



## **AGENDA MEMORANDUM**

First Reading Ordinance for the City Council Meeting of June 21, 2016  
Second Reading Ordinance for the City Council Meeting of July 12, 2016

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**DATE:** June 1, 2016

**TO:** Margie C. Rose, Acting City Manager

**FROM:** Belinda Mercado, Director of Information Technology  
[Bmercado@cctexas.com](mailto:Bmercado@cctexas.com)  
(361) 826-3740

CenturyLink Communications, LLC renewal of Conduit Use Agreement for telecommunications
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### **CAPTION:**

Ordinance authorizing the City Manager, or designee, to execute a ten-year Conduit Use Agreement with CenturyLink Communications, L.L.C., to install and maintain telecommunications services within city conduit located in Ocean Drive right-of-way between Ennis Joslin Road and Sand Dollar Blvd. in consideration of \$7,886.00 annual revenue payment, to be increased by 4% annually.

### **PURPOSE:**

The purpose of this item is to permit CenturyLink, LLC to continue use of City-owned conduit for telecommunication purposes.

### **BACKGROUND AND FINDINGS:**

City Council authorized in 1999, 2005, and 2011 five-year conduit use agreements with CenturyLink Communications, LLC (original agreement with KMC Telecom prior to CenturyLink acquisition). The agreement has been re-negotiated to increase the term from five years to ten years and includes an annual 4% increase per year in revenue that was not a part of the original agreement.

The City has a four-inch diameter conduit located on Ocean Drive between Ennis Joslin and Sand Dollar Drive. The total length of the conduit is 4,868 feet and provides for annual revenue of \$1.62 per foot/year. CenturyLink Communications, LLC desires to continue same use for telecommunication services. Revenue for this conduit use agreement is placed in the General Fund.

### **ALTERNATIVES:**

1. Approve the Agreement.
2. Do not approve the Agreement.

**OTHER CONSIDERATIONS:**

Not applicable

**CONFORMITY TO CITY POLICY:**

This action conforms to the City's policies and procedures and Texas State procurement laws.

**EMERGENCY/NON-EMERGENCY:**

Non-Emergency

**DEPARTMENTAL CLEARANCES:**

Information Technology Department

**FINANCIAL IMPACT:**

X Operating

X Revenue

☐ Capital

☐ Not applicable

<b>Fiscal Year: 2015-2016</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget			
Encumbered / Expended Amount			
This item			
BALANCE			

Fund(s): General Fund 1020

**Comments:** This revenue is posted to the General Fund as a Telecommunications Fee.

**RECOMMENDATION:**

Staff recommends approval of this agenda item.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance - CenturyLink Conduit Use Agreement  
Agreement - CenturyLink Conduit Use Agreement  
Form 1295 - CenturyLink