

City Council Communication 97-573

December 8, 1997 Agenda

Subject:

**Ordinance Change – Exemption for
Governmental Entities and Agencies
from License Fee, Insurance, and
Bond Requirements**

Submitted by:

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City Solicitor

Synopsis —

Ordinance amends Chapter 26 of the Municipal Code, "Communications Systems Within Public Right-of-Way", by providing an exemption for governmental entities and agencies from the requirement of paying a license fee and providing insurance and a bond to obtain a communications license for the placement of communications system components in the right-of-way.

Fiscal Impact —

Upon adoption of this ordinance, the City will not receive license fee revenue which it might otherwise have obtained from governmental entities and agencies emplacing communication lines or cables in city street rights-of-way. The Iowa Communications Network (ICN) is the only governmental agency which is anticipated will avail itself of this exemption, and the revenue loss will therefore be minimal. Further, it is anticipated that any such loss of revenue will be offset by the benefit to the City of having access to the "Shared Fiber Optic Communications System" being jointly developed by the ICN, the City, and the Des Moines School District.

Recommendation —

Approve the ordinance for adoption of first consideration.

Background —

The City, the ICN, and the School District have in the past collaborated on a variety of communications projects serving their mutual interests as governmental entities and agencies, and are in the final stages of negotiating a Supplemental Agreement pursuant to which the three governmental entities would jointly develop and operate a "Shared Fiber Optic Communications System" within the City. The Supplemental Agreement will likely be presented to the governing bodies of the ICN, the City, and the School District for approval within the next 30 days, and the ICN is now ready to begin construction of the first phase of the "Shared System". The first phase project will develop what is referred to as the "Eastside Hub", which includes a audio/video classroom and executive Emergency Operations Center (EOC) at the Botanical Center, a fiber optic cable, and a 200 pair telephone line between the Botanical Center and the Armory Building, an optical transmission system between the Armory Building and the Lucas State Office Building, and a "Hub" facility at the Armory Building to provide for interconnection of said fiber optic and copper cables with one another and with the ICN system. In consideration of its participation in this joint venture, the ICN has requested

that the City exempt it from the requirement of paying a fee and procuring a bond and insurance in order to obtain a communications license from the City to use street rights-of-way for the emplacement of the above referenced fiber optic and copper cables.