

## COUNCIL COMMUNICATION

<b>DATE:</b> 05/06/24	<b>SUBJECT: Final Reading Ordinance #2024-O-064</b> Authorizing the City Manager to grant a License Agreement between The City of Laredo, Texas, a municipal corporation and Axtel, S.A.B de C.V., formerly known as Alestra S. de R.L. de C.V., a Mexican Corporation dated April 8, 2024 for the use of one (1) fiber/cable tray affixed beneath the Juarez Lincoln Bridge and 519 linear feet of right-of-way. 1. Term of the agreement shall be for five (5) years commencing at 12:00 am, April 8, 2024 and terminating at 12:00 pm April 7, 2029. 2. Annual fee shall be \$37,025.00 and will increase by five percent (5%) every year the license is in place. In addition to the fee, Licensee shall pay a nine dollar and 76/100 (\$9.76) linear foot right-of-way fee, and will increase by five percent (5%) every year. Total amount for first year is \$43,797.95.	
<b>INITIATED BY:</b> Rosario C. Cabello, Deputy City Manager		<b>STAFF SOURCE:</b> Joe C. Rivera, I.S.T. Director
<b>PREVIOUS COUNCIL ACTION:</b> City Council at its meeting of April 2, 2024, approved the introductory reading of this ordinance.		
<b>BACKGROUND:</b> The City of Laredo and Alestra S. de R.L. de C.V, a Mexican Corporation, entered into a five (5) year license agreement commencing January 13, 2003 and terminating January 12, 2008 for the use of one (1) fiber/cable tray affixed beneath the Juarez Lincoln Bridge. The initial annual fee was \$7,600.00 plus a \$5.00 per linear foot right-of-way fee; with a five percent (5%) annual increase on the license fee only. This license agreement has had three subsequent five (5) year renewals, with the most recent expiring April 7, 2024. Alestra on May 1, 2017 changed its corporate name to Axtel, S.A.B. de C.V. The city will receive an annual fee of \$37,025.00 and \$13.05 per linear foot right-of-way-fee plus a 5% annual increase on both the fee and the right-of-way fee. Axtel currently occupies 519 linear feet of right-of-way. Axtel has agreed to pay the greater of the amount established by this license agreement or that amount that Axtel, or a corporate affiliate, pays to any other entity to cross and international bridge located in the State of Texas.		
<b>FINANCIAL IMPACT:</b> The city will receive an annual rent of \$43,797.95with a 5% increase on each anniversary of the commencement date. Rent will be credited to General Fund-Telecommunications License line item #101-0000-311-1060.		
<b>COMMITTEE RECOMMENDATION:</b>		<b>STAFF RECOMMENDATION:</b> Staff recommends approval.