



STAFF REPORT

DATE: September 27, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Brent Bernegger, VP, Finance/CFO
SUBJ: APPROVING MCIMETRO ACCESS TRANSMISSION SERVICES
 CORP FIBER INSTALLATION IN MULTIPLE LOCATIONS WITHIN
 SACRT PROPERTIES

RECOMMENDATION

Adopt the Attached Resolutions.

RESULT OF RECOMMENDED ACTION

Approval of the recommended action will result in SacRT granting MCImetro three licenses to install transverse fiber crossings within SacRT-owned property subject to Federal Transit Administration (FTA) approval at the following locations:

- Project 1: 39th Street and R Street
- Project 2: 65th Street and Q Street
- Project 3: 59th Street North of S Street

FISCAL IMPACT

In consideration of granting MCImetro the three requested licenses, MCImetro will pay SacRT the following one-year license fees, which *also include compensation for staff time* to oversee installation of the fiber as well as conduct inspections one time during the license term:

The total revenue generation will amount to \$38,831:

- Project 1 will result in one-year license for \$11,277
- Project 2 will result in one-year license for \$11,277
- Project 3 will result in one-year license for \$11,277

This is a new revenue source not included in the Operating Budget 2022.

DISCUSSION

Historically, SacRT has granted licenses to various telecommunication companies to allow them to install fiber and conduit within SacRT-owned parcels in exchange for a license fee based on the fair market value of the property interest conveyed. In 2009, the

Board and FTA approved license rates that staff continues to use. Because the rates are now 11 years old, staff applies a cost-of-living escalator so that the fee is a more accurate representation of the current fair market value of the interest conveyed. Staff is currently in the process of procuring appraisal services to update these rates and expects to have the project completed by spring 2022. Because an updated fee schedule will be established within a year's time, staff and MCImetro negotiated a one-year license term and the license fees included in the License Agreements only cover a one-year term. Upon establishing new rates, SacRT and MCImetro will negotiate a renewal of the license agreements and agree to longer term license agreements based on the new rates. Thus, the licenses are for only a one-year term with the intent to renew them for a longer term after the new rates are established.

MCImetro has been adding fiber throughout the Sacramento Metro Region to continue providing its clients better quality service. The proposed path of travel for its fiber crosses SacRT properties at a number of locations. MCImetro has requested that SacRT grant it licenses at each identified location so that MCImetro can install fiber below and perpendicular to SacRT tracks in multiple locations. MCImetro would like SacRT to consider three locations individually, hoping all will be accepted, but not wanting any one location's non-acceptance to influence the approval of the remainder. SacRT's grant of each license is conditioned on the FTA concurring in the proposed use by MCImetro. If the FTA does not concur, the License Agreement requires MCImetro to remove the fiber and conduit from the license areas within 8 months of SacRT providing notice to MCImetro of the FTA's nonconcurrency.

Following is a description of each proposed installation site and a description of each location SacRT will be granting MCImetro a license over:

Project 1: Crossing of 39th St at R St - Installation of 78.82 feet of 4-inch conduit to include 864 strands of fiber in a transverse presentation along SacRT property with the APN 011-0010-003-0000 and located in Fee Schedule Zone 1.

Project 2: Crossing of 65th St at Q St – This is a revision of a previously approved crossing with only 72 strands of fiber and is being revised as: installation of 45.97 feet of 4-inch conduit to include 864 strands of fiber in a transverse presentation along SacRT property with the APN 011-0010-003-0000 and located in Fee Schedule Zone 1.

Project 3: Crossing of 59th St north of S St - Installation of 105.6 feet of 4-inch conduit to include 864 strands of fiber in a transverse presentation along SacRT property with the APN 011-0010-003-0000 and located in Fee Schedule Zone 1.

Staff recommends approval of the three licenses over the areas described above with MCImetro Access Transmission Services Corp for fiber installation at the above locations.

RESOLUTION NO. 21-09-0108

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

September 27, 2021

**APPROVING MCIMETRO ACCESS TRANSMISSION SERVICES CORP FIBER
INSTALLATION AT 39TH STREET AND R STREET**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the License Agreement for Installation of Conduit and Fiber at 39th Street and R Street, within SacRT's Parcel known as Assessor Parcel Number 011-0010-003-000 by and between the Sacramento Regional Transit District (therein "SacRT") and MCIMetro Access Transmission Services Corp (therein "Licensee"), whereby MCImetro agrees to pay SacRT \$11,277 and SacRT agrees to grant MCImetro a License with a term of one year subject to SacRT's right to terminate pending Federal Transit Administration's concurrence, is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to execute the foregoing License Agreement.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

RESOLUTION NO. 21-09-0109

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

September 27, 2021

**APPROVING MCIMETRO ACCESS TRANSMISSION SERVICES CORP FIBER
INSTALLATION AT 65TH STREET AND Q STREET**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the License Agreement for Installation of Conduit and Fiber at 65th Street and Q Street within SacRT's Parcel known as Assessor Parcel Number 011-0010-003-000 by and between the Sacramento Regional Transit District (therein "SacRT") and MCIMetro Access Transmission Services Corp (therein "Licensee"), whereby MCImetro agrees to pay SacRT \$11,277 and SacRT agrees to grant MCImetro a License with a term of one year subject to SacRT's right to terminate pending Federal Transit Administration's concurrence, is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to execute the foregoing License Agreement.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

RESOLUTION NO. 21-09-0110

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

September 27, 2021

**APPROVING MCIMETRO ACCESS TRANSMISSION SERVICES CORP FIBER
INSTALLATION AT 59TH STREET NORTH OF S STREET**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the License Agreement for Installation of Conduit and Fiber at 59th Street, north of S Street within SacRT's Parcel known as Assessor Parcel Number 011-0010-003-000 by and between the Sacramento Regional Transit District (therein "SacRT") and MCIMetro Access Transmission Services Corp (therein "Licensee"), whereby MCImetro agrees to pay \$11,277 and SacRT agrees to grant MCImetro a License with a term of one year subject to SacRT's right to terminate pending Federal Transit Administration's concurrence, is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to execute the foregoing License Agreement.

STEVE MILLER, Chair

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