



Sustainability and Transportation Committee Report

Date: March 19, 2015
To: Sustainability and Transportation Committee
Through: Kari Kent, Deputy City Manager
From: Beth Huning, City Engineer
Subject: Recommending a Telecommunication License for Electric Lightwave, LLC

Strategic Initiatives



Purpose and Recommendation

It's requested that the Sustainability and Transportation Committee review and recommend a telecommunication license for Electric Lightwave, LLC for an initial five year term with the option of a five year extension.

Background & Discussion

Electric Lightwave, LLC (ELI) requests that the City issue a license to install, operate, and maintain a fiber optic based, communications network to provide broadband services within the City right of way and easements for commercial users. The proposed non-exclusive agreement has a ten year combined term.

The Arizona State Statutes set parameters on how fees can be charged to telecommunication companies. The City and ELI have had discussions to resolve the issue of the per foot fees payable under A.R.S. §§9-582 and 9-583, and as a mutually agreeable resolution of this issue, City and ELI agree that ELI shall provide in-kind compensation to the City, in lieu of paying such fees, as set forth below:

- ELI will provide the City with one working pair of fibers in each new excavation in the City's rights-of-way and public utility easements, up to an amount not to exceed \$5,000.00 in the aggregate. The fiber can never be sold to a competitor or utilized to compete against ELI; it shall be limited to the City's internal use only.
- Any maintenance or repairs required will be performed by ELI at the City's cost, on a pass-through actual-cost basis plus labor and materials.
- ELI shall pay transaction privileged tax and the required permitting fees.

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Staff will work with ELI to ensure that all proposed terms of the license will be adhered to before issuing a permit to work within City rights-of-way and easements.

Alternatives

The Committee could determine to approve and forward staff's recommendation to Council for consideration; consider different licensing terms; or recommend denial of the license.

Fiscal Impact

The City incurs no financial outlay as a result of authorizing this agreement, except for staff time required to negotiating the terms of the license.

Coordinated With

City Attorney's Office
Development and Sustainability Department
Engineering Department
Information Technology Department