



Request for City Council Committee Action From the Department of Public Works

Date: July 10, 2012
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral: Honorable Betsy Hodges, Chair Ways & Means/Budget Committee
Subject: **USI Wireless Agreement - Amendment #5 for Pole Fees**

Recommendation:

Authorize City Officers to amend City Agreement (C-23781) with USIW to change the pole fees payment methods and time frame.

Previous Directives:

- September 1, 2006 City Council authorized original agreement that started November 1, 2006 and ends in 2017
- City Council authorized four previous amendments

Prepared by: Jon Wertjes, P.E., PTOE, Director of Traffic and Parking Services, 673-2614

Approved by:

Steven A. Kotke, P.E., City Engineer, Director of Public Works

Presenters in Committee: Jon Wertjes

Reviews

Permanent Review Committee (PRC)	Approval	NA	Date
Civil Rights Affirmative Action Plan	Approval	NA	Date
Policy Review Group (PRG)	Approval	NA	Date

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget (If checked, go directly to Background/Supporting Information)
- Business Plan: Action is within the plan. Action requires a change to plan.
- Request provided to department's Finance Dept. contact when provided to the Committee Coordinator

Community Impact

Neighborhood Notification: Not Applicable

City Goals: A City that Works—Optimal use of technology and wireless capacity
Comprehensive Plan: Not Applicable
Zoning Code: Not Applicable

Background/Supporting Information

The citywide wireless project anticipated devices being placed on both City-owned and other utility-owned poles. The existing USIW agreement includes payments and provisions to the City for such services (permits, inspections, etc.) related to placement of such device on City poles.

Since 2007, the initial placement and various changes due to providing wireless service resulted in changes in the quantities and types of devices used. As such, the device installation, pole locations, and their respective quantities have been tracked in a spreadsheet that both parties have used and reviewed. USIW and City Staff have reached agreement on the yearly device quantities and the amounts due as noted below.

The cost summary by year of installation is:

Year	Poles Used to Date	Pole Fee Due
2007	155	
2008	324	
2009	482	
2010	498	
2011	505	
2012 first half only	505	
Total Due		\$358,607.04

USIW and City staff have discussed and agreed upon appropriate payment methods and plans for these pole fees as follows:

Payments will be deducted from the existing city monthly invoicing/payments already being processed with USIW. The results will show two monthly deductions as follows:

1. Past due amount from 2007 to June 30, 2012 = \$358,607.04, to be paid over 48 months until June 30, 2016 in monthly deductions of \$7,470.98; and
2. From July 1, 2012 forward, \$7,575.55 in monthly deductions until the agreement ends (that amount is based on the 505 poles). This fee amount may be increased or decreased annually based on any field pole changes that would add or subtract devices on city poles.

The first monthly invoice (with the pole fee deductions) will occur in July 2012.

The above payment methods and timeframes were not stated or contemplated in the original agreement, thus Public Works seeks authorization to amend the agreement. Public Works has worked with both City IT and Finance to address this matter.

In addition, USIW and Public Works are still discussing other related items:

- o USIW, City and Xcel will meet to sort out electricity payments,
- o USIW will be completing and providing to the City the as-built drawings,
- o USIW has requested to use City conduit at selected locations for their proposed fiber. Public Works and IT staff are discussing and examining this idea in the context of the City's needs.