



# City Council Report

**Date:** July 1, 2020  
**To:** City Council  
**Through:** Kari Kent, Assistant City Manager  
**From:** Elizabeth Huning, City Engineer  
Marc Ahlstrom, Assistant City Engineer  
**Subject:** Conduit Occupancy Agreement 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 Conduit Occupancy Agreement for MCImetro.

Staff recommends that Council authorize the City Manager to execute this Conduit Occupancy Agreement on behalf of the City.

## Background & Discussion

In 2018, the City and MCImetro entered into a Communication License whereby the City gave MCImetro permission to install and operate a communications network in the streets, rights-of-way, and public easements within the City. MCImetro is a subsidiary of Verizon Communications. MCImetro now desires to expand its fiber network in Mesa and seeks an agreement to use a portion of the City's existing conduit duct bank system.

The Conduit Occupancy Agreement has a term of twenty (20) years commencing when the individual "Verizon Conduit Request" Form is signed by both parties. The City may terminate any approved "Verizon Conduit Request" no sooner than ten years following the commencement date, provided the City can show that termination is necessary to satisfy a public need or to accommodate public infrastructure. In the event MCImetro has to relocate any of its fiber optic cables to accommodate a City project, MCImetro shall bear 100% of its individual relocation costs.

## Alternatives

City Council could consider different agreement language. Furthermore, City Council

could choose not to authorize this Conduit Occupancy Agreement. 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**

MCImetro will pay all permit, traffic control, and construction costs before occupying any City-owned conduit. The annual occupancy fee is one dollar seventy-five cents (\$1.75) per lineal foot for two-inch (2") conduit, plus a two percent (2%) annual escalation fee. Pricing for conduit greater than two inches (2") in diameter will be negotiated upon request for the use of any such facilities.

There is no cost to the City for the execution of this license.

### **Coordinated With**

City Attorney's Office  
Information Technology Department  
Transportation Department