



City Council Report

Date: April 5, 2021
To: City Council
Through: Marc Heirshberg, Deputy City Manager
From: Elizabeth Huning, City Engineer
Marc Ahlstrom, Assistant City Engineer
Subject: Communication License for Gila Local Exchange Carrier d/b/a Alluvion Communications (Alluvion) (Citywide)

Purpose and Recommendation

The purpose of this report is to request Council approval for a communications license for Alluvion 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

Alluvion 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. Alluvion followed the City's standard licensing process.

Alluvion purposes to install conduit and fiber optic cable within the City's rights of way and easements around Phoenix-Mesa Gateway Airport (see Exhibit A).

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 Alluvion.

Fiscal Impact

Arizona State Statutes set parameters on fees charged to telecommunication companies depending on the type of communications services offered. The services Alluvion offers to

its customers will be subject to a transactional privilege. Additionally, should Alluvion offer interstate telecommunication services at a future date, it will pay an annual per foot fee of \$1.89 to occupy City's rights-of-way. Lastly, Alluvion will pay all permit, traffic control, and material testing fees. There is no cost to the City for the execution of this license beyond staff time.

Coordinated With

This drafting of this Communications License was coordinated with the City Attorney's Office and the Phoenix-Mesa Gateway Airport Authority.