



City of San Antonio

Agenda Memorandum

File Number:18-2380

Agenda Item Number: 15.

Agenda Date: 4/12/2018

In Control: City Council A Session

DEPARTMENT: ITSD

DEPARTMENT HEAD: Craig Hopkins

COUNCIL DISTRICTS IMPACTED: District 1

SUBJECT:

Non-Exclusive 10-year license agreement granting HEB the use and occupancy of the right-of-way at four downtown sites identified as 404 South Flores, Dwyer, Cypress Tower, and El Paso, for the purpose of installing and maintaining fiber optic cable facilities to provide telecommunications service for HEB among its downtown campus locations.

SUMMARY:

HEB is proposing to extend its private fiber optic network across the right-of-way to its properties in the downtown area as part of its campus expansion projects. The fiber optic cable facilities will provide telecommunications service for HEB among its downtown campus locations.

HEB is requesting that the City of San Antonio authorize a non-exclusive license to use and occupy the space above or below the City's Right-of Way, specifically for the following sites:

1. "404 South Flores" (near the intersection of E. Cesar Chavez Blvd. and S. Main Ave.)
2. "Dwyer" (near the intersection of E. Cesar Chavez Blvd. and Dwyer Ave.)
3. "Cypress Tower" (near the intersection of W. Cypress St. and N. Main Ave.) and
4. "El Paso" (near the intersection of El Paso St. and S. Flores St.)

The total revenue value is \$20,266 over a 10-year period.

BACKGROUND INFORMATION:

In July of 2017, HEB approached the City of San Antonio in regards to utilizing existing City right-of-way to construct telecommunication underground utility pathways or aerial crossings to place fiber optic cable facilities at four (4) locations in the downtown area in support of connecting its respective facilities. The City of San Antonio's ITSD and Legal Department worked jointly with HEB to develop a fiber optic licensing agreement that would support this expansion. The fees associated with the License Agreement are based on current Bexar County Appraisal District valuations of the adjacent properties, as required by City Code Sec. 37-21, and were developed by a certified real estate appraiser.

ISSUE:

HEB has acquired properties that are across from its existing campuses. In order to provide telecommunications connectivity between to those properties, HEB will need to install fiber optic cable facilities within the City's right-of-way at four (4) locations.

ALTERNATIVES:

If the agreement is not approved, HEB will not be able to connect its neighboring campus properties with fiber optic cable facilities and would need to identify other means or methods to provide this service.

FISCAL IMPACT:

This Ordinance approves a non-exclusive license agreement granting HEB the right to use and occupy the public right-of-way at four (4) downtown sites identified as 404 South Flores, Dwyer, Cypress Tower, and El Paso, for the purpose of installing and maintaining fiber optic cable facilities. Revenue of \$20,266 over the 10 year term of the Agreement would be received by the Information Technology Services fund.

RECOMMENDATION:

Staff recommends approval of the 10 year non-exclusive license agreement.