



Date: February 2, 2016
To: Thomas J. Bonfield, City Manager
Through: W. Bowman Ferguson, Deputy City Manager
From: Steven W. Hicks, Director, General Services Department

Subject: Network Hut License Agreement between the City of Durham and Google Fiber North Carolina, LLC

Executive Summary

Google Fiber North Carolina, LLC (Google) proposes to install and maintain a fiber optic network within the City limits. On May 19, 2014, City Council authorized the City Manager to execute a Network Hut License Agreement with Google for the construction and housing of network equipment huts to be located on various sites owned by the City of Durham. At that time, City Council was informed that, as Google identifies individual sites for siting of network huts, staff would seek approval for site specific lease terms for each site.

On September 8, 2015, City Council approved the first three sites identified by Google for construction of network equipment huts: on the parcel housing the City's Angier Avenue Water Tank located at 4105 Angier Avenue, on the parcel housing the City Fire Station 6 located at 3700 Swarthmore Road, and on the parcel of the City's Piney Wood Park located at 400 Woodcroft Parkway.

This request seeks approval of four additional hut sites required by Google: on the parcel of the City's Birchwood Park located at 3105 Hursey Street, on the parcel of the City's Solite Park located at 4704 Fayetteville Road, on the parcel of the City's West Point on the Eno Park located at 135 Latta Road, and on the parcel of the City's Rock Quarry Park located at 701 Stadium Drive.

Each licensed hut site of approximately 1600 square feet (~32' X ~50') will be provided to Google for an annual fee of \$2.00 per square foot.

Recommendation

The General Services Department recommends that City Council authorize the City Manager to execute Network Hut License Agreements with Google Fiber North Carolina, LLC for construction and housing of network equipment huts to be located on real property owned by the City of Durham, and authorize the Mayor to execute any easements necessary to allow access for utility services providers to the improvements within the license areas.

Background

Google designs and builds fiber networks with speeds 100 times faster than speeds most Americans live with today. It is generally acknowledged that abundant high-speed internet is essential for sparking innovation, driving economic growth, and improving education in communities. In February of 2014, Google announced that the company would be exploring new cities for the expansion of its Google Fiber. The list of cities identified for possible

Google Fiber expansion included Durham, NC. In recent years, Google has developed high-speed internet projects in Kansas City, MO., Austin, TX, and Provo, UT. In addition to the Raleigh-Durham site, the February announcement included other possible expansions to Portland, OR, San Jose, CA, Salt Lake City, UT, Phoenix, AZ, San Antonio, TX, Nashville, TN, Atlanta, GA, and Charlotte, NC.

In early 2014, the City Manager's Office along with staff of Chapel Hill, Carrboro, Raleigh, Cary, Garner, and Morrisville were introduced to Google Fiber's possible expansion plans in those seven Triangle municipalities. A three month joint planning process was initiated with City leaders to map out a Google Fiber network in detail. The process included detailed study of local factors that could affect construction including topography, housing density and the condition of local infrastructure.

On June 15, 2015, City Council authorized execution of a License Agreement with Google that permits installation of fiber facilities in portions of City Rights of Way as approved by the City.

On September 8, 2015, City Council approved the first three sites identified by Google for construction of network equipment huts on the parcel housing the City's Angier Avenue Water Tank located at 4105 Angier Avenue; on the parcel housing the City Fire Station 6 located at 3700 Swarthmore Road; and on the parcel of the City's Piney Wood Park located at 400 Woodcroft Parkway.

Issues and Analysis

A network hut contains the glass fibers and devices that receive and transmit signals between a computer and the internet. In Google's network design each network hut serves approximately 20,000 households. Each network hut site requires approximately 1,600 square feet of space and additional easements for utilities providing services to the site including Duke Power for electric, PSNC for gas, and Frontier for telephone service. The negotiation and rate for network hut sites in Durham has already been approved by City Council. Site specific lease terms for each network hut are provided as an exhibit to each Network Hut License Agreement presented. The exhibit includes a legal description of the site, the annual fees to be paid for use of the site, and any other terms or requirements applicable to the specific site.

Alternatives

City Council may choose to not authorize any or all of the sites identified or to direct staff to work with Google to amend site specific terms as directed.

Financial Impact

All revenue will be deposited into the General Fund Facilities Revenue Account.

SDBE Summary

The item was not reviewed by the EO/EA department

Attachments

Network Hut License Agreement Template, Exhibit B to Network Hut License Agreement Template for each site, Plan Sheets for each site, Aerial View of each site