



Memorandum

Date: 2/21/2023
Meeting of: City Council

File No. AM No. 23-019
Type: Consent Item

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

Public Works	Aaron L. Bert	425-556-2786
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DEPARTMENT STAFF:

Public Works	Paul Cho	Engineering Manager
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TITLE:

Approval of a Resolution Amending the Public Works Department Administrative Policy Fees to Provide a New Fee for Use of the Right-of-Way (ROW) and City Property by Telecommunications Service Providers

- a. Resolution No. 1569: A Resolution of the City Council of the City of Redmond, Washington, Amending the User Fee Schedule for Public Works to Modify and Add a Fee Associated with Usage of the Rights of Way and City Property by Telecommunications Service Providers

OVERVIEW STATEMENT:

In 2018, the City Council approved modifications to both the Redmond Zoning Code and the Redmond Municipal Code to enable deployment of small cell facilities within the City ROW.

Chapter 12.14 of the Redmond Municipal Code states that an applicant for a small cell facility on city-owned property within the public ways must obtain a Facilities Lease that allows the attachment of the small cell facility to City-owned property.

The Facilities Lease is the Master License Agreement, which will be revised to include a new fee for annual rental of City-owned conduit and power cables by 5G small cell telecommunications service providers. This resolution amends the existing "Public Works Department Administrative Policy Fees" document to create this new fee. This will facilitate installation and deployment of small cell facilities on City-owned street light poles within the City ROW.

☒ **Additional Background Information/Description of Proposal Attached**

REQUESTED ACTION:

☐ **Receive Information** ☐ **Provide Direction** ☒ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**

Redmond Comprehensive Plan 2030, telecommunications policies UT-83: Promote a wide range of telecommunications options.

RMC Chapter 12.14 - Telecommunications

- **Required:**

RMC 12.08.060 Permit Fees

A Resolution of the City Council of the City of Redmond, Washington is required to amend the Public Works Department Administrative Policy Fees in order to add fees.

- **Council Request:**

N/A

- **Other Key Facts:**

N/A

OUTCOMES:

Approval would allow the City to charge a rental fee to telecommunications companies for the use of City conduit and power cables to provide power to 5G small cell facilities, which will be installed on City-owned light poles in the ROW.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**

Concurrent with Council Process

- **Outreach Methods and Results:**

Telecommunication providers who are in the process of signing or have a signed Master License Agreement with the City to install their 5G small cell facilities on City street light poles were contacted by the City attorney to inform them of the proposed conduit and power lease fee. Three telecommunications providers were contacted, and two companies responded and met with the City attorney. The City attorney informed them that a new addendum and revisions to the Master License Agreement would be required if the telecommunications providers opt to lease City conduit and power cables.

- **Feedback Summary:**

Neither company expressed issues with how the fee was developed and both expressed their interest in seeing the fee being approved by the City of Redmond Council.

BUDGET IMPACT:

Total Cost:

N/A

Approved in current biennial budget:

☐ Yes

☐ No

☒ N/A

Budget Offer Number:

N/A

Budget Priority:

Vibrant and Connected

Other budget impacts or additional costs:

☒ Yes

☐ No

☐ N/A

If yes, explain:

A telecommunications provider has expressed interest in installing 5G small cell facilities on 60-70 City-owned street light poles in the City ROW. When a telecommunications provider decides to lease the City's conduit and power cables to provide power to their 5G equipment, this new fee will generate revenue to recover the cost of operations and maintenance of City-owned conduit and power cables.

At this time, we do not have information on the quantity of small cell light poles that other telecommunications providers plan to install within the City. Based on the pole information that one provider shared with the City, the anticipated annual revenue generated from this proposed fee is approximately \$50,000-\$60,000. We understand this is a best guess since we do not know if provider will end up installing all 60-70 poles and what other providers are planning.

Funding source(s):

N/A

Budget/Funding Constraints:

N/A

☐ **Additional budget details attached**

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
2/7/23	Committee of the Whole - Planning and Public Works	Provide Direction

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
N/A	None proposed at this time	N/A

Time Constraints:

A telecommunications provider, who is in the process of applying for a Master License Agreement with the City, is waiting for this new fee to be approved by Council so they can move forward with finalizing the agreement. The Master License Agreement process is held to timeline requirements by order of the Federal Communications Commission (FCC) and delaying approval of this new fee will risk non-compliance with said order.

ANTICIPATED RESULT IF NOT APPROVED:

If not approved, the City would not have a means to recover the cost of a private entity leasing City-owned conduit and power cables; and telecommunications providers would need to install their own conduit, power cables and power service connections, further disturbing the ROW and increasing potential for electrical hazard.

ATTACHMENTS:

Attachment A: Resolution

Attachment B: Public Works Department Administrative Policy Fees