

# Mayor and Council Communication

DATE: 05/24/22

M&C FILE NUMBER: M&C 22-0391

LOG NAME: 21CENTRIC FIBER RIGHT OF WAY USE AGREEMENT

## **SUBJECT**

(ALL) Authorize Execution of a Public Right-of-Way Use Agreement Granting Centric Fiber, L.L.C., a License to Construct Fiber Optic Line and Operate a Network Under Certain Public Rights-of-Way for the Transportation of Data and Information Services to One or More Specifically Identified Private Customers

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## **RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize the execution of a public right-of-way use agreement with Centric Fiber L.L.C., for three (3) percent of the company's gross revenues; and grant a license to Centric Fiber L.L.C to construct its fiber optic line to operate a network under certain public rights-of-way for the transportation of data and Information services to one or more specifically identified private customers.

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## **DISCUSSION:**

Centric Fiber L.L.C. (Company); wholly-owned subsidiary of Centric Infrastructure Group, offers comprehensive telecommunication-based services and has requested access to the City's right-of-way to provide internet service to citizens in the City of Fort Worth (City). The Company provides high-speed services to mainly residential communities and multi-family projects across the state of Texas and currently serves over 800 customers. The Company is focused on making telecommunications services accessible and affordable for Texans across the state. The Company has planned projects in the City's limits; including LGI Home communities Vista West, Logan Square, and Oak Ridge. The Company's license area is limited to the areas indicated in the attached Exhibit A.

The public right-of way use agreement will grant Centric Fiber L.L.C., a license to use specific public rights-of-way for the limited purposes of constructing its fiber optic line to operate a network for the transportation of data and information services to one or more specifically identified private customers for a period of twenty (20) years. The agreement may be renewed for up to two (2) successive (5) year terms.

Centric Fiber L.L.C. will pay the City a quarterly fee of three (3%) percent of the Company's gross revenue, deemed as reasonable compensation under state law for the Company's use of the City's public rights-of-way. The Company will be only permitted to provide internet services under this agreement. If the Company provides any service that falls under Chapter 66 or Chapter 283 of the Texas Local Government Code, then the agreement would terminate and the parties would operate under state law. The Company acknowledges that it does not and will not be providing video, cable, or voice services as defined under Texas law to end users in the City. Furthermore, Company acknowledges that it is not a public utility or telecommunications utility, as those terms are used in the City Charter, City Code, and under Texas law. Therefore, the Company is not required to obtain a franchise from the City.

The Transportation and Public Works Department has reviewed the proposed locations and has no objections.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

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## **FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendations and execution of the agreement, funds will be deposited into the General Fund. The Property Management department (and Financial Management Services) is responsible for the collection and deposit of funds due to the City.

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