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City Manager's Office

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TO: Mayor and Members of the City Council

FROM: Sheila Lundt, Assistant City Manager

DATE: June 17, 2009

SUBJECT: Gas Franchise with Interstate Power and Light Company

Attached is the proposed update to the Gas Franchise (Appendix B) of the Municipal Code. This document has been forwarded to Interstate Power and Light (IPL), and has been prepared based on the input received from the City Council on June 9.

The ordinance (franchise) will remain essentially as it is currently written, except for the sections which are summarized below:

Section Five – The last sentence in this section contains the granting of rights of condemnation of private property. This ability is conferred in accordance with the requirements set out in the Code of Iowa, currently found in Section 364.2 (Franchises) and Chapter 6B (Eminent Domain). This grant of right of condemnation would be in effect only as state law continues to allow it, and in the manner that the process is established in the Code.

Section Nine – This section now allows for the franchise to go into effect upon Council approval, and without being submitted to the public for a vote. This is, again, in accordance with the Code of Iowa.

Section Ten – This is a new section which describes the process and limits outlined in 364.2 of the Code of Iowa for the institution of a franchise fee. This is new legislation from this past legislative session. The amount is 0% but, by law, could be as high as 5% of gross revenues generated from sales within the City.

Please feel free to contact staff with any questions you may have.