



City Council Report

Date: October 15, 2018
To: City Council
Through: Kari Kent, Assistant City Manager
From: Elizabeth Huning, City Engineer
Marc Ahlstrom, Assistant City Engineer
Subject: Communication License for MCImetro Access Transmission Services Corp.
(MCImetro) d/b/a Verizon Access Transmission Services Corp.

Council Districts: all

Purpose and Recommendation

The purpose of this report is to request Council approval for a communications license for MCImetro for an initial five-year term with one additional automatic five-year renewal option.

Staff recommends that Council authorize the City Manager to execute this communications license on behalf of the City.

Background & Discussion

MCImetro applied for a communications license to work within the City's rights of way and easements to install, operate, and maintain a fiber optic-based communication. The proposed non-exclusive license has a ten-year combined term. MCImetro followed the City's standard licensing process.

MCImetro purposes to install approximately 234 miles of conduit and fiber optic cable within the City's rights of way. Conduit and fiber installation will be phased and tentatively completed in three years depending on market conditions. The first phase will consist of 134 miles and the second phase will consist of 100 miles in subsequent years.

Alternatives

City Council could consider different licensing language. Furthermore, City Council could choose not to authorize this communications license. City staff does not recommend this because not approving this license will limit local business access to additional broadband services provided by MCImetro.

Fiscal Impact

Arizona State Statutes set parameters on fees charged to telecommunication companies depending on the type of communications services offered. MCImetro will pay privilege tax for intrastate telecommunication services pursuant to the statutory requirements. MCImetro will pay an annual per foot fee of \$1.89 to occupy City's rights of way for interstate-only telecommunications services, if MCImetro decides, in the future, to provide interstate-only services. MCImetro will pay all permit, traffic control, and material testing fees. There is no cost to the City for the execution of this license.

Coordinated With

This Communications License was coordinated with the City Attorney's Office.