

AGENDA ITEM SUMMARY

City Council



STAFF

Ken Zetye, Engineering Construction Inspection Manager
Brad Buckman, City Engineer

SUBJECT

First Reading of Ordinance No. 001, 2025, Amending Chapters 15 and 23 of the Code of the City of Fort Collins Relating to Small Cell Contractors and Provider Bond Requirements for Operating in the Public Right-of-Way.

EXECUTIVE SUMMARY

The purpose of this item is to present a recommendation from the City Planning Development Team to:

1. Increase the bond requirements for all contractors working in the public right-of-way. These bond amounts have not been updated since 1998.
2. Increase the bond requirements for boring contractors stems from damage caused by telecommunication providers to underground facilities.
3. Create a performance bond requirement for all small cell facility installations.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

Council is empowered and directed by Article II, Section 5(b) and Section 14, of the City Charter to provide for all essential administrative functions and public services related to street maintenance and provide for all licenses and permits for regulatory purposes.

On October 20, 1998, Council adopted Ordinance No. 180, 1998, which created an overall license to be known as a "Right-of-Way Contractors License," which license must be supplemented with an endorsement for the specific type of construction work proposed to be performed by the contractor.

The Right-of-Way Contractors License was designed to fully cover the City's administrative costs in processing the applications and includes a bonding requirement to adequately protect the City in City Code Section 15-363 Bond required.

The bond requirements for a contractor performing work in the City right-of-way has not been updated to address repairs to City property caused by small cell providers or their contractors when they abandon a project and fail to repair existing damages. The City encountered this exposure when a cellular service provider was going through a process of financial and contractual changes and were unable to complete the contract to build small cell facilities in the public right-of-way in Fort Collins. It was determined that the repair work in the right-of-way would have cost the City approximately \$800,000 if the parties decided not to complete their obligations. The current bonding structure is insufficient and will likely place financial responsibility on the City to repair damaged property. The major telecommunications companies are working in the City right now to upgrade their facilities by providing cellular and fiber optic data service, making it increasingly more likely that there will be unresolved damage and necessary repairs to City property. The potential exposure is an unmanaged financial risk. The proposed code changes will help decrease the potential of the City being left with damaged infrastructure if a telecommunications company does not honor their obligations to repair the damage they have created in installing their facilities.

CITY FINANCIAL IMPACTS

None.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Ordinance for Consideration