

**CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION**

ITEM: Approval to Execute a Development Agreement between Google Fiber and the City of West Des Moines **DATE:** July 6, 2020

RESOLUTION: Approval of Development Agreement

FINANCIAL IMPACT: Engineering cost estimates for this project are being evaluated, the project is phased in seven segment stages. Funding for the project will be from a variety of sources: (1) as a separate agenda item at this meeting, a public hearing will be held and Council will be asked to approve the issuance of “Not to Exceed” \$42.8 million General Obligation Urban Renewal Capital Loan Notes to front the project costs; and (2) Google Fiber will provide annual conduit lease payments up to \$20 million which are outlined further in this Development Agreement; and (3) any additional Internet Service Providers (ISP’s) or other fiber-centric businesses will be expected to contribute payments through license agreements as they also lease space in the City’s conduit network.

BACKGROUND: Over the last several years West Des Moines has been working toward achieving the goal of ubiquitous broadband access throughout our community. One of our key strategies in our 2036 plan has been to “Double Down on technology”. Our visioning statement reads, “West Des Moines will be the city that continues to embrace secure technology to empower and improve the quality of life for its citizens”. To achieve this goal, the City set several parameters: (1) Preserve Right of Way for future use and public safety needs, (2) Reduce barriers to entry for Internet Service Providers (ISPs) and (3) Create a competitive market for WDM residents whereby any and ALL residents have equitable access to world class internet service.

OUTSTANDING ISSUES: There are no outstanding issues.

RECOMMENDATION: Adopt the resolution approving the Development Agreement and authorizing the Mayor to sign the Agreement on behalf of the City.

Lead Staff Member: Jamie Letzring, Deputy City Manager

STAFF REVIEWS

Interim Department Director	Jamie Letzring, Deputy City Manager
Appropriations/Finance	Tim Stiles, Finance Director <i>TS</i>
Legal	
Agenda Acceptance	<i>JA</i>

PUBLICATION(S) (if applicable)

Published In	Des Moines Register
Date(s) Published	July 1, 2020
Letter sent to surrounding property owners	N/A

SUBCOMMITTEE REVIEW (if applicable)

Committee	
Date Reviewed	
Recommendation	<input type="checkbox"/> Yes <input type="checkbox"/> No

ATTACHMENTS:

RESOLUTION NO. _____

RESOLUTION APPROVING AND AUTHORIZING
EXECUTION OF A CONDUIT NETWORK LICENSE
AGREEMENT

WHEREAS, by Resolution No. _____, adopted July 6, 2020, this Council found and determined that certain areas located within the City are eligible and should be designated as an urban renewal area under Iowa law, and approved and adopted the Economic Development Digital Enterprise Urban Renewal Plan (the "Urban Renewal Plan" or "Plan") for the Economic Development Digital Enterprise Urban Renewal Area (the "Urban Renewal Area" or "Area") described therein, which Plan, is on file in the offices of the Recorders of Dallas County, Madison County, Polk County, and Warren County; and

WHEREAS, the City has received a proposal from Google Fiber Inc. (the "Service Provider"), in the form of a proposed Conduit Network License Agreement (the "Agreement") by and between the City and the Service Provider; and

WHEREAS, the City wishes to expand its underground conduit network to preserve its congested right-of-way, attract additional private sector companies as licensees in the network, and encourage the deployment of a private, fiber-to-the-premises network, all in an effort to bring world-class connectivity to every resident and business in the City; and

WHEREAS, the Service Provider wishes to support the City's goals by becoming the inaugural Citywide Licensee in the City's multi-user underground conduit network, committing to make monthly license payments, and deploying its fiber-to-the-premises network to residents and businesses throughout the City; and

WHEREAS, pursuant to the terms of the Agreement, the City and the Service Provider would establish their respective rights and obligations in connection with the multi-tenant conduit network and provide for the Service Provider to be a licensee of the conduit network; and

WHEREAS, the Council has determined that the Agreement is in the best interests of the City and the residents thereof and that the performance by the City of its obligations thereunder is a public undertaking and purpose and in furtherance of the Plan and the Urban Renewal Law and, further, that the Agreement and the City's performance thereunder is in furtherance of appropriate economic development activities and objectives of the City within the meaning of Chapters 15A and 403, Code of Iowa, taking into account any or all of the factors set forth in Chapter 15A, Code of Iowa; and

WHEREAS, pursuant to notice published as required by law, this Council has held a public meeting and hearing upon the proposal to approve and authorize execution of the Agreement and has considered the extent of objections received from residents or property owners as to said proposed Agreement; and, accordingly the following action is now considered to be in the best interests of the City and residents thereof.

NOW THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF WEST DES MOINES IN THE STATE OF IOWA:

Section 1. That the performance by the City of its obligations under the Agreement be and is hereby declared to be a public undertaking and purpose and in furtherance of the Plan and the Urban Renewal Law and, further, that the Agreement and the City's performance thereunder is in furtherance of appropriate economic development activities and objectives of the City within the meaning of Chapters 15A and 403, Code of Iowa, taking into account the factors set forth therein.

Section 2. That the form and content of the Agreement, the provisions of which are incorporated herein by reference, be and the same hereby are in all respects authorized, approved and confirmed, and the Mayor and the City Clerk be and they hereby are authorized, empowered and directed to execute, attest, seal and deliver the Agreement for and on behalf of the City in substantially the form and content now before this meeting, but with such changes, modifications, additions or deletions therein as shall be approved by such officers, and that from and after the execution and delivery of the Agreement, the Mayor and the City Clerk are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Agreement as executed.

PASSED AND APPROVED this 6th day of July, 2020.

Steven K. Gaer, Mayor

ATTEST:

Ryan T. Jacobson, City Clerk