

COUNCIL ACTION FORM

Meeting Date: February 8, 2024

Staff Contact: Ryan Denk, City Attorney

Agenda Item: Consider Ordinance 1040 approving a Franchise Agreement with Google Fiber

Background/Description of Item

In 2012, Google Fiber was granted authorization by the State of Kansas to provide video service in Westwood and that same year entered into a Development Agreement with the City. In 2015, the City of Westwood entered into a Video Service Provider Agreement with Google Fiber Kansas, LLC to construct, operate, and maintain facilities within city rights-of-way, to provide video services to customers within the city, and to pay to the City a video service provider fee in the amount of 5% of gross revenues.

Staff Comments/Recommendation

There is only one change to the agreement - the franchise fee percentage has decreased. The 2015 agreement gave the City a 5% franchise fee for television and cable services. Since that agreement, Google has moved out of the business of providing television and cable services, which leaves that agreement collecting very little franchise fees. The new agreement has a lower percentage – 2% – but applies to a broader range of services, including Google's broadband service. This agreement was negotiated by the City Attorney and is the same framework that Google Fiber has worked out with surrounding municipalities in Johnson County, bringing Westwood in line with other neighboring cities.

Budget Impact

The City currently receives less than 3% of our total franchise fee revenue from Google Fiber, so the budget impact of this change is expected to be nominal if not possibly providing increased revenue by way of now assessing franchise fees on additional services provided by Google Fiber in Westwood, including broadband service.

Suggested Motion

I move the City Council adopt Ordinance 1040 granting to Google Fiber Kansas, LLC a contract franchise to construct, operate, and maintain communications service facilities in the public right-of-way of the City of Westwood, Kansas.