



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 11, 2019

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Public Hearing and Consideration of a Renewed Five-Year License Agreement with Cox Virginia Telcom, LLC to Permit Cox Virginia Telcom's Existing Conduits and Fiber Optic Cables to Remain in the City of Alexandria's Public Rights-of-Ways.

ISSUE: Consideration of the renewal of a five-year license agreement with Cox Virginia Telcom ("Cox"), to authorize its conduits and fiber optic cables to remain in the City of Alexandria's public rights-of-ways to allow Cox to provide telecommunications systems, not cable television services, in the City of Alexandria ("City").

RECOMMENDATION: That City Council hold a public hearing on Saturday, March 16, 2019, and after hearing public testimony approve the attached five-year license agreement with Cox, and authorize the City Manager to execute the license agreement and to take any other actions that are necessary to implement the agreement.

BACKGROUND: Cox is the second largest telecommunications provider in Virginia, and has provided a broad range of telecommunications services in the City's neighboring jurisdictions such as Fairfax County, the cities of Fairfax and Falls Church and the towns of Herndon and Vienna. In September 2013, City Council approved a five-year license agreement with Cox to install conduit and fiber optic cables in the City's public rights-of-ways to provide telecommunications services in the City (not cable television). This agreement was to expire in September 2018 but was extended pending City Council approval of the attached proposed renewed license agreement upon the same terms and conditions as the original agreement, as amended.

Under the original agreement, as amended, Cox constructed an approximately five (5) mile fiber optic ring to provide telecommunications services primarily to healthcare facilities in the City. In the event that Cox intends to install additional facilities in the City's rights-of-ways we will seek approval from City Council. Detailed descriptions and maps of Cox's facilities are attached to the proposed License Agreement.

DISCUSSION: The significant provisions of the proposed agreement are summarized below.

The term of the agreement is for five years and will run from April 1, 2019 through March 30, 2024. It is not renewable. However, the agreement gives Cox the right to negotiate with the City for a new license at the conclusion of the agreement.

Second, as compensation for use of the public rights-of-way the City receives the statutory right-of-way fee imposed under Virginia Code § 56.468.1 and City Code § 5-2-160, et seq., which is imposed on end users in the City. The statutory right-of-way fee is calculated annually by the Virginia Department of Transportation ("VDOT") on a state-wide basis, and allocated to each locality based on a formula which accounts for the linear footage of conduit and number of users in the locality. The current fee is \$ 1.09 per

access line for the period of July 1, 2018 through June 30, 2019, and will increase to \$1.20 per access line for the period July 1, 2019 through June 30, 2020. The estimated right-of-way fee that Cox will pay the City on an annual basis is approximately \$110 (Attachment 2).

Third, the Agreement requires Cox prior to undertaking any specific project within the rights-of-way to submit to T&ES, a plan which, among other things, will (i) identify the location of the project, (ii) describe the equipment to be installed and the techniques to be used, (iii) state the start and end dates, (iv) propose a traffic control plan and (v) verify that Cox has or will obtain all necessary approvals from other governmental entities including departments or agencies of the City.

Fourth, the Agreement provides that the City can require Cox to remove or relocate, at Cox's expense to the extent permitted by law, any conduits, cables or other equipment when City staff has determined that the equipment interferes with or disturbs the operation, improvement, repair or maintenance of the rights-of-way or of other utility services.

Fifth, the Agreement requires Cox to obtain permits from the City for any maintenance work and to repair all damages resulting from the work.

Sixth, the Agreement provides that, upon its termination or non-renewal, Cox will remove all of its conduits, cable and other equipment from the City's rights-of-way.

Finally, the Agreement provides that Cox must maintain adequate insurance to protect the City and any residents against claims arising from the system or the company's work on the system.

FISCAL IMPACT: The fiscal impact: \$725.83 for right of way fees owed to the City for 2013 to 2018. Cox Virginia Telecom, LLC annual estimate for public rights-of-way use fees in 2019 would be approximately \$110.

ATTACHMENTS:

Attachment 1 - Cox License Agreement with Exhibits

Attachment 2 - Right-of Way Fee basis

STAFF:

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