



Legislation Text

File #: 24-1810, Version: 1

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 5, 2024

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: JAMES F. PARAJON, CITY MANAGER /s/

FROM: ADRIANA CASTAÑEDA, DIRECTOR,
TRANSPORTATION AND ENVIRONMENTAL SERVICES

DOCKET TITLE:

Introduction and Consideration of the Second Renewal of a Five-Year License Agreement with Summit IG, LLC to permit Summit IG's Existing Conduits to Remain in the City of Alexandria's Rights-of-Ways.

ISSUE: Consideration of the second renewal of a Five-Year License Agreement ("Agreement") with Summit IG, LLC. ("Summit"), to authorize that its conduits remain in the City of Alexandria's public rights-of-ways.

RECOMMENDATION: That City Council:

1. Set this matter for a Public Hearing on Saturday, March 16, 2024; and
2. After hearing public testimony, approve the attached five-year License Agreement with Summit and authorize the City Manager to execute the License Agreement and to take any other actions that are necessary to implement the Agreement.

BACKGROUND: Summit IG is a Northern Virginia network solutions and bandwidth infrastructure provider. It provides dark fiber connectivity solutions for carriers, content providers, data center operators, large enterprises, and governmental agencies.

In March 2010, the City Council approved a five-year license agreement with Woodlawn Communications. In October 2013, Woodlawn Communications, pursuant to a Contribution Agreement (which was approved by the City) transferred ownership of its conduits to Summit, which is an affiliated company of Woodlawn Communications. In 2013, Summit also acquired ownership of additional conduits in the City owned by Metropolitan Network Services. Metropolitan Network Services also had a license agreement with the City which Summit assumed.

Based on the build acquisitions of Woodlawn Communications and Metropolitan Network Service's, Summit owns approximately 46,399 linear feet or 8.8 miles of conduit in the City. Summit's conduits are concentrated in the Mark Center, North Beauregard Street, Janney's Lane, Seminary Road, Mill Road, and Eisenhower Avenue areas of the City.

In March 2019, the City Council approved the first renewal of a five-year License Agreement with Summit. That Agreement expires

at the end of March 2024 (Attachment 2).

DISCUSSION: Summit seeks to enter into a new License Agreement upon the same terms and conditions as the existing License Agreement (Attachment 1). The significant terms and conditions of the proposed License Agreement are as follows.

First, until Summit sells or installs fiber optic cable in the existing conduit that will be used by end users in the City of Alexandria, Summit shall pay the City \$3.60 per linear foot of conduit as compensation for use of the City's rights-of-ways. This is approximately \$17,170 per year.

The 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.

Second, the term of the Agreement is for five years and shall run from April 1, 2024, through March 31, 2029. It is not renewable. However, the Agreement gives Summit the right to negotiate with the City for a new license at the conclusion of the agreement.

Third, the proposed Agreement requires Summit to submit an Annual Operations Plan ("Operations Plan") to the Department of Transportation and Environmental Services (T&ES) for each of the five years covered by the Agreement. The Operations Plan requires that Summit describe all the activities to install the conduit and to pull cable that Summit intends to undertake in the public rights-of-way during the twelve-month period covered by the Operations Plan, the sites where any activity in the public rights-of-way will occur and a tentative timetable. The Director of T&ES must review the Operations Plan and determine whether the public rights-of-way upon which the construction is planned are appropriate sites for the proposed activity. These Operations Plans are intended to enable T&ES to coordinate Summit's activities, if any, with other planned construction in the City and public rights-of-way, thereby minimizing the disruption and inconvenience attendant to such work.

Fourth, the Agreement provides that the City can require Summit to remove or relocate, at Summit's expense to the extent permitted by law, any conduits, cable, 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 Summit to obtain permits from the City for any maintenance work and to repair all damage resulting from any such work.

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

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

FISCAL IMPACT: Summit is required to pay the City a pro rata share of \$3.60 per linear foot of its conduits until there is fiber optic cable installed that is used by end users in the City. Therefore, it is anticipated that Summit will pay the City approximately \$17,170, on an annual basis. Once Summit has installed fiber optic cable that is used by end users in the City, the state right-of-way fee will be imposed for those sections of the right-of-way.

ATTACHMENTS:

1. Proposed License Agreement Exhibit A, with a map of existing facilities in City's rights-of-ways.
2. Existing License Agreement Exhibit B.

STAFF:

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