



Legislation Text

File #: K-1819-74, **Version:** 1

CONTRACT K-1819-74: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND CHICKASAW TELECOMMUNICATIONS SERVICES, INC., (CTSI) TO PROVIDE FOR PAYMENT OF A **THREE PERCENT (3%)** FEE IN LIEU OF FRANCHISE FEE FOR ANY REVENUE GENERATED AS A RESULT OF THE USE OF A FIBER OPTIC CONDUIT CONSTRUCTED ALONG THE NORTH SIDE OF ETOWAH ROAD FROM ROMAN WAY EAST TO 8001 ETOWAH ROAD FOR A PERIOD OF FIVE YEARS.

BACKGROUND: City Council has previously approved three revocable fiber permit agreements with CTSI: K-0910-43, a renewal of that agreement in K-1415-140, and an additional agreement in K-1415-131 for the installation of new fiber and conduit.

These agreements are all for five year terms, are still in force, and provide that CTSI will be assessed a three percent (3%) fee in lieu of a franchise fee where CTSI generates revenue with respect to use of its fiber conduits.

DISCUSSION: CTSI approached the Public Works Department regarding a new contract, Contract K-1819-74, for use of fiber in addition to seeking a permit for installation of new conduit and fiber along the north side of E Etowah Road from Roman Way E to 8001 E Etowah Road, to service a home located at that address.

The Contract, the same as past agreements, provides that if CTSI were to enter the conduit with fiber, or leases, rents or sells the capacity for any revenue generating purpose, CTSI would be assessed a three percent (3%) fee in lieu of a franchise fee. The Contract is also valid for a five year term.

CTSI has provided agreements they have entered into with other cities across Oklahoma, including Duncan, Ada, and Durant.

Under the terms of the Contract, CTSI will indemnify the City from any and all damages or claims as a result of the installation or operation of the fiber and conduit. In addition, the Contract can only be assigned upon written consent of the City. The Contract is revocable at any time with thirty days' notice.

RECOMMENDATION: Staff recommends approval of Contract K-1819-74 with CTSI for the use and installation of fiber and conduit along E Etowah Road from Roman Way E to 8001 E Etowah Road.