



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
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Legislative File No: 2014-0281

TO: Mayor and City Council Members

FROM: John D. Staran, City Attorney

DATE: June 24, 2014

SUBJECT: Approval of Telecommunications Right-of-Way Permit for Fiber Technologies Networks, L.L.C.

RECOMMENDATION:

City Council should approve a new METRO Act Telecommunications Right-of-Way Permit (Bilateral Form) for Fiber Technologies Networks, L.L.C.

BACKGROUND INFORMATION:

Fiber Technologies, a New York based company, proposes to build and operate a fiber optic network by installing 21.01 miles of fiber (20.19 miles aerial and 0.82 miles conduit) within public rights-of-way in the City. Its application states it will utilize existing utility poles and underground conduit for its network facilities. The fiber network will be available for use by other telecommunication providers, and also by businesses desiring fiber optic-based broadband connections. According to reports, Fiber Tech plans to run approximately 800 miles of fiber optics throughout multiple communities in southeast Michigan. DPS/Engineering has reviewed the request, has no objections, and recommends Council approval.

The Metropolitan Extension Telecommunications Right-of-Way Oversight Act ("METRO Act") governs the telecommunications right-of-way permitting process, and prescribes uniform fees, conditions and permit forms. The standard METRO Act Bilateral Permit has a 15-year term with options to renew. Fees are prescribed by the METRO Act and are payable by the permittee to the METRO Authority based on linear feet. The METRO Authority annually redistributes all the fees its collects to municipalities statewide in accordance with the Act 51 formula. In 2013, the City received METRO Act payments of \$213,981.83 based on 4,673,285 linear feet.

BUDGET:

If a permit is approved, Fiber Tech's network will increase the City's annual METRO Act revenue by an estimated \$5,080.00, in addition to the \$500 one-time application fee paid by Fiber Tech.

Fund Name	Department Account No	Account No. Description	Budget Amount	Revenue	Remaining Budget
Major Road	202.630003	Fees: Franchise Utilities	+\$200,000	+\$205,580	+\$5,580

RECOMMENDATION:

City Council is asked to approve Fiber Technologies Networks, L.L.C.’s application for a new METRO Act Telecommunications Right-of-Way Permit (Bilateral form).

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		