchise derived under said constitutional provision, shall likewise be deemed to be abandoned within the limits of such territory.

Section 1005. Eminent Domain.

No franchise grant shall in any way or to any extent impair or affect the right of the City to acquire the property of the grantee thereof either by purchase or through the exercise of the right of eminent domain, and nothing herein contained shall be construed to contract away or to modify or to abridge either for a term or in perpetuity the City's right of eminent domain with respect to any public utility. Every franchise grant shall reserve to the City the right to purchase the property of such utility either at an agreed price or a price to be determined in a manner to be prescribed in the grant, or in the procedural ordinance hereinabove mentioned. In fixing the price to be paid by the City for any utility, no allowance shall be made for franchise value (other than the actual amount paid to the City at the time of the franchise acquisition), goodwill, going concern, earning power, increased cost of reproduction, severance damage, or increased value of right-of-way.

Section 1006. Duties of Grantee.

By its acceptance of any franchise hereunder, the grantee shall covenant and agree to perform and be bound by each and all of the terms and conditions imposed in the grant or by procedural ordinance, and shall further agree to:

(A) Comply with all lawful ordinances, rules, and regulations theretofore or thereafter adopted by the City Council in the exercise of its police power, governing the construction, maintenance, and operation of its plants, works, or equipment;

- (B) Pay to the City on demand the cost of all repairs to public property made necessary by any of the operations of the grantee under such franchise;
- (C) Pay to the owner on demand the cost of all repairs to private property made necessary by any of the operations of the grantee under such franchise;
- (D) Indemnify and hold harmless the City and its officials from any and all liability for damages proximately resulting from any operations under such franchise;
- (E) Remove and relocate without expense to the City any facilities installed, used and maintained under the franchise if and when made necessary by any lawful change of grade, alignment, or width of any public street, way, alley, or place, including the construction of any subway or viaduct; and
- (F) Pay to the City during the life of the franchise, a percentage, to be specified in the grant, of the gross annual receipts of the grantee within the limits of the City, or such other compensation as the City Council may prescribe in the grant.

The City Manager shall be responsible for the enforcement of all provisions of the grant.

Section 1007. Violations.

The exercise by any person, firm or corporation of any privilege for which a franchise is required, without procuring such franchise, shall be a misdemeanor, and each day that such condition continues to exist shall constitute a separate violation.

The Charter of the City of San Luis Obispo is current through amendments adopted through August 30, 2011.

Disclaimer: The City Clerk's Office has the official version of the Charter of the City of San Luis Obispo. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.

Note: This site does not support Internet Explorer. To view this site, Code Publishing Company recommends using one of the following browsers: Google Chrome, Firefox, or Safari.

[City Website: www.slocity.org](http://www.slocity.org)

City Telephone: (805) 781-7100

[Code Publishing Company](#)