VILLAGE OF DOWNERS GROVE REPORT FOR THE VILLAGE COUNCIL MEETING AUGUST 5, 2014 AGENDA

| SUBJECT: | TYPE: | | SUBMITTED BY: |
|------------------------------|-------|------------------------|------------------|
| | ✓ | Resolution | |
| | | Ordinance | |
| License Agreement for use of | | Motion | Enza Petrarca |
| Village Rights-of-Way | | Discussion Only | Village Attorney |

SYNOPSIS

A resolution has been prepared authorizing execution of a license agreement with Wide Open West Illinois, LLC (WOW) for the use of the Village's rights-of-way for the installation, operation and maintenance of an aerial fiber optic telecommunications cable system.

STRATEGIC PLAN ALIGNMENT

The goals for 2014 to 2018 identified Exceptional Municipal Services.

FISCAL IMPACT

WOW will pay the Village \$5,000.00 for a license fee.

RECOMMENDATION

Approval on the August 5, 2014 consent agenda.

BACKGROUND

WOW desires to install, operate and maintain fiber optic telecommunications cables within the Village's rights-of-way for the benefit of Verizon Wireless and other potential business customers. The License Agreement would allow WOW to do so. Section 253 of the Telecommunications Act of 1996 (47 U.S.C. 253) provides that the Village may not prohibit or have the effect or prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service. Further, the Illinois Telephone Company Act (220 ILCS 65/4) authorizes telecommunications carriers to construct, maintain, alter and extend its facilities along, upon, under and across any highway, street, alley, or public right-of-way dedicated to utility purposes, so long as it does not inconvenience or disturb the public in the use thereof.

The key terms of the agreement are as follows:

- The term of the License Agreement would be ten years from the date of the execution by the Village.
 The License Agreement may be renewed for successive ten year terms upon written consent of the Village and WOW.
- o WOW will pay a \$5,000.00 license fee for the initial term, and the parties will agree upon a renewal fee at the time of any such renewal.
- o WOW must submit a permit application, pay the applicable permit fees, and obtain a permit for each location where the cables will be installed. The Village will approve each proposed location.
- o WOW shall install the fiber optic cables by attaching to existing ComEd poles only (no underground facilities are allowed under this Agreement).
- WOW must post security to insure compliance with the License Agreement and the Village's ROW Standards.

ATTACHMENTS

Resolution License Agreement

RESOLUTION NO.

A RESOLUTION AUTHORIZING EXECUTION OF A LICENSE AGREEMENT BETWEEN WIDE OPEN WEST ILLINOIS, LLC AND THE VILLAGE OF DOWNERS GROVE FOR USE OF THE VILLAGE RIGHTS-OF-WAY

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

- 1. That the form and substance of a certain License Agreement (the "Agreement"), between the Village of Downers Grove ("Village") and Wide Open West Illinois, LLC ("Licensee"), to utilize portions of the public rights-of-way within Village boundaries solely for the purpose of installing and operating aerial fiber optic telecommunications cables, as set forth in the form of the Agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.
- 2. That the Village Manager and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.
- 3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.
- 4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.
- That this Resolution shall be in full force and effect from and after its passage as provided by law.

| Passed: | | Mayor |
|---------|---------------|-------|
| Attest: | | |
| • | Village Clerk | |

LICENSE AGREEMENT FOR THE USE OF VILLAGE RIGHTS-OF-WAY <u>BETWEEN WIDE OPEN WEST ILLINOIS, LLC AND THE VILLAGE OF DOWNERS</u> <u>GROVE</u>

THIS LICENSE AGREEMENT ("Agreement") is entered into on the ____ day of August, 2014 ("Effective Date"), by and between the Village of Downers Grove, an Illinois municipal corporation (hereinafter referred to as the "Village") and Wide Open West Illinois, LLC, a Delaware limited liability company (hereinafter referred to as the "Licensee").

WHEREAS, the Village is the exclusive owner of certain public rights-of-way, and has approved official standards for the construction of facilities on the public rights-of-way; and

WHEREAS, the Licensee holds Illinois State-wide cable franchise authority and operates a cable system as set forth in 47 U.S.C. §522 of the Cable Communications Policy Act of 1984, as amended from time to time, throughout part of the State of Illinois, and Licensee's affiliated telephone company, Sigecom, LLC, holds a certificate of authority with the Illinois Commerce Commission; and

WHEREAS, Licensee desires to utilize portions of the public rights-of-way within the boundaries of the Village (the "ROWs") for the limited purpose of installation and maintenance of aerial fiber optic telecommunications cables, which will be installed on existing Commonwealth Edison poles located in the ROWs; and

WHEREAS, Licensee is not delivering cable service to residents of the Village, and instead is providing fiber optic telecommunications services for the benefit of Verizon Wireless and other potential business customers; and

WHEREAS, in consideration of the payment of a license fee, the Village desires to allow Licensee to utilize the ROWs for such purposes, subject to the provisions of this Agreement; and

WHEREAS, the Village has the authority to enter into this Agreement pursuant to the powers granted it by Article VII, Section 10(a) of the Illinois Constitution of 1970, and finds that entering into this Agreement is in the best interests of the Village, its residents, and the public; and

WHEREAS, Licensee is authorized and empowered to enter into this Agreement and to perform the covenants and promises herein made and undertaken.

NOW, THEREFORE, in consideration of the mutual consideration exchanged between the parties as set forth herein, the sufficiency and receipt of which are mutually acknowledged, the parties agree as follows:

- 1. <u>Recitals.</u> The above-stated Recitals are hereby incorporated into this Section 1 as though fully set forth herein.
- 2. <u>Grant of License.</u> For and in consideration of the mutual covenants herein, and subject to the terms and conditions set forth herein and compliance with all Federal, State and local laws and regulations, the Village hereby grants a non-exclusive revocable license ("License") to Licensee to allow Licensee to construct, use, operate, own and maintain a fiber optic and coaxial cable line (the "System") within the Village's ROWs identified herein. The License granted by this Agreement shall

not convey any right, title or interest (including leasehold interest) in the ROWs, but shall be deemed to be a license only to use and occupy the ROWs for the limited purposes stated herein.

3. <u>Location and Description of Licensee's System.</u> Licensee's System, for which the License herein is granted, consists of the following:

A single fiber optic aerial cable which will be installed on existing Commonwealth Edison utility poles pursuant to Agreement No. 22591-19038 between Licensee and Commonwealth Edison. Licensee will utilize no underground cables. Licensee will construct and maintain a fiber optic and coaxial cable transport network for Verizon and other potential business customers. Licensee shall be the owner of and exclusively responsible for the System within the Village's rights-of-way.

Licensee's System, for which the License herein is granted, shall be located in the following ROWs owned by Village:

A portion of the System will cross over Wisconsin Avenue. Another portion of the System will proceed along the south side of Inverness Avenue from Ashbrook Place to Belmont Avenue. (There are other portions of the System Licensee will be installing in Downers Grove, but the rights-of-way are owned and controlled by DuPage County – i.e. Belmont and Maple Avenues. Licensee will be required to obtain separate approvals from DuPage County for any cable located in that jurisdiction.)

The portion of Licensee's System in Village ROWs shall run an aggregate distance of approximately 1,139 lineal feet and is depicted in Exhibit "A" attached hereto and incorporated herein. Licensee shall construct the System in strict conformity with submitted plans and only at locations set forth in Exhibit "A". Subsequent changes and/or extension to this initial aggregate distance shall require Licensee to follow standard Village permitting and inspection procedures but will not require amendment to this License Agreement. Entire fiber optic network will be considered part of this Agreement for purposes of Effective Date and Term.

- 4. Term; Payments. The License granted by the Village to Licensee shall be for a period of ten (10) years from the Effective Date of this Agreement. For the initial term, Licensee shall pay a license fee in the amount of Five Thousand Dollars and No Cents (\$5,000.00) to the Village prior to the issuance of any permits. This Agreement may be renewed by mutual agreement of the parties for successive ten (10) year terms provided that Licensee is in full compliance with the terms and conditions of this Agreement at the time of renewal. Licensee shall make written request for renewal of this Agreement at least sixty (60) days prior to the expiration of the current term. Unless otherwise provided by law, each renewal shall be subject to a License Fee that will be determined at the time of each renewal but shall be proportional to the amount of cable that has been installed up to that time in comparison to this initial license fee and installation. In the event the parties cannot agree upon an amount for the License Fee for a renewal term, this Agreement shall terminate and Licensee shall remove its System from all Village ROWs and restore all ROWs as required herein.
- 5. <u>Use of ROWs.</u> In its use of the ROWs and any work to be performed therein, Licensee shall comply with all applicable laws, ordinances, regulations and requirements of federal, state, county and local regulatory authorities, including the applicable provisions of the Downers Grove Municipal Code, and the Village Council Policy entitled "Standards for the Construction of Facilities

on the Public Right-of-Way" dated 11-6-07, as may be amended from time to time ("the Village ROW Policy"). In the event of a conflict between this Agreement and the Village ROW Policy, the terms and conditions of this Agreement shall control.

Licensee shall use and occupy the ROWs to install, operate and maintain the System, which shall be limited to a single fiber optic aerial cable which will be installed on existing Commonwealth Edison utility poles. Licensee does not have the authority to place any part of its System underground. Any unauthorized or impermissible use of the ROWs shall be deemed to be a material breach of this Agreement.

This License and the grant of authority conferred in Section 2 above are non-exclusive. The Licensee shall respect the rights and property of Village and other authorized users of streets, sidewalks, easements, power poles, street light poles, vaults, conduits and rights-of-way, and adjacent property owners.

- 6. <u>Permits.</u> Licensee shall pay all required permit and other fees and obtain all necessary and required permits from the Village for its System prior to performing any work on its System within the Village's ROWs. Licensee shall also post such necessary letters of credit or other security for its work within the Village's ROWs as required by the Village ROW Policy.
- 7. Maintenance. Maintenance of the System within the ROWs shall be the responsibility of Licensee. The System shall be maintained in good and safe condition and in a manner that complies with all applicable federal, state and local laws, regulations and policies. The Village reserves the right to enter upon and repair any or all damage to the areas surrounding the licensed premises, and if such damage is caused by Licensee, then the actual, reasonable and documented cost of such repair shall be the responsibility of the Licensee.

Notwithstanding any provisions to the contrary herein, in the event of an unexpected repair or emergency, Licensee may access the ROWs and commence such Emergency Maintenance work as required under the circumstances, provided Licensee shall comply with the requirements for Emergency Maintenance set forth in the Village ROW Policy.

8. <u>Restoration of ROWs.</u> Within ten (10) days after initial construction operations have been completed or after repair, relocation or removal of the System, Licensee shall grade and restore all areas disturbed or damaged by construction operations to a condition substantially similar to that which existed prior to the work. All disturbed or damaged grass areas shall be restored with sod.

In the event Licensee fails, in a timely manner, to restore any disturbances or make any and all repairs to the ROWs or other Village property, the Village may make or cause to be made such restoration or repairs and either demand payment from Licensee, who agrees to pay the reasonable costs of such restoration or repairs upon written demand and receipt by Licensee of all invoices and documentation supporting the actual costs incurred by the Village, or demand payment from the security posted by Licensee, which payment must be received by the Village within thirty (30) days of demand and receipt by Licensee of all invoices and documentation supporting the actual costs incurred by the Village.

- 9. <u>Damage to Licensee's System.</u> Unless directly and proximately caused by the willful, intentional or malicious acts of the Village, the Village shall not be liable for and Licensee expressly waives all claims for any damage to or loss of Licensee's System within the ROWs.
- 10. <u>Licensee Form of Business Disclosure</u>. Licensee agrees to complete and maintain on file with the Village a current Disclosure Affidavit, attached as Exhibit "B" to this Agreement.
- 11. <u>No Transfer or Assignment.</u> This Agreement shall be binding upon and shall inure to the benefit of the parties and their successors and assigns. During the term of this Agreement, Licensee acknowledges and agrees that it does not have the right or authority to transfer or assign this Agreement or any interest herein without the prior written consent of the Village, which will not be unreasonably withheld or delayed; provided, however, this Agreement may be assigned by Licensee without consent to an affiliate, or to a successor in connection with a merger, reorganization or sale of all or substantially all of Licensee's assets or ownership.
- 12. <u>Indemnity/Hold Harmless</u>. To the fullest extent permitted by law, Licensee shall defend, indemnify, keep and hold harmless the Village and its officials, officers, employees and agents from and against all injuries, deaths, losses, damages, claims, demands, suits, liabilities, judgments, costs and expenses, including reasonable attorneys' fees, which may arise out of, or result from, directly or indirectly, any negligent, careless or wrongful acts or omissions or from the reckless or willful misconduct of Licensee, its affiliates, officers, employees, agents, contractors or subcontractors in the installation, operation, relocation, repair, maintenance or removal of the System or Licensee's use of the ROWs, and in providing or offering service over the System.

Licensee shall at its own expense, appear, defend and pay all charges of attorneys and all costs and other expenses arising therefrom or incurred in connection therewith, and, if any judgment shall be rendered against the Village in any such action, Licensee shall, at its own expense, satisfy and discharge the same. This Agreement shall not be construed as requiring the Licensee to indemnify the Village for its own negligence. The indemnification required hereunder shall not be limited by the amount of the insurance to be maintained hereunder.

- 13. <u>Insurance.</u> Licensee shall maintain, at its own expense, the following minimum levels of insurance until the System is removed from the ROWs and the ROWs have been properly restored as required herein:
 - 1. Workers Compensation Statutory limits
 - 2. Employers Liability \$1,000,000 per employee and \$1,000,000 per accident
 - 3. Commercial General Liability, including premises-operations, explosion, collapse, and underground hazard (commonly referred to as "X," "C," and "U" coverages) and products-completed operations coverage with limits not less than:
 - i) Five million dollars (\$5,000,000) for bodily injury or death to each person;
 - ii) Five million dollars (\$5,000,000) for property damage resulting from any one accident; and
 - iii) Five million dollars (\$5,000,000) for all other types of liability
 - 4. Automobile Liability for all owned, hired and non-owned automobiles \$1,000,000 each Accident

If the Licensee is not providing such insurance to protect the contractors and subcontractors performing the work, then such contractors and subcontractors shall comply with this section.

Prior to commencing work on the System described herein, Licensee shall furnish the Village with the appropriate Certificates of Insurance, and applicable policy endorsements. Licensee shall have the Commercial General Liability, Automobile Liability, and Umbrella/Excess Liability policies endorsed to add the "Village of Downers Grove, its officers, officials, agents and employees" as "additional insureds". Such insurance afforded to the Village shall be endorsed to provide that the insurance provided under each policy shall be Primary and Non-Contributory.

Commercial General Liability Insurance required under this section shall be written on an occurrence form and shall include coverage for Products/Completed Operations, Personal Injury with Employment Exclusion (if any) deleted, Blanket XCU and Blanket Contractual Liability insurance applicable to defense and indemnity obligations. The limit must be on a "Per Project Basis". Commercial General Liability, Employers Liability and Automobile Liability Insurance may be arranged under single policies for full minimum limits required, or by a combination of underlying policies with the balance provided by Umbrella and/or Excess Liability policies. Workers' Compensation coverage shall include a waiver of subrogation against the Village.

All insurance provided pursuant to this section shall be effected under valid and enforceable policies, issued by insurers legally able to conduct business with Licensee in the State of Illinois. (All insurance carriers shall be rated "A-" or better and of a class size "X" or higher by A.M. Best Company.)

All insurance policies shall contain a provision that coverages and limits afforded hereunder shall not be canceled, materially changed, non-renewed or restrictive modifications added, without thirty (30) days prior written notice to the Village. Renewal certificates shall be provided to the Village not less than five (5) days prior to the expiration date of any of the required policies. All Certificates of Insurance shall be in a form acceptable to the Village and shall provide satisfactory evidence of compliance with all insurance requirements. The Village shall have the right to examine any policy required and evidenced on the Certificate of Insurance.

- 14. <u>Security.</u> Prior to performing any work in the ROWs, Licensee shall establish a security fund in an amount determined by the Director of Public Works or designee, which shall be provided to the Village in the form, at the Licensee's election, of cash or an unconditional letter of credit acceptable to the Village. This security requirement shall not exceed \$25,000. This security fund shall serve as security for those purposes set forth in the Village ROW Policy, including but not limited to the installation of the System in compliance with applicable plans, permits, technical codes and standards, the proper location of the System as specified by the Village, restoration of the ROWs and other property affected by the construction or to satisfy any claims or damages. The Village may draw on the letter of credit or withdraw cash for the reasons set forth in the Village ROW Policy and require replenishment by Licensee in accordance with said Policy.
- 15. <u>Termination.</u> This Agreement may be terminated by Licensee at any time during the Term, and for any reason, by the giving of thirty (30) days advance written notice to the Village of its intention to terminate. This Agreement may be terminated by the Village only for the following reasons:

- A. A material violation of the terms of this Agreement where Licensee fails to cure such material violation within thirty (30) days after receipt of written notice by Village which identifies the violation.
- B. The material failure of Licensee to comply with all applicable local, State and Federal laws, rules and regulations in any way governing or applying to Licensee's System.
- C. Licensee made fraudulent, false, misrepresenting, or materially incomplete statements in seeking this Agreement or in the permit application.
- D. Construction of its System contrary to the plans and specifications approved by the Village.
- E. The Licensee has been adjudged to be bankrupt, has a receiver appointed for it, makes an assignment for the benefit of creditors, or has a significant amount of its property sold under the execution or other legal process or is seized by creditors.
- F. The Licensee transfers this License without Village approval as required herein.
- G. The Licensee ceases its business operations, or otherwise abandons the System, unless such abandonment is temporary due to events beyond the reasonable control of Licensee.
- H. Licensee's physical presence or presence of Licensee's System on, over, above, along, upon, under, across, or within the ROWs presents a direct or imminent threat to the public health, safety, or welfare.
- I. Failure to provide the required traffic control; and to respond to requests from the Village to correct such deficiencies within a reasonable time frame.

Upon the termination of this License, whether by either party and for whatever reason, Licensee shall remove Licensee's System from the Village's ROWs within thirty (30) days of such termination, and shall perform all restoration work to the ROWs as required by Village ordinances and policies.

- 16. <u>Amendments.</u> This Agreement represents the entire agreement between the parties. No oral changes or modifications of this Agreement shall be permitted or allowed. Changes or modifications to this Agreement shall be made only in writing and upon necessary and proper signature of the Licensee and the Village.
- 17. <u>Severability.</u> In the event that any provision of this Agreement shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereto.
- 18. <u>Governing Law; Venue.</u> This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of Illinois. The venue for any dispute between the parties

regarding this Agreement shall be the Circuit Court of the Eighteenth Judicial Circuit, DuPage County, Illinois, or the United States District Court for the Northern District of Illinois.

- 19. <u>Taxes.</u> Nothing contained in this Agreement shall be construed to exempt Licensee from any fee, tax, property tax levy or assessment which is or may be hereafter lawfully imposed, and Licensee shall be responsible for the payment of any taxes assessed relative to its use of the ROWs or its operation of the System.
- 20. <u>No Waiver.</u> The waiver by one party of any breach of this Agreement or the failure of one party to enforce at any time, or for any period of time, any of the provisions hereof will be limited to the particular instance and will not operate or be deemed to waive any future breaches of this Agreement and will not be construed to be a waiver of any provision except for the particular instance.
- 21. <u>Notice.</u> Any notice will be in writing and will be deemed to be effectively served when deposited in the mail with sufficient first class postage affixed, and addressed to the party at the party's place of business. Notices shall be addressed to designated representatives of both parties as follows:

If to Village: Village of Downers Grove

Attention: Village Manager

801 Burlington Ave.

Downers Grove, Illinois 60515

If to Licensee: Wide Open West

1674 Frontenac Road Naperville, IL 60563 Attn: Business Manager

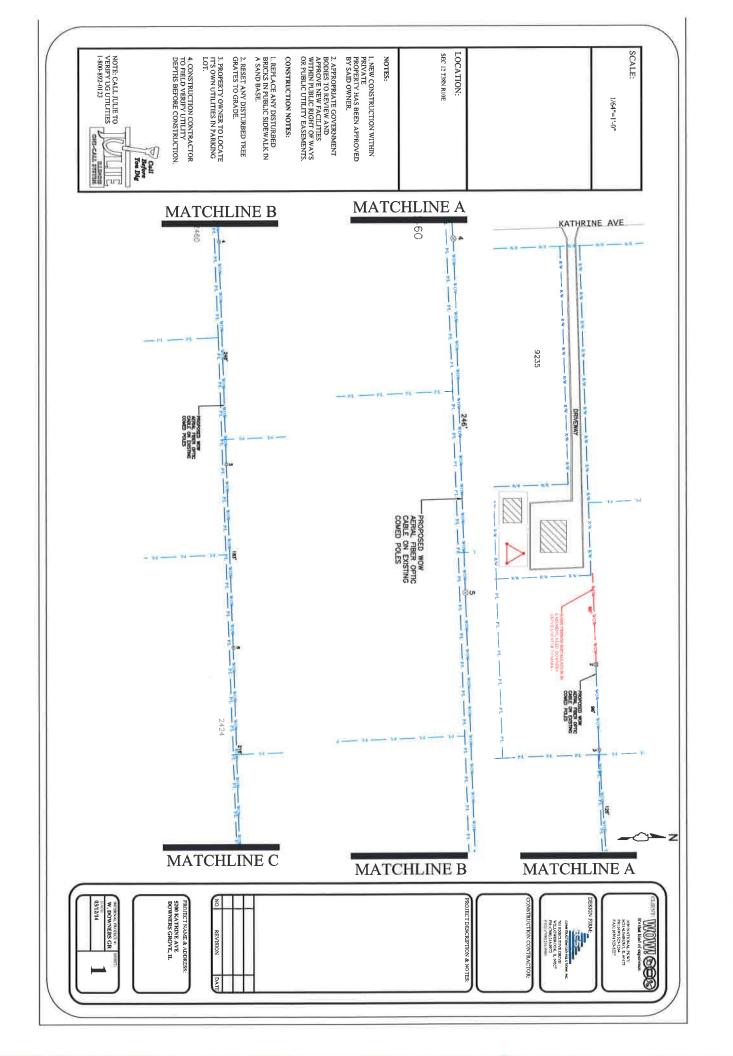
IN WITNESS THEREOF, the parties have signed below, effective as of the Effective Date, by their duly authorized representatives.

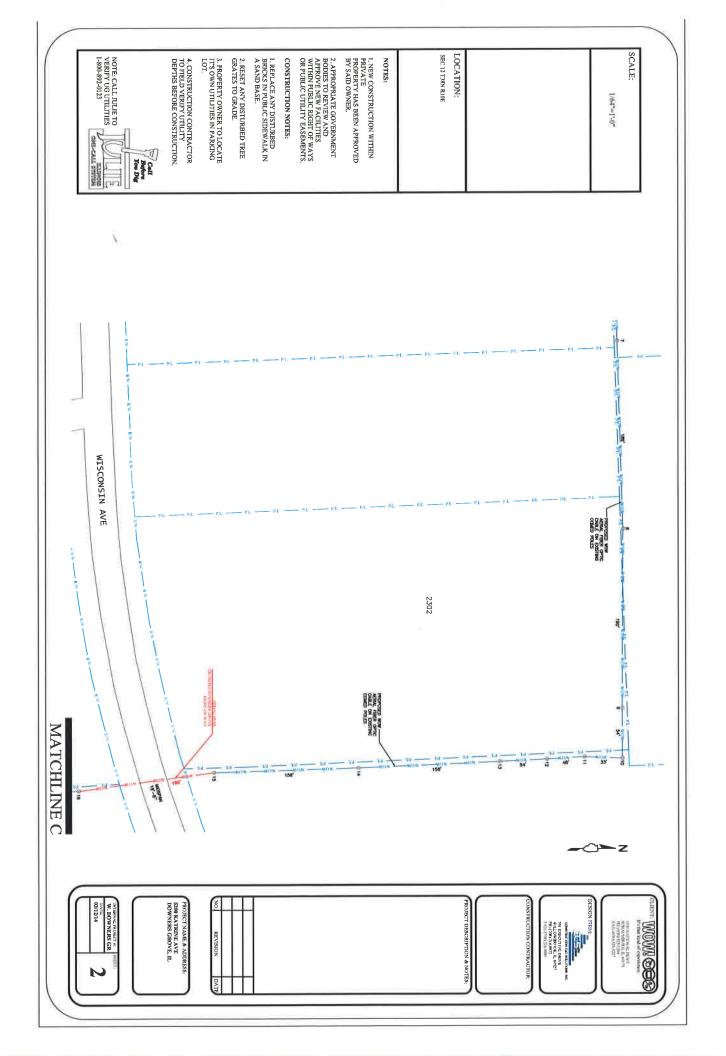
| VILLAGE: | LICENSEE: |
|--|------------------------------|
| VILLAGE OF DOWNERS GROVE | WIDE OPEN WEST ILLINOIS, LLC |
| By: Its: Mayor | By: MA Kellind FEE Its: |
| Attest:Village Clerk | |
| · ···································· | |

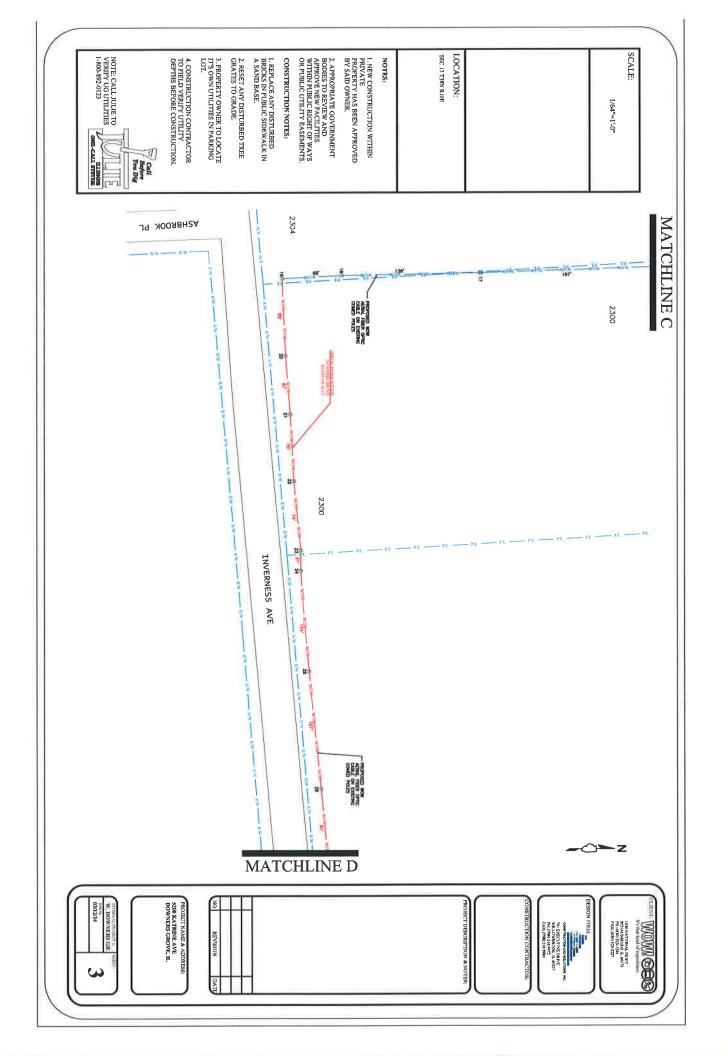
EXHIBIT "A"

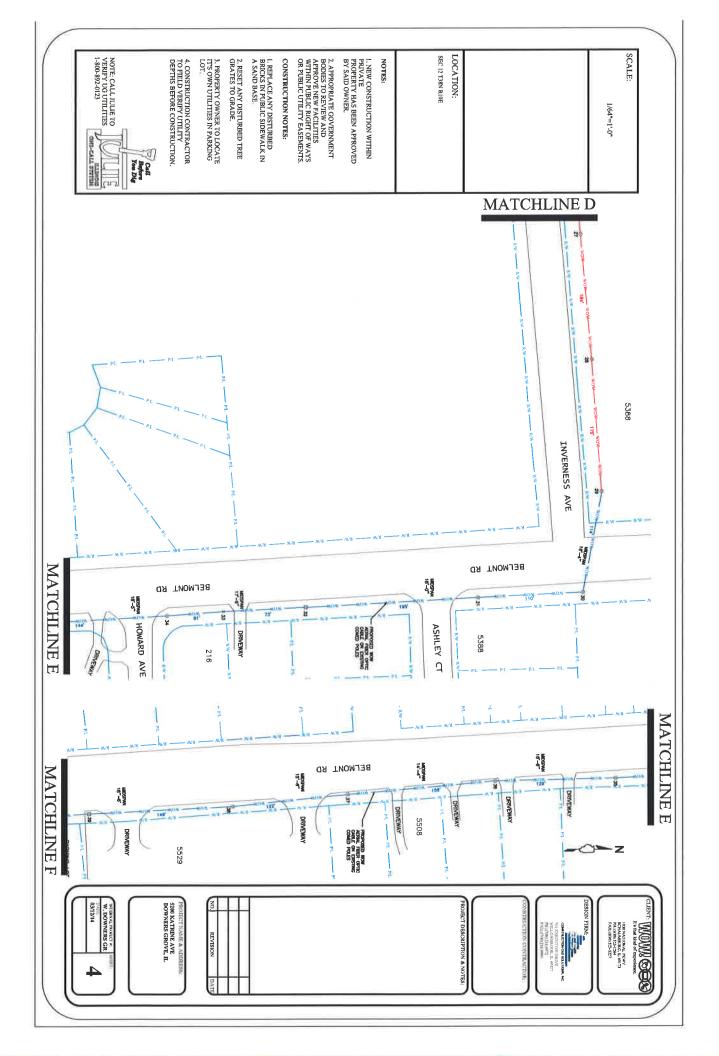
LOCATIONS OF RIGHTS-OF-WAY FOR LICENSEE'S SYSTEM

A portion of the System will cross over Wisconsin Avenue. Another portion of the System will proceed along the south side of Inverness Avenue from Ashbrook Place to Belmont Avenue. (There are other portions of the System Licensee will be installing in Downers Grove, but the rights-of-way are owned and controlled by DuPage County – i.e. Belmont and Maple Avenues. Licensee will be required to obtain separate approvals from DuPage County for any cable located in that jurisdiction.)









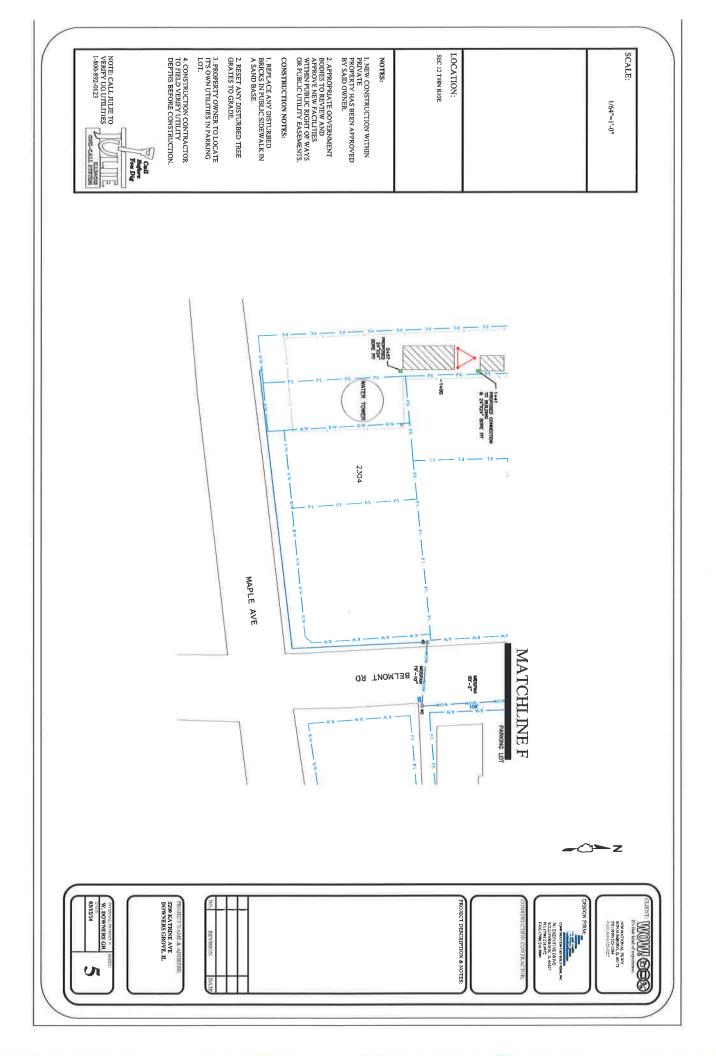


EXHIBIT "B"

(NOTE: This Affidavit must be completely filled out and signed by the Licensee or a determination that the contract is exempt from any section must be obtained.)

I.

BUSINESS STATUS STATEMENT

| the undersig | gned, being duly sworn, do state as follows: |
|--------------|---|
| | A. WideOpenWest Illinois, LLC (hereafter "Licensee") is a |
| | (Place mark in front of appropriate type of business) |
| | Corporation (if a Corporation, complete B) |
| | Partnership (if a Partnership, complete C) |
| | Individual Proprietorship (if an Individual, complete D) |
| | XX Limited Liability Corporation (if an LLC, complete C) |
| B. | CORPORATION |
| | The State of incorporation is |
| | The registered agent of the corporation in Illinois is: |
| | Name |
| | Address |
| | City, State, Zip |
| | Telephone |
| | The corporate officers are as follows: |
| | President: |
| | Vice President: |
| | Secretary: |
| | Treasurer: |

C. PARTNERSHIP OR LLC

certifies that

The partners or members are as follows: (Attach additional sheets if necessary)

WideOpenWest Finance, LLC 7887 E. Belleview Ave. Suite 1000 Englewood, CO 80111 (WideOpenWest Illinois, LLC is wholly owned by WideOpenWest Finance, LLC. The entity with ultimate controlling interest is: Avista Capital Partners 65 E. 55th St 18th Floor, New York, NY 10022) Name Home Address The local business address is: 1674 Frontenac Rd Naperville, IL 60563 Telephone: 630-536-3100 D. INDIVIDUAL PROPRIETORSHIP The business address is Telephone: My home address is Telephone: E. Under penalty of perjury, WideOpenWest Illinois, LLC (Licensee's Name) 04-3561698 is its correct Federal Taxpayer Identification Number, (FEIN/SSN) or in the case of an individual or sole proprietorship, Social Security Number. Subscribed and sworn to before me this 23day of

OFFICIAL SEAL
ANGELA NEWSON
Notary Public - State of Illinois
Commission Expires Feb 5, 2017