



CITY OF TEMPE
REQUEST FOR COUNCIL ACTION

Council Meeting Date: 10/18/2012
Agenda Item: 5B3

ACTION: Authorize the Mayor to execute a Wired Telecommunications License and Right-of-Way Use Agreement between CityNet Arizona LLC dba Trucom and the City of Tempe.

FISCAL IMPACT: Currently, the lit fibers owned by Trucom carry intrastate telecommunications that are exempt from a right-of-way use fee under state statute, however they will be subject to the City's transaction privilege tax. Also, under terms of this five-year Agreement, Trucom will be responsible for payment of any applicable permit fees, damage fees, and reasonable costs associated with construction, maintenance, and operation of its fiber.

RECOMMENDATION: Staff recommends approval to authorize the Mayor to execute the agreement.

BACKGROUND INFORMATION: Trucom acquired a bundle of 12 fiber strands (previously owned by the now bankrupt Adelpia Business Solutions Operations, Inc., who had a telecom license with the City of Tempe) in each of two loops of conduit (owned by Level 3) in Tempe. Trucom provides its services over 2 lit fibers in one of the loops. Currently, no fee beyond transaction privilege tax is owed, however, the agreement provides for fair and reasonable compensation for use of the right-of-way should Trucom provide additional services in the future that would require compensation to be paid.

ATTACHMENTS: Agreement with Exhibits A, B and C.

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Department Director: Ken Jones, Finance & Technology Director
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