

AGENDA ITEM – 3C



MEMORANDUM

DATE: January 12, 2026
TO: Honorable Mayor and City Councilmembers
FROM: Jessica Jagoe, City Administrator
SUBJECT: North Suburban Communications Commission Broadband Franchise Discussion

Budgeted Amount:
N/A

Actual Amount:
N/A

Funding Source:
N/A

Council Should Consider

Council should discuss and provide direction on broadband franchise agreements with the North Suburban Communications Commission (NSCC).

Background

At the December 12th work session, Councilmember Weber requested that fiber construction and broadband system franchising be added as a future work session discussion topic. Given the recent inquiries from companies looking to install fiber within Arden Hills and the potential of future right-of-way permits, staff is bringing this item forth for Council consideration.

Franchising gives municipalities the legal authority to manage their public rights-of-way and negotiate enforceable agreements with private broadband providers. For Arden Hills, the NSCC has the delegated authority to negotiate and manage the cable communications systems on behalf of its member cities. A broadband system under state law is considered a cable communications system. Therefore, the City can make the determination that when a permit application is submitted to construct a cable communications system (i.e. broadband system) that the applicant shall be instructed to obtain a franchise from the NSCC as a prerequisite to issuing permits. At its December meeting, the NSCC Board passed a recommendation that each member city should direct any applicant for fiber construction to them for franchising discussions.

On September 25, 2025, the South Washington County Telecommunications Commission (SWCTC) adopted the first broadband franchise in the state for the City of Woodbury area. This franchise agreement is with Intrepid Fiber Networks. Key provisions that were secured by SWCTC for its member city were:

- Ability to franchise with other broadband providers
- Equal Access to Broadband to all residents in the franchise area

- Open Access System to be built by franchisee as a wholesale provider. Other franchised retail service providers will operate on this single, robust network, fostering competition in services and pricing for residents
- Authorization for Open Access Service Providers will be allowed to sign on to this master franchise
- Buildout Obligation of entire city over a 5-year period
- Financial Consideration to pay a 5% gross revenue fee
- Public Benefits & Protections is secured with commitments for free or discounted broadband services to government facilities and a provision for a discount of no less than 10% for seniors and disabled persons

For Arden Hills, no permits have been issued thus far. Three companies have inquired about fiber to home, which are, are Intrepid Fiber, Lumen/AT&T Fiber and primarily Gateway Fiber. The new ROW Permit Application form is updated to have the checkboxes separating broadband/fiber (we can definitely adjust it in the future, too, if we deem necessary based on this process's discussion). We know that if that box is checked for "fiber", that we will route them to be reviewed by the NSCC for prerequisite Franchise Approvals, whatever those entail. Once they have that letter of approval from them, the Fiber Company would then be permitted to go through the typical ROW Application process, where we would 1) require restoration that we need, 2) collect escrow and fees to cover restorations and inspections services, 3) be able to review and coordinate placement of fiber around existing infrastructure and construction projects and 4) be able to track projects within our permitting software.

Currently, we only have one application and that is from Gateway Fiber in the Karth Lake neighborhood and surrounding areas in the northeastern corner. Public Works issued a Stop Work Order to Lumen in the southwest part of town a couple months ago as they were working without a permit due to some confusion with the City of New Brighton. The time constraint with Gateway Fiber is that Public Works would like to get them in ahead of the 2026 PMP so they don't disrupt the new pavement or delay the City Project Contractor (whomever that ends up being, TBD after bidding). A utility coordination meeting would take place with Public Works, Bolton and Menk, and Gateway Fiber to get a plan for their schedule to work around the 2026 PMP Contractor this summer appropriately.

One more piece to consider, while Intrepid and Gateway are new to Arden Hills, Lumen is not. They have a lot of infrastructure already in the ground in the City. We would need to determine in some way when Lumen is here doing new Fiber Broadband work, or just simply maintaining existing infrastructure.

Staff is seeking Council direction on the potential next steps for broadband franchise agreements with the NSCC and consideration of issuance of a formal notice to future applicants of right-of-way permits for broadband system installation.

Budget Impact

N/A

Attachment

Attachment A: NSCC Memorandum Broadband Franchising
Attachment B: Sample Permit Deferral Letter to NSCC