



REQUEST FOR COUNCIL ACTION

Title: Easement Agreement with Alyrica Networks, Inc.

Preferred Agenda: March 12, 2024

Submitted By: Blair Larsen, Community & Economic Development Director

Reviewed By: Kelcey Young, City Manager

Type of Action: Resolution ____ Motion Roll Call ____ Other ____

Relevant Code/Policy:

Towards Council Goal: Aspiration IV: Viable and Sustainable Essential Services

Attachments: Proposed Easement Agreement with Alyrica
Potential Easement Aerial Map
Potential Easement Example Site Map

Purpose of this RCA:

The purpose of this RCA is to present a proposed telecommunications easement agreement with Alyrica Networks, Inc., to allow them to install equipment in a 20' by 20' area of the old City Hall site.

Background/Context:

Last October, the City Council voted to approve a Franchise Agreement with Alyrica Networks, Inc. for them to install a fiber-to-the-home Internet access network. Soon after, Alyrica began construction, and approached City Staff about obtaining an easement on City property where they could install a telecommunications cabinet that would house equipment and become the central node in their new network. Alyrica identified a 400 square foot area next to the old City Hall as their ideal location.

City Staff and the City Attorney have reviewed their proposal and have negotiated the attached agreement.

This item was presented at the February 7, 2024 Council Meeting. The City Council asked if it was possible to move the location of the easement, however no representative from Alyrica was present to answer the question. The Council then tabled the matter until the March 12, 2024 Council Meeting. Staff have contacted Alyrica and asked that a representative be present to answer questions.

The Challenge/Problem:

Should the City grant an easement on City property to Alyrica Networks, Inc.?

Stakeholders:

- Sweet Home Residents and Businesses – Fast, reliable Internet access is increasingly a requirement for daily life, and current options are limited.
- Sweet Home City Council – The City Council is responsible for approving the purchase and sale of City Property, including the granting of easements.
- Alyrica Networks, Inc. – Alyrica cannot operate within the City without a location for their telecommunications equipment.

Issues and Financial Impacts:

This agreement does not cost the City any funding; however it does affect the use of the property in perpetuity. The value of commercial property, and especially easements is difficult to assess, however Staff estimate that this 400 square foot area is worth somewhere between \$3,500 and \$6,000. In consideration of the value of this easement, Alyrica has offered to provide Internet service to the City valued at approximately \$6,000, above and beyond what they have committed to in the franchise agreement.

Elements of a Stable Solution:

A stable solution is one that provides additional options for Internet access to the residents and organizations within the City of Sweet Home.

Options:

1. Do nothing – Make no agreement with Alyrica, which would force them to either find another location for their equipment or cancel their plans to extend Fiber Internet service to Sweet Home.
2. Approve the Easement Agreement as Proposed.
3. Approve the Easement Agreement with Changes (Specify).

Recommendation:

Staff recommends option 2: Approve the Easement Agreement as Proposed.