

Agenda Report

July 31, 2023

TO: Honorable Mayor and City Council
FROM: Department of Information Technology
**SUBJECT: AMENDMENT TO FIBER LEASE REVENUE AGREEMENT 23,591
WITH ART CENTER COLLEGE OF DESIGN**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the following proposed action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301 (c) (Existing Facilities) and that there are no features that distinguish this project from others in the exempt class and, therefore, there are no unusual circumstances; and
2. Authorize the City Manager to amend fiber lease agreement 23,591 with Art Center College of Design, to expand city-provided fiber services and increase license fees by \$17,000 for the remaining duration of the contract.

BACKGROUND:

Originally installed in the late 1990s and expanded over the past several years, the City's fiber optic network supports the City's voice and data networks, utility, and transportation operations. The City also leverages excess capacity within the network to lease fiber and provide fiber-based services to a variety of customers, generating revenue in the process. City fiber customers include Level 3 Communications, major institutions such as the California Institute of Technology and the Jet Propulsion Laboratory, and other local businesses.

On November 29, 2021, the City Council authorized a multi-year fiber lease agreement, 23,591, with the Art Center College of Design (Art Center) for installation and use of City fiber to connect their South Campus to its Hillside Campus. In June of this year, Art Center representatives informed City staff of their desire to lease additional fiber strands. The increased number of leased fiber strands will generate an additional \$17,000 for the remaining duration of the contract, which lasts through January 2025.

COUNCIL POLICY CONSIDERATION:

This agreement supports the City Council Strategic Goal to "Support and promote the quality of life and the local economy", leveraging the fiber optic network to help meet the data communications needs of local institutions and businesses. Additionally, this agreement supports the City Council Strategic Goal to "Maintain fiscal responsibility and stability", by generating revenue that will facilitate ongoing operation of the fiber optic network as a self-sustaining activity.

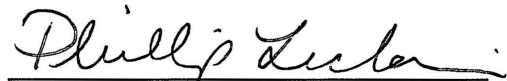
ENVIRONMENTAL ANALYSIS:

The proposed amendment to the agreement is exempt from the California Environmental Quality Act (CEQA) in accordance with Section 15301 (c) Existing Facilities, which exempts actions relating to existing facilities or structures where there is negligible or no expansion of the use. The proposed action relates to the lease of additional fiber strands that are already installed in existing conduit systems.

FISCAL IMPACT:

This action will generate additional revenue to the Telecommunications Fund from the lease of additional fiber strands of \$17,000 for the remaining duration of the contract, which will bring the total revenue under the contract to \$204,500. The anticipated impact to other operational programs or capital projects as a result of this action will be minimal.

Respectfully submitted,



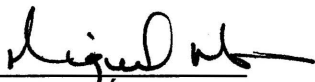
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