



# City Council Report

**Date:** May 4, 2015  
**To:** City Council  
**Through:** Kari Kent, Deputy City Manager  
**From:** Beth Huning, City Engineer  
**Subject:** Recommending a Telecommunication License for Electric Lightwave (Citywide)

## Strategic Initiatives



## Purpose and Recommendation

It is requested that the City Council review and approve 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 to the fibers 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.

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**

City Council could approve staff's recommendation; consider different licensing terms, or deny 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