

MEMORANDUM

*Colorado Department of Transportation
4201 E. Arkansas Avenue
Denver, Colorado 80222
(303) 757-9025*



To: The Transportation Commission

From: Scott McDaniel, Ken DePinto

Date: November 2, 2012

Re: Fiber Lease Agreement to ITS Branch

In regards to this month's request to Allocate Revenue from NewPath Networks, LLC, ("NewPath") Fiber Lease Agreement to ITS Branch:

On August 15, 2012 CDOT entered into a Fiber Lease Agreement with NewPath to allow non-exclusive access, including the use of two existing CDOT dark fiber strands, on a segment of US6 from the junction of US6/SH93 to Indiana Street, which is about 5 miles. In exchange, NewPath will pay CDOT an annual lease payment of \$25K the first year, which lease payment, will be automatically increased by 3.5% each subsequent year, for the Lease Agreement term of 20 years. Also, NewPath will perform and pay for all in-kind routine and emergency maintenance services on the fiber lease facility consisting of the following activities: registering it with the Utility Notification Center of Colorado (UNCC), performing all locates on the fiber backbone and on CDOT owned fiber lateral connections (both existing and future), inspecting the corridor and replacing missing and broken fiber markers, removing and clearing debris from pull boxes, vaults and manholes and replacing if necessary, and performing all splices on the fiber backbone and on the CDOT owned fiber lateral connections (both existing and future).

The justification for the request for your approval of this action is: On July 23, 2009 the Transportation Commission adopted TC-1756, which authorized the Department to enter into Public Private Initiative Partnerships (PPIP), and on April 15, 2010 the Transportation Commission adopted TC-1853 approving the Department's request that any money, revenue or income resulting from a PPIP project pertaining to ITS, following deposit into the State Highway Fund, be used only for ITS purposes and projects. Therefore, in conjunction with TC-1853, the ITS Branch requests that the revenue generated from this fiber lease be allocated to the ITS Branch budget to be used only for ITS purposes and projects.