



Legislation Text

File #: 30893, **Version:** 1

Fiscal Note

In exchange for the provision of additional City conduit space, the City will receive additional fiber/digital communication capacity. SupraNet will pay 5% of their gross revenues to the City. These General Fund revenues are estimated to be about \$20,000 in 2013 and will most likely increase over time. Costs to connect six water towers and six library facilities are estimated at \$250,000 to \$400,000. These are projects that the City would like to do in the future and this contract will eliminate these future costs for the City.

Title

Amending RES-13-00076, Authorizing a Facilities Use and License Agreement between the City and SupraNet Communications, Inc. to modify the payment structure and include access to Water Towers and Larkin Tower.

Body

WHEREAS, SupraNet Communications, Inc. ("SupraNet") currently has access to city conduit and traffic poles through SupraNet's acquisition of CityNet, LLC and assumption of an agreement between the City and CityNet, LLC formerly held by Mad City Broadband (see RES-13-00076, ID # 28783); and

WHEREAS, RES-13-00076 authorized SupraNet to assume the Facilities Use and License Agreement previously held by CityNet, LLC, under which SupraNet may install its own fiber in city conduit and in exchange, will install fiber for the city and pay a fee of five (5%) of its gross revenue from commercial services on SupraNet fiber installed in City conduit (in addition to other consideration not affected by this Amendment); and

WHEREAS, SupraNet is one of two commercial members of the MUFN-C consortium, an unincorporated association formed for the purpose of utilizing the Metropolitan Unified Fiber Network funded by a federal grant and now owned by the City, and the terms of the grant require a private/commercial partner who can sell broadband access to the public; and

WHEREAS, the City has a Facilities Use and License Agreement with the MUFN-C consortium which, among other things, establishes a fee for the City's maintenance of the MUFN fiber network; and

WHEREAS, under that agreement, the two commercial members of MUFN-C (WIN and SupraNet) are to pay the City directly for their share of these costs; and

WHEREAS, IT and Traffic Engineering staff will negotiate with SupraNet to increase its payments to five percent (5%) of SupraNet's gross revenue from commercial services on any fiber in City conduit (both the SupraNet fibers and city-owned fibers, including MUFN); and

WHEREAS, staff have also negotiated with SupraNet to allow SupraNet access to City Water Towers and Radio Tower to install point-to-point radios for purposes of its own operations, in exchange for building facilities cabinets at the base of the towers to be owned by the City and performing work to connect City fiber to the towers. SupraNet will also build conduit and fiber necessary to connect the following libraries to MUFN fiber in exchange for their access to City facilities: Meadowbridge, Pinney, Sequoya, Lakeview, Alicia Ashman, and Monroe Street; and

WHEREAS, the City understands that SupraNet intends to remove the wireless radios installed by MadCity

Broadband on city traffic poles because that technology is obsolete / not needed by SupraNet and staff agrees with this;

NOW, THEREFORE BE IT RESOLVED, that the Mayor and City Clerk are authorized to execute a new Facilities Use and License Agreement with SupraNet Communications, Inc. (or an amendment of the agreement assumed from CityNet, LLC or other document deemed appropriate by the City Attorney) with the additional terms described herein.