

AGENDA ITEM #: _____

DATE: December 2, 2019

CAR #: 2019-6832



CITY COUNCIL ACTION REPORT

SUBJECT: MCImetro/Verizon License Agreement

STAFF PRESENTER(S): Linda Beals, Real Estate Coordinator

OTHER PRESENTER(S): None

Summary: Council to consider approval of a five-year license agreement between the city and MCImetro Access Transmission Service Corp. d/b/a Verizon Access Transmission Services to install, operate and maintain a fiber optic communication system within the city.

Recommendation:

ADOPT RESOLUTION NO. 2019-2015 AUTHORIZING THE CITY MANAGER OR HER DESIGNEE TO EXECUTE THE LICENSE AGREEMENT BETWEEN THE CITY OF GOODYEAR AND MCIMETRO ACCESS TRANSMISSION SERVICE CORP. D/B/A VERIZON ACCESS TRANSMISSION SERVICES, PROVIDING FOR THE CITY MANAGER OR HER DESIGNEE TO EXECUTE AMENDMENTS TO THE LICENSE AGREEMENT ASSOCIATED WITH MINOR SCRIVENER ERRORS AND TO ENTER INTO SEPARATE AGREEMENTS FOR IN-KIND EXCHANGES OF FIBER, CONDUIT AND/OR JOINT TRENCHING FOR THE CITY'S USE.

Fiscal Impact: MCImetro Access Transmission Service Corp. d/b/a Verizon Access Transmission Services (Verizon) will fund the installation, operation and maintenance of the fiber network within the city of Goodyear. The license agreement provides for \$0.89 per linear foot annually for the use of the rights-of-way. Based on estimated 139,424 linear feet (26.4 miles), the annual fee would be \$124,087 from Verizon. The license agreement provides the parties with the ability to enter into a separate agreement for in-kind exchanges of fiber, conduit, and/or joint trenching for the city's use. No city expenditure is required to issue the license agreement.

Background and Previous Actions

Verizon is requesting a fiber license agreement from Goodyear to install, operate and maintain the fiber optic network within city rights-of-way. The locations planned for connections are throughout the city limits of Goodyear.

The license includes the following:

1. The initial term of the license is for five years.
 - a. Renewal fee is \$2,500 every five years

2. This is a non-exclusive license that allows the city to issue multiple licenses to vendors.
3. Verizon will be required to obtain permits from the city through our standard process.
4. Verizon is liable for damages to rights-of-way and other utilities.
5. The amount of cable proposed within the city rights-of-way is approximately 139,424 linear feet (26.4 miles).
6. The agreement provides the ability for the parties to enter into a separate agreement to offset the annual fee with in-kind exchanges of fiber, conduit, and/or joint trenching for the city's use.

Staff Analysis

The license agreement will allow Verizon to operate a fiber network within the city. This network will be used by various businesses operating within the city. The license will grant the necessary rights-of-way access to enable the required permitting and inspections for installation, operation and maintenance of the network.

The annual fee of \$0.89 per linear foot in the license agreement is consistent with other fiber licenses recently entered into by the city. As with other agreements, we have provided alternative language which allows for the exchange of in-kind services to offset the annual fee. However, since Verizon is still working through their design process, any in-kind services will require a separate agreement.

Attachments

1. Resolution 2019-2015
2. License Agreement