

ADOPTED BY CITY COUNCIL ON \_\_\_\_\_, 2025

**MCI COMMUNICATIONS SERVICES, LLC**

**FRANCHISE ORDINANCE**

**TABLE OF CONTENTS**

**ARTICLE I.....1**

SECTION 101 PURPOSE AND SCOPE .....1

SECTION 102 AUTHORITY TO MANAGE THE RIGHT OF WAY .....1

SECTION 103 DEFINITIONS .....2

**ARTICLE II.....3**

SECTION 201 INITIAL INSTALLATION .....3

SECTION 202 SUBSEQUENT INSTALLATION.....3

SECTION 203 INSPECTION BY THE CITY .....4

SECTION 204 AUTHORITY OF THE CITY TO ORDER CESSATION OF EXCAVATION .....4

SECTION 205 LOCATION OF POSTS, POLES, CABLES AND CONDUITS.....4

SECTION 206 OBSTRUCTION OF THE PROW.....4

**ARTICLE III.....5**

SECTION 301 ADMINISTRATION OF THE PUBLIC RIGHTS OF WAY.....5

SECTION 302 SUBMISSION OF PROW PLAN.....5

SECTION 303 GOOD CAUSE EXCEPTION.....5

SECTION 304 DECISION ON PROW PLAN BY THE DIRECTOR.....6

SECTION 305 MAPPING DATA.....6

**ARTICLE IV.....6**

SECTION 401 COMPLIANCE WITH ALL LAW AND REGULATIONS; QUALITY OF WORK .....6

**ARTICLE V .....7**

SECTION 501 RELOCATION OF COMPANY FACILITIES WITHIN THE PUBLIC RIGHTS-OF WAY .....7

SECTION 502 RIGHTS-OF WAY PATCHING AND RESTORATION .....7

**ARTICLE VI.....9**

SECTION 601 INDEMNIFICATION AND LIABILITY .....9

SECTION 602 WAIVER BY THE CITY.....10

SECTION 603 INSURANCE.....10

SECTION 604 NEGLIGENCE AND INTENTIONAL ACTS.....11

**ARTICLE VII .....11**

SECTION 701 GENERAL REQUIREMENT OF A PERFORMANCE BOND .....11

SECTION 702 CHANGED AMOUNT OF THE PERFORMANCE BOND.....11

SECTION 703 PURPOSE OF PERFORMANCE BOND.....12

SECTION 704 FEES OR PENALTIES FOR VIOLATIONS OF THE ORDINANCE .....13

**ARTICLE VIII.....13**

SECTION 801 COMPENSATION/PROW USE FEE.....13

SECTION 802 RESERVED .....14

SECTION 803 NO CREDITS OR DEDUCTIONS .....14

SECTION 804 REMITTANCE OF COMPENSATION/LATE PAYMENTS, INTEREST ON LATE PAYMENTS.....14

<b>ARTICLE IX</b> .....	<b>14</b>
SECTION 901 ENFORCEMENT; RESERVATION OF ALL RIGHTS AND POWERS.....	14
SECTION 902 SEVERABILITY .....	15
<b>ARTICLE X</b> .....	<b>15</b>
SECTION 1001 MAINTENANCE OBLIGATION .....	15
SECTION 1002 TREE TRIMMING .....	15
<b>ARTICLE XI</b> .....	<b>15</b>
SECTION 1101 INITIAL TERM OF FRANCHISE .....	15
SECTION 1102 APPLICATION FOR NEW FRANCHISE .....	15
SECTION 1103 HOLDOVER PERIOD; OPERATION OF FACILITIES OWNED BY THE COMPANY WHILE RENEWAL IS PENDING .....	16
SECTION 1104 MODIFICATION.....	16
<b>ARTICLE XII</b> .....	<b>16</b>
SECTION 1201 NOTICE .....	16
SECTION 1202 EMERGENCY NOTIFICATION .....	17
SECTION 1203 REGISTRATION OF DATA .....	17
<b>ARTICLE XIII</b> .....	<b>17</b>
SECTION 1301 TERMINATION OF FRANCHISE.....	17
<b>ARTICLE XIV</b> .....	<b>18</b>
SECTION 1401 REMOVAL OF FACILITIES FROM THE PUBLIC RIGHTS-OF-WAY .....	18
SECTION 1402 ABANDONMENT OF FACILITIES OWNED BY THE COMPANY IN THE PUBLIC RIGHTS-OF-WAY.....	18
<b>ARTICLE XV</b> .....	<b>18</b>
SECTION 1501 PRIOR WRITTEN CONSENT FOR ASSIGNMENT .....	18
SECTION 1502 SUCCESSORS AND ASSIGNS .....	19
<b>ARTICLE XVI</b> .....	<b>19</b>
SECTION 1601 NONEXCLUSIVE FRANCHISE .....	19
<b>ARTICLE XVII</b> .....	<b>19</b>
SECTION 1701 ALL WAIVERS IN WRITING AND EXECUTED BY THE PARTIES .....	19
SECTION 1702 NO CONSTRUCTIVE WAIVER RECOGNIZED .....	19
<b>ARTICLE XVIII</b> .....	<b>20</b>
SECTION 1801 NON DISCRIMINATION.....	20
<b>ARTICLE XIX</b> .....	<b>20</b>
SECTION 1901 FORCE MAJEURE .....	20
<b>ARTICLE XX</b> .....	<b>20</b>
SECTION 2001 EFFECTIVE DATE .....	20

**AN ORDINANCE  
GRANTING A FRANCHISE TO MCI COMMUNICATIONS SERVICES LLC.,  
ITS SUCCESSORS AND ASSIGNS  
TO USE THE STREETS AND OTHER PUBLIC PLACES  
OF THE CITY OF CHARLOTTESVILLE, VIRGINIA  
FOR ITS POLE, WIRES, CONDUITS, CABLES AND FIXTURES,  
FOR A PERIOD OF FIVE (5) YEARS**

**BE IT ORDAINED** by the Council of the City of Charlottesville, Virginia, that MCI Communications Services LLC., a corporation organized under the laws of Delaware, (the “Company”), is hereby granted a franchise for a period of five (5) years from the effective date hereof. This Ordinance authorizes and empowers the Company to erect, maintain and operate certain Facilities as described in this Ordinance on, over, along, in, under and through the Public Rights-of-Way (as defined in this Ordinance) of the City of Charlottesville, Virginia (the “City”) as its business may from time to time require; provided that:

**ARTICLE I – GENERAL**

**SECTION 101 PURPOSE AND SCOPE**

To provide for the health, safety and welfare of its citizens and to ensure the integrity of its roads and streets and the appropriate use of the Public Rights-of-Way, the City strives to keep the Public Rights-of-Way under its jurisdiction in a state of good repair and free from unnecessary encumbrances.

Accordingly, the City hereby enacts this Ordinance to grant a telecommunications right-of-way franchise and administration. This Ordinance imposes regulation on the placement and maintenance of Facilities and equipment owned by the Company currently within the City’s Public Rights-of-Way or to be placed therein at some future time. The Ordinance is intended to complement, and not replace, the regulatory roles of local, state, and federal agencies. Under this Ordinance, when excavating and obstructing the Public Rights-of-Way, the Company will bear financial responsibility for its work to the extent provided herein. Finally, this Ordinance provides for recovery of the City’s reasonable out-of-pocket costs related to the Company’s use of the Public Rights-of-Way, subject to the terms and conditions herein.

This Ordinance shall be interpreted so as to benefit the public but does not create any third-party right of action.

**SECTION 102 AUTHORITY TO MANAGE THE RIGHT OF WAY**

This Ordinance granting a franchise is created to manage and regulate the Company’s use of the City’s Public Rights-of-Way along City roads pursuant to the authority granted to the City under

its Charter, Sections 15.2-2015, 56-460, and 56-462(A) of the Virginia Code, and other applicable state and federal statutory, administrative and common law provisions.

This Ordinance and any right, privilege or obligation of the City or Company hereunder, shall be interpreted consistently with state and federal statutory, administrative and common law, and such statutory, administrative or common law shall govern in the case of conflict. This Ordinance is not intended to limit the regulatory and police powers of the City to adopt and enforce other general ordinances necessary to protect the health, safety, and welfare of the public.

### **SECTION 103 DEFINITIONS**

**103.1 CITY** means the City of Charlottesville, Virginia, a municipal corporation of the Commonwealth of Virginia, acting through its authorized agents.

**103.2 COMPANY** means MCI Communications Services LLC., including its permitted successors and assigns.

**103.3 DIRECTOR** means the Director of Public Works for the City of Charlottesville.

**103.4 FACILITY** means any tangible asset in the Public Rights-of-Way required to provide utility service within the scope of this Ordinance as stated in Section 101, above.

**103.5 HOLDOVER PERIOD** means the period between the termination or expiration of the franchise and the date provided in Sections 1104 and 1401.

**103.6 PATCH** means a method of pavement replacement that is temporary in nature.

**103.7 PAVEMENT** means any type of improved surface that is within the Public Rights-of-Way including but not limited to any improved surface constructed with bricks, pavers, bituminous, concrete, aggregate, or gravel or some combination thereof.

**103.8 PUBLIC RIGHTS-OF-WAY or PROW** means the area on, below, or above a public roadway, highway, street, cartway, bicycle lane, and public sidewalk in which the City has an interest, including other dedicated rights-of-way for travel purposes and utility easements belonging to the City (to the extent that they provide for third party usage), paved or otherwise. This definition does not include a state highway system regulated pursuant to the direction of the Commonwealth Transportation Board. This definition does not include any City-owned buildings or structures except those integral to a public street or road such as a bridge or viaduct.

## ARTICLE II - INSTALLATION

### SECTION 201 INITIAL INSTALLATION

After the effective date of this Ordinance, the Company's initial installation of Facilities must be in strict compliance with the approved PROW Plan for the Facilities, a copy of which shall be maintained by the Director within a file within the Department of Public Works. Any additional installation of equipment, lines, cables or other Facilities shall be underground unless it shall be determined by the Director as set forth in Article III that it is not feasible to do so.

### SECTION 202 SUBSEQUENT INSTALLATION

#### **202.1 SUBSEQUENT INSTALLATION MADE PURSUANT TO AN APPROVED PROW PLAN:**

Additional Facilities installed within the PROW may be placed overhead or underground pursuant to an approved request by the Company made pursuant to Article III, and in accordance with such generally applicable ordinances or regulations governing such installations that have been adopted by the City from time to time.

**202.2 GENERAL PREFERENCE FOR UNDERGROUND FACILITIES:** As a matter of policy, the City prefers that the installation of any Facility within the PROW occur underground. Notwithstanding this preference, the City recognizes that in some circumstances the placement of Facilities underground may not be appropriate. Any additional installation of lines, cable, equipment or other Facilities shall be underground unless it shall be determined by the Director, pursuant to Article III, that it is not feasible to do so.

**202.3 INSTALLATION OF OVERHEAD FACILITIES:** Where a subsequent PROW Plan is approved for overhead installation, the Company shall use its existing Facilities, or those of another utility where available. If the PROW Plan calls for overhead installation and existing Facilities cannot accommodate the proposed installation, the Company will clearly indicate in the PROW Plan its intended placement of new Facilities for the Director's review and consideration pursuant to Article III.

**202.4 FUTURE ORDINANCES:** Nothing herein shall be construed to limit the authority of the city to adopt an ordinance that will restrict the placement of overhead lines for all utilities using the PROW within a defined area of the City.

**202.5 CONDITIONS FOR RELOCATING UNDERGROUND:** The Company agrees that if, at some future time, the telephone and other utility lines on the posts, poles, and other overhead apparatus upon which the Company has placed some or all of its Facilities in the City's PROWs are relocated underground, the Company will also, at such time, relocate its Facilities on those posts, poles, and other overhead apparatus underground at its expense. Notwithstanding the foregoing, the City shall reimburse Company for any such relocation expense to the extent that such reimbursement is required by and available under Section 56-468.2 of the Code of Virginia, or other applicable law.

### **SECTION 203 INSPECTION BY THE CITY**

The Company shall make the work-site available to the City and to all others as authorized by law for inspection at all reasonable times, during the execution of, and upon completion of, all work conducted pursuant to this Ordinance.

### **SECTION 204 AUTHORITY OF THE CITY TO ORDER CESSATION OF WORK**

At the time of inspection, or any other time as necessary, the City may order the immediate cessation and correction of any work within the Public Rights-of-Way which poses a serious threat to the life, health, safety or wellbeing of the public.

### **SECTION 205 LOCATION OF FACILITIES**

The Company may not place or install any Facilities within the Public Rights-of-Way pursuant to this Ordinance so as to endanger or interfere with public travel or the ordinary use of, or the safety and convenience of persons traveling through, on, or over, the Public Rights-of-Way within the City of Charlottesville.

### **SECTION 206 OBSTRUCTION OF THE PROW**

The Company may not obstruct the PROW except as clearly specified within an approved PROW plan.

**206.1 REMOVAL OF OBSTRUCTIONS:** Upon notification from the City, or an entity that has an Attachment Agreement, the Company shall remove any of its Facilities installed in the PROW contrary to an approved PROW Plan within forty-five (45) days of receipt of the notification. If the Company has not removed its obstruction(s) from the PROW within forty-five (45) days of receipt of the notification, the City shall assess the Company a fee of five hundred dollars (\$500) per day the Company has failed to remove the Facility installed in the PROW contrary to an approved PROW Plan. The City, in its sole and absolute discretion, may also remove said offending Facility. In such event, the Company shall pay to the City its reasonable removal costs within thirty (30) days after the City issues a bill for the removal, in addition to the five hundred dollars (\$500) per day fee, such billing to be accompanied by an itemized statement of the City's reasonable costs. If payment is not received by the City within the thirty (30) day period, the City may collect the costs in any manner authorized by law. Reasonable costs may include, but are not limited to administrative overhead, mobilization, material, labor, and equipment related to removing the obstruction.

**206.2 NO OBSTRUCTION OF WATER:** The Company shall not obstruct the natural free and clear passage of water through gutters, culverts, ditches, tiles, or other waterways.

**206.3 PARKING, LOADING AND UNLOADING OF VEHICLES SHALL NOT OBSTRUCT THE PROW:** Private vehicles of those doing work for the Company in the PROW must be parked in a manner that conforms to the City's applicable parking regulations. The loading or unloading of trucks must be done in a manner that will not obstruct normal traffic within the PROW or jeopardize the safety of the public who use the PROW.

### **ARTICLE III - ADMINISTRATION**

#### **SECTION 301 ADMINISTRATION OF THE PUBLIC RIGHTS OF WAY**

The Director is the principal City official responsible for the administration of this Ordinance granting a franchise to the Company and any of its PROW Plans. The Director may delegate any or all of the duties hereunder to another City employee.

#### **SECTION 302 SUBMISSION OF PROW PLAN**

At least thirty (30) days before beginning any installation, removal or relocation of underground or overhead Facilities, the Company shall submit a detailed PROW Plan of the proposed action to the Director for review and approval.

The Director may also require submission of a PROW Plan to coordinate with any upcoming City project. The Director will identify to Company the area, scope, and planned timeline of the project. The Company cannot perform any work in the project area except in compliance with the PROW Plan or with the advance written consent of the Director for one year after actual completion of the City project.

The City will not accept any PROW Plan for work to be done during the Holdover Period.

#### **SECTION 303 GOOD CAUSE EXCEPTION**

**303.1 WAIVER:** The Director, in his or her sole and absolute discretion, is authorized to waive the thirty (30) day requirement in Section 302 for good cause shown.

**303.2 EMERGENCY WORK:** The Company shall immediately notify the Director of any event regarding its facilities that it considers to be an emergency. The Company will proceed to take whatever actions are necessary to respond to the emergency, or as directed by the Director.

If the City becomes aware of an emergency regarding the Company's facilities, the City will attempt to contact the Company's emergency representative as indicated in Section 1202. In any event, the City shall take whatever action is deemed necessary by the Director to make an appropriate and reasonable response to the emergency. The costs associated with the City's response shall be borne by the entity whose facilities occasioned the emergency.

## **SECTION 304 DECISION ON PROW PLAN BY THE DIRECTOR**

**304.1 DECISION:** The Director must, within forty-five (45) days, either approve the Company's plans for proposed action as described in Section 302 or inform the Company by written explanation of the reasons for disapproval and the actions required to cure disapproval. The Company must designate a responsible contact person with whom officials of the Department of Public Works can communicate on all matters relating to equipment installation and maintenance.

**304.2 APPEAL:** Upon written request within thirty (30) days of the Director's decision, the Company may have the denial of a PROW Plan reviewed by the City Manager. The City Manager will schedule its review of the Director's decision within forty-five (45) days of receipt of such a request. A decision by the City Manager will be in writing and supported by written findings establishing the reasonableness of its decision. The decision of the City Manager is final.

## **SECTION 305 MAPPING DATA**

Immediately after each installation or placement of a Facility within the PROW, the Company shall provide to the City such information as the Director may require documenting the location and elevation of the Facility, including but not limited to:

- (a) location and elevation of the mains, cables, conduits, switches, and related equipment and other Facilities owned by the Company located in the PROW, with the location based on (i) offsets from property lines, distances from the centerline of the Public Rights-of-Way, and curb lines; (ii) coordinates derived from the coordinate system being used by the City; or (iii) any other system agreed upon by the Company and the City;
- (b) the outer dimensions of such Facilities; and
- (c) a description and location of above-ground appurtenances.

## **ARTICLE IV - STANDARDS**

### **SECTION 401 COMPLIANCE WITH ALL LAW AND REGULATIONS; QUALITY OF WORK**

Obtaining this franchise shall in no way relieve the Company of its duties to obtain all other necessary permits, licenses, and authority and to pay all fees required by any applicable state or federal rule, law or regulation. The Company shall comply with and fulfill all generally applicable laws and regulations, including ordinances, regulations and requirements of the City, regarding excavations and any other work in or affecting the Public Rights-of-Way. The Company shall perform all work in conformance with all applicable codes and established rules and regulations, and it is responsible for all work conducted by the Company or another entity or

person acting on its behalf pursuant to this Ordinance in the Public Rights-of-Way. The Company shall install only such equipment as meets industry standards and shall perform all work to industry standards of quality and skill.

## **ARTICLE V – ALTERATIONS TO THE PROW**

### **SECTION 501 RELOCATION OF COMPANY FACILITIES WITHIN THE PUBLIC RIGHTS-OF WAY**

Upon written notice from the Director of a planned and authorized improvement or alteration of City sidewalks, streets or other property, or of a proposed relocation of any City-owned utilities that necessitate relocation of some or all of the Facilities owned by the Company and lines to accommodate same, or of the City's intent to close or vacate any Public Right-of-Way, the Company shall relocate at its own expense any such Facilities within one hundred eighty (180) days of receipt of the notice. At Company's request, the City may consent to a longer period, such consent not to be unreasonably or discriminatorily withheld, conditioned or delayed. Notwithstanding the foregoing, the City shall reimburse Company for any such relocation expense to the extent that such reimbursement is required by Section 56-468.2 of the Code of Virginia, or other applicable law. If the City requests relocation on behalf of any third party, the Company will give notice to the City of the cost for the relocation within a reasonable time not to exceed 30 days, and the third party will have the sole responsibility to the Company for the cost of the relocation. Upon receipt of payment, the Company will promptly undertake and diligently pursue to completion any relocation under this Section 501.

### **SECTION 502 RIGHTS-OF-WAY PATCHING AND RESTORATION**

**502.1 RESTORATION STANDARD:** In accordance with an approved PROW Plan, the Company may disturb or damage the Public Rights-of-Way. The Director has the authority to determine the manner and extent of the restoration of the Public Rights-of-Way, and may do so in written procedures of general application or on a case-by-case basis. In exercising this authority, the Director will consult with any state or federal standards for rights-of-way restoration and shall be further guided by the following considerations:

- (a) the number, size, depth and duration of the excavations, disruptions or damage to the Public Rights-of-Way;
- (b) the volume and speed of traffic carried by the Public Rights-of-Way and the character of the neighborhood surrounding the Public Rights-of-Way;
- (c) the pre-excavation condition of the Public Rights-of-Way and its remaining life expectancy;
- (d) the relative cost of the method of restoration to the Company balanced against the prevention of an accelerated deterioration of the Public Rights-of-Way resulting from the excavation, disturbance or damage to the Public Rights-of-Way; and

- (e) the likelihood that the particular method of restoration would be effective in slowing the depreciation of the Public Rights-of-Way that would otherwise take place.

**502.2 TEMPORARY SURFACING:** The Company shall perform temporary surfacing patching and restoration including backfill, compaction, and landscaping according to standards determined by, and with the materials determined by, the Director.

**502.3 TIMING:** After any excavation by the Company pursuant to this Ordinance, the patching and restoration of the Public Rights-of-Way must be completed promptly and in a manner determined by the Director.

**502.4 GUARANTEES:** The Company guarantees its restoration work and shall maintain it for twenty-four (24) months following its completion. The previous statement notwithstanding, the Company will guarantee and maintain plantings and turf for twelve (12) months. During these maintenance periods, the Company shall, upon notification by the City, correct all restoration work to the extent necessary, using the method determined by the Director. Such work shall be completed after receipt of notice from the Director, within a reasonably prompt period, with consideration given for days during which work cannot be done because of circumstances constituting force majeure. Notwithstanding the foregoing, the Company's guarantees set forth hereunder concerning restoration and maintenance shall not apply to the extent another company, franchisee, licensee, permittee, other entity or person, or the City disturbs or damages the same area, or a portion thereof, of the Public Rights-of-Way.

**502.5 DUTY TO CORRECT DEFECTS:** The Company shall correct defects in patching or restoration performed by it or its agents. Upon notification from the City, the Company shall correct all restoration work to the extent necessary, using the method determined by the Director. Such work shall be completed after receipt of the notice from the Director within a reasonably prompt period, with consideration given for days during which work cannot be done because of circumstances constituting force majeure.

**502.6 FAILURE TO RESTORE:** If the Company fails to restore the Public Rights-of-Way in the manner and to the condition required by the Director pursuant to Section 502.5, or fails to satisfactorily and timely complete all restoration required by the Director pursuant to this Article V, the City shall notify the Company in writing of the specific alleged failure or failures and shall allow the Company at least ten (10) days from receipt of the notice to cure the failure or failures, or to respond with a Plan to cure. In the event that the Company fails to cure, or fails to respond to the City's notice as provided above, the City may, at its election, perform the necessary work and the Company shall pay to the City its reasonable costs for such restoration within thirty (30) days of issuance of a bill by the City; such bill will be accompanied by an itemized statement of the City's reasonable costs. If payment is not received by the City within the thirty (30) day period, the City may collect the costs in any manner authorized by law. Reasonable costs may include,

but are not limited to, administrative overhead, mobilization, material, labor, and equipment related to such restoration.

**502.7 DAMAGE TO OTHER FACILITIES WITHIN THE PUBLIC RIGHTS-OF-WAY:** The Company shall be responsible for the cost of repairing any Facilities existing within the Public Rights-of-Way that it or the Facilities owned by the Company damage. If the Company damages the City's Facilities within the Public Rights-of-Way, such as, but not limited to, culverts, road surfaces, curbs and gutters, or tile lines, the Company shall correct the damage within a prompt period after receiving written notification from the City. If the Company does not correct the City's damaged Facilities pursuant to the foregoing, the City may make such repairs as necessary and charge all of the reasonable costs of such repairs within thirty (30) days of billing accompanied by an itemized statement of the City's reasonable costs. If payment is not received by the City within such thirty (30) day period, the City Attorney may collect the costs in any manner authorized by law. Reasonable costs may include, but are not limited to, administrative overhead, mobilization, material, labor, and equipment related to such repair.

**502.8 DIRECTOR'S STANDARD:** All determinations to be made by the Director with respect to the manner and extent of restoration, patching, repairing and similar activities under the franchise granted by this Ordinance, shall be reasonable and shall not be unreasonably conditioned, withheld, or delayed. The Company may request additional time to complete restoration, patching, repair, or other similar work as required under the franchise granted by this Ordinance, and the Director shall not unreasonably withhold, condition, or delay consent to such requests.

## ARTICLE VI - LIABILITY

### SECTION 601 INDEMNIFICATION AND LIABILITY

**601.1 SCOPE OF INDEMNIFICATION:** Subject to the following, the Company agrees and binds itself to defend, indemnify, keep and hold the City, City Council members, officials and its employees free and harmless from liability on account of injury or damage to persons, firms or corporations or property growing out of or directly or indirectly resulting from:

- (a) the Company's use of the Public Rights-of-Way pursuant to the franchise granted by this Ordinance;
- (b) the acquisition, erection, installation, maintenance, repair, operation and use of any poles, wires, cables, conduits, lines, manholes, facilities and equipment by the Company, its authorized agents, subagents, employees, contractors or subcontractors; or
- (c) the exercise of any right granted by or under the franchise granted by this Ordinance or the failure, refusal or neglect of the Company to perform any duty

imposed upon or assumed by the Company by or under the franchise granted by this Ordinance.

**601.2 DUTY TO INDEMNIFY, DEFEND AND HOLD HARMLESS:** If a suit arising out of subsection (a), (b), (c) of Section 601.1, claiming such injury, death, or damage shall be brought or threatened against the City, its officers, or employees, either independently or jointly with the Company, the Company will defend, indemnify and hold the City harmless in any such suit, at the cost of the Company, provided that the City promptly provides written notice of the commencement or threatened commencement of the action or proceeding involving a claim in respect of which the City will seek indemnification hereunder. The Company shall be entitled to have sole control over the defense through counsel of its own choosing and over settlement of such claim provided that the Company must obtain the prior written approval of City of any settlement of such claims against the City, which approval shall not be unreasonably withheld or delayed more than thirty (30) days. If, in such a suit, a final judgment is obtained against the City, its officers, or employees, either independently or jointly with the Company, the Company will pay the judgment, including all reasonable attorney's fees and other costs, and will hold the City harmless therefrom.

## **SECTION 602 WAIVER BY THE CITY**

The City waives the applicability of these indemnification provisions with respect to the claim at issue as of the date that the City:

- (a) elects to conduct its own defense against such claim; or
- (b) fails to give notice to the Company within thirty (30) days of any such claim such that the Company's ability to defend against such claim is compromised; or
- (c) denies approval of a complete settlement of such claim for which the Company seeks approval; or
- (d) fails to approve or deny a settlement of such claim within thirty (30) days of the Company seeking approval of such settlement.

## **SECTION 603 INSURANCE**

**603.1** The Company shall also maintain in force; (i) commercial general liability insurance with limits of \$2,000,000 per occurrence for bodily injury (including death) and property damage and \$2,000,000 general aggregate including premises-operations, personal and advertising injury, products/completed operations and coverage for explosion, collapse and underground hazards, covering claims or incidents arising out of or resulting from the operations under this Agreement and; (ii) commercial automobile liability insurance in the amount of \$2,000,000 combined single limit each accident for bodily injury and property damage covering all owned, non-owned and hired vehicles; and (iii) workers

compensation insurance in compliance with the statutory requirements of the state(s) of operation and employer's liability with limits of \$1,000,000 for each accident/disease/policy limit.

All required insurance will be issued by an insurance company licensed, authorized or permitted to conduct business in the State of Virginia, or a form of self-insurance;

Upon receipt of notice from its insurer(s), the Company shall provide the City Attorney with thirty (30) days' prior written notice of cancellation of any required coverage:

The commercial general liability and commercial automobile liability policies shall include the City as an additional insured as their interest may appear under this Agreement and the Company shall provide the City Attorney with a certificate of insurance as evidence of such coverage upon execution of this Franchise Ordinance in a form reasonably acceptable to the City Attorney.

**603.2** The Company shall require all contractors and subcontractors to obtain and maintain substantially the same insurance as required of the Company with limits commensurate with the work or service to be provided.

## **SECTION 604 NEGLIGENCE AND INTENTIONAL ACTS**

Nothing herein contained shall be construed to render the Company liable for or obligated to indemnify the City, its agents, or employees, for the negligence or intentional acts of the City, its Council members, its agents or employees, or a permittee of the City.

## **ARTICLE VII – GUARANTEES OF PERFORMANCE**

### **SECTION 701 GENERAL REQUIREMENT OF A PERFORMANCE BOND**

Prior to the Effective Date of this Ordinance, the Company has deposited with the City a Performance Bond made payable to the city in the amount of twenty-five thousand dollars (\$25,000). The bond must be written by a corporate surety acceptable to the City and authorized to do business in the Commonwealth of Virginia. The Performance Bond must be maintained at this amount through the term of this Franchise Ordinance. Whenever the City calls upon the Performance Bond, the Company will take whatever steps are necessary to replenish the amount available to be called upon under the Performance Bond within ten (10) days of notice from the City regarding same.

### **SECTION 702 CHANGED AMOUNT OF THE PERFORMANCE BOND**

At any time during the Term, the City may, acting reasonably, require or permit the Company to change the amount of the Performance Bond if the City finds that new risk or other factors exist that reasonably necessitate or justify a change in the amount of the Performance Bond. Such new factors may include, but not be limited to, such matters as:

- (a) material changes in the net worth of the Company;
- (b) changes in the identity of the Company that would require the prior written consent of the City;
- (c) material changes in the amount and location of Facilities owned by the Company;
- (d) the Company's recent record of compliance with the terms and conditions of this Ordinance; and
- (e) material changes in the amount and nature of construction or other activities to be performed by the Company pursuant to this Ordinance.

### **SECTION 703 PURPOSE OF PERFORMANCE BOND**

The Performance Bond shall serve as security for:

- (a) the faithful performance by the Company of all terms, conditions and obligations of this Ordinance;
- (b) any expenditure, damage or loss incurred by the City occasioned by the Company's failure to comply with all rules, regulations, orders, permits and other directives of the City issued pursuant to this Ordinance;
- (c) payment of costs or compensation required by this Ordinance;
- (d) the payment of premiums for the liability insurance required pursuant to this Ordinance;
- (e) the removal of Facilities owned by the Company from the Streets at the termination of the Ordinance, at the election of the City, pursuant to this Ordinance;
- (f) any loss or damage to the Streets or any property of the City during the installation, operation, upgrade, repair or removal of Facilities by the Company;
- (g) the payment of any other amounts that become due to the City pursuant to this Ordinance or law;
- (h) the timely renewal of any corporate surety bond that constitutes the Performance Bond; and

- (i) any other costs, loss or damage incurred by the City as a result of the Company's failure to perform its obligations pursuant to this Ordinance.

## **SECTION 704 FEES OR PENALTIES FOR VIOLATIONS OF THE ORDINANCE**

**704.1 FEE OR PENALTY:** The Company shall be subject to a fee or a penalty for violation of this Ordinance as provided for in applicable law.

**704.2 APPEAL:** The Company may, upon written request within thirty (30) days of the City's decision to assess a fee or penalty and for reasons of good cause, ask the City to reconsider its imposition of a fee or penalty pursuant to this Ordinance unless another period is provided for in applicable law. The City Engineer or designee shall schedule a review of such request to be held within forty-five (45) days of receipt of such request from the Company. The City's decision on the Company's appeal shall be in writing and supported by written findings establishing the reasonableness of the City's decision. During the pendency of the appeal before the City or any subsequent appeal thereafter, the Company shall place any such fee or penalty in an interest-bearing escrow account. Nothing herein shall limit the Company's right to challenge such assessment or the City's decision on appeal, in a court of competent jurisdiction.

## **ARTICLE VIII – REQUIRED PAYMENTS**

### **SECTION 801 COMPENSATION/PROW USE FEE.**

The City reserves the right to impose at any time on the Company consistent with Section 253(c) of the Communications Act of 1934, as amended:

- (a) a PROW Use Fee in accordance with Section 56-468.1(G) of the Code of Virginia, and/or
- (b) any other fee or payment that the City may lawfully impose for the occupation and use of the Streets.

The Company shall be obligated to remit the PROW Use Fee and any other lawful fee enacted by the City, so long as the City provides the Company and all other affected certificated providers of local exchange telephone service appropriate notice of the PROW Use Fee as required by Section 56-468.1(G) of the Code of Virginia. If the PROW Use Fee is eliminated, discontinued, preempted or otherwise is declared or becomes invalid, the Company and the City shall negotiate in good faith to determine fair and reasonable compensation to the City for use of the Streets by the Company for Facilities.

## **SECTION 802 RESERVED**

## **SECTION 803 NO CREDITS OR DEDUCTIONS**

The compensation and other payments to be made pursuant to Article VIII: (a) shall not be deemed to be in the nature of a tax, and (b) except as may be otherwise provided by Section 56-468.1 of the Code of Virginia, shall be in addition to any and all taxes or other fees or charges that the Company shall be required to pay to the City or to any state or federal agency or authority, all of which shall be separate and distinct obligations of the Company.

## **SECTION 804 REMITTANCE OF COMPENSATION/LATE PAYMENTS, INTEREST ON LATE PAYMENTS**

(1) If any payment required by this Ordinance is not actually received by the City on or before the applicable date fixed in this Ordinance, or (2), in the event the City adopts an ordinance imposing a PROW Use Fee, if such Fee has been received by the Company from its customers, and has not been actually received by the City on or before the applicable date fixed in this Ordinance or thirty (30) days after receipt of the PROW Use Fee from its customers, whichever is later, then the Company shall pay interest thereon, to the extent permitted by law, from the due date to the date paid at a rate equal to the rate of interest then charged by the City for late payments of real estate taxes.

## **ARTICLE IX – ENFORCEMENT AND INTERPRETATION**

### **SECTION 901 ENFORCEMENT; RESERVATION OF ALL RIGHTS AND POWERS**

The City may enforce the terms of this Ordinance by any lawful means in its sole and absolute discretion, and the selection of a particular method of enforcement shall not preclude the City from using another method in relation to the same enforcement action or another enforcement action. In addition to any methods of enforcement granted by general law, the City reserves the remedy of self-help, including the right to remove, correct, or relocate any unsafe Facility belonging to the Company. In any litigation arising out of the City's enforcement of this Ordinance, the City may recover its reasonable attorney's fees if it prevails in the litigation.

The City reserves the right by ordinance or resolution to establish any reasonable regulations for the convenience, safety, health and protection of its inhabitants under its police powers, consistent with state and federal law. The rights herein granted are subject to the exercise of such police powers as the same now are or may hereafter be conferred upon the City. Without limitation as to the generality of the foregoing the City reserves the full scope of its power to require by ordinance substitution of underground service for overhead service, or the transfer of overhead service from the front to the rear of property whenever reasonable in all areas in the City and with such contributions or at such rates as may be allowed by law.

Notwithstanding anything herein to the contrary, nothing herein shall be construed to extend, limit or otherwise modify the authority of the City preserved under Sections 253 (b) and (c) of the Communications Act of 1934, as amended. Nothing herein shall be construed to limit, modify, abridge or extend the rights of the Company under the Communications Act of 1934, as amended.

## **SECTION 902 SEVERABILITY**

If any portion of this Ordinance is for any reason held to be invalid by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions thereof.

## **ARTICLE X - MAINTENANCE**

### **SECTION 1001 MAINTENANCE OBLIGATION**

The Company will maintain the poles, wires, cable, conduits, lines, manholes, equipment and other Facilities it owns within the City's PROW in good order and operating condition throughout the term of the franchise granted by this Ordinance. Upon notice from the City, the Company will promptly repair, replace or remove any Facilities not in good order or not in operating condition.

### **SECTION 1002 TREE TRIMMING**

Should the Company install any overhead lines, it shall have the authority to trim trees upon or overhanging the streets, alleys, walkways or Public Rights-of-Way to prevent the branches of such trees from interfering with its lines or other Facilities. However, all such trimmings shall be performed in a safe and orderly manner under the general direction of the Director of Public Works or his or her designee and in compliance with the pruning standards of the National Arborists Association as currently in effect.

## **ARTICLE XI - TERM**

### **SECTION 1101 INITIAL TERM OF FRANCHISE**

The term of the franchise granted by this Ordinance shall be for a period of five (5) years from the effective date of this Ordinance.

### **SECTION 1102 APPLICATION FOR NEW FRANCHISE**

If the Company wishes to maintain its equipment within the City and to continue the operation of the system beyond the term of the franchise granted by this Ordinance, it shall give written notice to the City at least one hundred twenty (120) days before expiration of the franchise granted by this Ordinance, stating that it wishes to apply for a new franchise. Such application shall include a report of the location of the Facilities owned by the Company within the City's PROW, and a statement as to whether the Company has complied with the provisions of this Ordinance.

**SECTION 1103 HOLDOVER PERIOD; OPERATION OF FACILITIES OWNED BY THE COMPANY WHILE RENEWAL IS PENDING**

Upon a timely request by the Company prior to the expiration of its initial franchise, the Company shall be permitted to continue operations of the Facilities owned by the Company within the City under the terms of the franchise granted by this Ordinance until the City acts upon the Company's request or as otherwise provided in Section 1401 of this Ordinance. Nothing herein shall be construed to grant the Company a perpetual franchise interest.

During the Holdover Period, the Company will abide by all its obligations under this Ordinance as if it remained in effect.

**SECTION 1104 MODIFICATION**

This Ordinance may be modified by the parties during performance, but no modification shall be valid or enforceable unless in writing and signed by each of the parties hereto.

**ARTICLE XII – INFORMATION SHARING**

**SECTION 1201 NOTICE**

All notices, except for in cases of emergencies, required pursuant to the franchise granted by this Ordinance shall be in writing and shall be mailed or delivered to the following address:

**To the Company:**

MCI Communications Services LLC  
Attn: Franchise Manager  
600 Hidden Ridge  
Irving, TX 75038

**To the City:**

City of Charlottesville  
Attn: City Manager  
605 East Main Street  
Charlottesville, VA 22902

Copy To

Verizon Legal Department  
Attn Network Legal Team  
1300I Street, NW, 5<sup>th</sup> Floor  
Washington DC, 20005

All correspondences shall be by registered mail, certified mail or regular mail with return receipt requested; and shall be deemed delivered when received or refused by the addressee. Each Party may change its address above by like notice.

**SECTION 1202 EMERGENCY NOTIFICATION**

Notices required pursuant to Section 303.2 shall be made orally and email to the following:

<b>To the Company:</b>	<b>To the City:</b>
Verizon Network Operations Centre 800-624-9675	Gas Dispatchers (434) 970-3800 (office) Emergency (434)293-9164 (leaks)
Associate Director VZB OSP Northeast Adam Rice Cell: (571) 220-8978 Email: adam.rice@verizon.com	Steven Hicks Director of Public Works (434) 970-3703 (office) hicks@charlottesville.gov

**SECTION 1203 REGISTRATION OF DATA**

The Company, including any sub-leasee or assigns, must keep on record with the City the following information:

- (a) Name, address and e-mail address if applicable, and telephone number;
- (b) Name, address and e-mail address if applicable, and telephone number of a local representative available for consultation at all times. This information must include how to contact the local representative in an emergency; and
- (c) A certificate of insurance as required under Article VI, Section 603 of this Franchise Ordinance, and a copy of the insurance policy.

The Company shall update all of the above information with the City within fifteen (15) days following its knowledge of any change.

**ARTICLE XIII - TERMINATION**

**SECTION 1301 TERMINATION OF FRANCHISE**

The franchise granted by this Ordinance may be terminated:

- (a) by the Company, at its election and without cause, by written notice to the City at least sixty (60) days prior to the effective date of such termination; or
- (b) by either the Company or the City, after thirty (30) days written notice to the other party of the occurrence or existence of a default of the franchise granted by this Ordinance, if the defaulting party fails to cure or commence good faith efforts to cure, such default within sixty (60) days after delivery of such notice.

Notwithstanding the provisions of this Section, the terms and conditions of the franchise granted by this Ordinance pertaining to indemnification shall survive a termination under this Section.

## **ARTICLE XIV – DISPOSITION OF FACILITIES UPON TERMINATION**

### **SECTION 1401 REMOVAL OF FACILITIES FROM THE PUBLIC RIGHTS-OF-WAY**

The Company shall remove all Facilities owned by the Company from the streets, alleys and public places of the City at the expense of the Company within six (6) months after the termination, abandonment, or expiration of this franchise granted by this Ordinance, or by such reasonable time to be prescribed by the City Council, whichever is later. No such removal will be required while any renewal requests as provided for in Section 1102 and Section 1103, are pending before the City. If such renewal request is denied, the six (6) month period provided above shall commence on the date of denial or expiration, whichever is later. The City reserves the right to waive this requirement, as provided for in Section 1402 herein. The City shall grant the Company access to the Public Rights-of-Way in order to remove its Facilities owned by the Company pursuant to this paragraph.

### **SECTION 1402 ABANDONMENT OF FACILITIES OWNED BY THE COMPANY IN THE PUBLIC RIGHTS-OF-WAY**

The Facilities owned by the Company may be abandoned without removal upon request by the Company and approval by the City. This Section survives the expiration or termination of this franchise granted by this Ordinance.

## **ARTICLE XV – ASSIGNMENT AND LEASING**

### **SECTION 1501 PRIOR WRITTEN CONSENT FOR ASSIGNMENT**

The franchise granted by this Ordinance shall not be assigned or transferred without the express written approval of the City, which shall not be unreasonably or discriminatorily conditioned, withheld or delayed. The City will not approve of a transfer to any entity that is not properly authorized to do business in the Commonwealth of Virginia or not authorized or equipped to carry on the business contemplated by this Ordinance. As a condition of approval of a transfer,

the City may require that the transferee accept liability for any known or unknown claims against the Company arising under this Ordinance.

In addition, nothing in this Ordinance shall be construed to require the Company to obtain approval from the City in order to lease any Facilities owned by the Company or any portion thereof in, on, or above the PROW, or grant an indefeasible right of use (“IRU”) in the Facilities owned by the Company, or any portion thereof, to any entity or person. The lease or grant of an IRU in such Facilities owned by the Company, or any portion or combination thereof, shall not be construed as the assignment or transfer of any franchise rights granted under this Ordinance. Any lease or IRU granted by the Company terminates upon the termination of the Franchise or the expiration of any grace period provided under Section 1401.

## **SECTION 1502 SUCCESSORS AND ASSIGNS**

Notwithstanding Section 1501, the Company may assign, transfer, or sublet its rights, without the consent of the City, to any person or entity that controls, is controlled by or is under common control with the Company, any company or entity with which or into which the Company may merge or consolidate, or to any lender of the Company, contingent upon the Company’s providing the City notice of the action prior to enactment. Any successor(s) of the Company shall be entitled to all rights and privileges of this franchise granted by this Ordinance and shall be subject to all the provisions, obligations, stipulations and penalties herein prescribed.

## **ARTICLE XVI - NONEXCLUSIVITY**

### **SECTION 1601 NONEXCLUSIVE FRANCHISE**

Nothing in the franchise granted by this Ordinance shall be construed to mean that this is an exclusive franchise, as the City Council reserves the right to grant additional franchises to other parties.

## **ARTICLE XVII – WAIVERS GENERALLY**

### **SECTION 1701 ALL WAIVERS IN WRITING AND EXECUTED BY THE PARTIES**

Any waiver of the franchise granted by this Ordinance or any of its provisions shall be effective and binding upon the Parties only if it is made in writing and duly signed by the Parties.

### **SECTION 1702 NO CONSTRUCTIVE WAIVER RECOGNIZED**

If either Party fails to enforce any right or remedy available under the franchise granted by this Ordinance, that failure shall not be construed as a waiver of any right or remedy with respect to any breach or failure by the other Party. Nothing herein shall be construed as a waiver of any

rights, privileges or obligations of the City or the Company, nor constitute a waiver of any remedies available at equity or at law. No acceptance by the City of any payment by the Company will be considered an accord and satisfaction of disputed claims or debts unless the City provides written agreement that such payment constitutes accord and satisfaction.

**ARTICLE XVIII - NONDISCRIMINATION**

**SECTION 1801 NO DISCRIMINATION**

The Company’s rights, privileges and obligations under the franchise granted by this Ordinance shall be no less favorable than those granted by the City to and shall not be interpreted by the City in a less favorable manner with respect to any other similarly situated entity or person or user of the City’s Public Rights-of-Way.

**ARTICLE XIX – INABILITY TO PERFORM**

**SECTION 1901 FORCE MAJEURE**

Neither the Company nor the City shall be liable for any delay or failure in performance of any part of the franchise granted by this Ordinance from any cause beyond its control and without its fault or negligence including, without limitation, acts of nature, acts of civil or military authority, government regulations, embargoes, epidemics, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, work stoppages, equipment failure, power blackouts, volcanic action, other major environmental disturbances, or unusually severe weather conditions.

**ARTICLE XX**

**SECTION 2001 EFFECTIVE DATE**

This Ordinance shall be effective upon its passage.

Adopted by the Council of the City of Charlottesville on the \_\_\_ day of \_\_\_\_\_, 2025.

---

Clerk of Council

ACCEPTED: The franchise granted by this Ordinance is accepted, and the Company agrees to be bound by its terms and conditions.

---

**MCI COMMUNICATIONS  
SERVICES LLC**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date \_\_\_\_\_