



# City Council Report

**Date:** June 7, 2021  
**To:** City Council  
**Through:** Marc Heirshberg, Deputy City Manager  
**From:** Elizabeth Huning, City Engineer  
Marc Ahlstrom, Assistant City Engineer

**Subject:** Amend the Teleport Communications America, LLC (TCA) Telecommunications License Agreement to allow for two additional five-year renewal terms

Council Districts: Citywide

## Purpose and Recommendation

Council is requested to authorize the City Manager or his designated representative to amend the TCA Telecommunications License Agreement to allow for two additional five-year renewal terms.

This amendment will allow TCA the continued use of the public rights-of-way for construction, placement, operation, and maintenance of a telecommunications network.

## Background & Discussion

The City granted TCG Phoenix a telecommunication license agreement for the use of the public rights-of-way on January 27, 2010 for a five-year term with an optional automatic five-year term which expired on January 27, 2020.

On September 9, 2013, Council approved Amendment No. 1 recognizing the assignment of the telecommunications license agreement to TCA.

City and TCA now wish to add up to two additional five-year renewal terms to the telecommunications license agreement.

## Alternatives

City Council could consider different licensing language. Furthermore, City Council could choose not to amend the telecommunication license agreement. City staff does not recommend this because not approving this license will limit local business access to additional broadband services provided by TCA.

## **Fiscal Impact**

Arizona State Statutes set parameters on fees charged to telecommunication companies depending on the type of communications services offered. The intrastate services TCA offers to its customers will be subject to a transactional privilege tax. Additionally, should TCA 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, TCA 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**

City Attorney's Office