

Council Communication

Office of the City Manager

Date: May 4, 2015

Agenda Item No. 33

Roll Call No. <u>15-0762</u> Communication No. 15-227

Submitted by: Pamela S. Cooksey,

P.E., City Engineer

AGENDA HEADING:

Hold hearing for consideration of a license agreement with CenturyLink Corporation (CenturyLink) upon City-owned property located north of and adjacent to Grand Avenue right-of-way on the east and west banks of the Des Moines River for \$3,800.

SYNOPSIS:

Recommend approval of a license agreement with CenturyLink, Tim White Vice President, Operations - Iowa Market, 925 High Street, Des Moines, Iowa 50309, upon City-owned property located north of and adjacent to Grand Avenue right-of-way on the east and west banks of the Des Moines River, for \$3,800. CenturyLink owns and operates telecommunication lines and related utility equipment within City of Des Moines right-of-way pursuant to a license agreement administered by the City Engineering Department, Traffic & Transportation Division, in accordance with the ROW Management Code, Chapter 102, Article IX of the Des Moines City Code. Construction of the City's Grand Avenue bridge over the Des Moines River conflicts with the existing telecommunication lines and related utility equipment owned by CenturyLink, resulting in the need to relocate the lines and equipment onto City property north of Grand Avenue and outside of the right-of-way on both sides of the Des Moines River. This action is required by Iowa law prior to making a final determination on the proposed license agreement by resolution. The City will not be inconvenienced by approval of the proposed license agreement.

FISCAL IMPACT:

Amount: \$3,800.00 (Revenue)

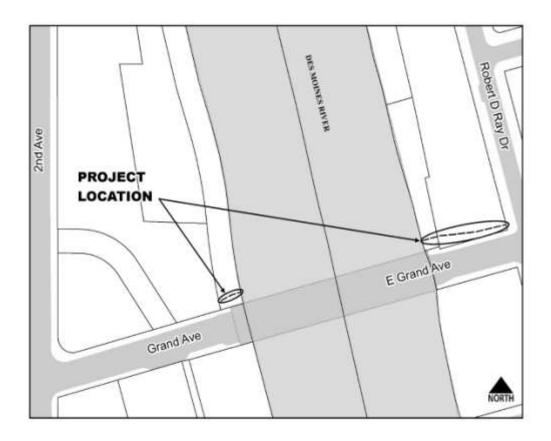
Funding Source: Non-project related land sale proceeds are used to support general operating budget

expenses: Org – EG064090

ADDITIONAL INFORMATION:

The City's Real Estate Division has negotiated a 50 year License Agreement with CenturyLink, for the use of the City's property located north of and adjacent to Grand Avenue right-of-way on the east and west banks of the Des Moines River, commencing upon execution by City of the License Agreement and terminating on May 31, 2065, with an option to renew for one (1) additional 50 year term running thru May 31, 2115. Either party may terminate the License Agreement anytime, with or without cause, upon 180 days written notice. CenturyLink shall pay an upfront, one-time lump sum payment of \$3,800 as consideration for the initial fifty (50) year license term, and an additional upfront, one-time lump sum payment of \$7,600 at the end of the initial 50 year license term, in the event that

CenturyLink exercises its option to renew the License Agreement, which amounts reflect fair market value of the Licensed Premises and terms as currently estimated by the City's Real Estate Division.



PREVIOUS COUNCIL ACTION(S):

<u>Date</u>: April 20, 2015

Roll Call Number: 15-0653

<u>Action</u>: On consideration of license agreement with CenturyLink Corporation on City-owned property north of and adjacent to Grand Avenue right-of-way on the east and west banks of the Des Moines River, \$3,800, (5-4-15). Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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