

LLC. (“Woodlawn”). Woodlawn constructed the conduits that are shown on Exhibits A through D of the attached License Agreement. In October 2013, Woodlawn pursuant to a Contribution Agreement, transferred the conduits to its affiliate Summit IG, and Summit is the owner of the telecommunications system in the City of Alexandria. However, Woodlawn and subsequently Summit never installed fiber optic cable in the existing conduits in the City. The conduits as described in the Exhibits are in the Eisenhower East, as well as the Beaugard Street/Seminary Road areas of the City.

DISCUSSION: The prior license agreement expired in March 2015, and Summit seeks to enter into a new license agreement upon the same terms and conditions as the expired license agreement. 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. When Summit does have end users in the City, the compensation for the use of those rights-of-way will be 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.

Second, the term of the agreement is for five years and shall run from February 15, 2019, through February 14, 2024. It is not renewable. However, the agreement gives Summit the right to negotiate with the City for new license at the conclusion of the agreement.

Third, the proposed license agreement requires Summit to submit an Annual Operations Plan to 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 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 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 damages resulting from any such work.

Sixth, the agreement provides that upon its termination or non-renewal, Summit will remove all of 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: As described above, Summit is required to pay the City a prorate 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, 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.

ATTACHMENT: SummitIG, LLC. License Agreement

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