



# City Council Memorandum

City of Arts & Innovation

**TO: HONORABLE MAYOR AND CITY COUNCIL**                      **DATE: APRIL 14, 2026**

**FROM: PUBLIC WORKS DEPARTMENT**                                      **WARDS: 1 AND 2**

**SUBJECT: THIRD STREET GRADE SEPARATION - APPROVAL OF THE REIMBURSEMENT AGREEMENT WITH COGENT FIBER LLC, A DELAWARE LIMITED LIABILITY COMPANY, FOR THE RELOCATION OF THEIR FIBER OPTIC CABLE FACILITIES IN THE AMOUNT OF \$1,203,543**

**ISSUE:**

Approve the Reimbursement Agreement with Cogent Fiber LLC, a Delaware Limited Liability Company for the relocation of their fiber optic cable facilities required as part of the Third Street Grade Separation project, in the amount of \$1,203,543.

**RECOMMENDATIONS:**

That the City Council:

1. Approve the Reimbursement Agreement with Cogent Fiber LLC, a Delaware Limited Liability Company, in the amount of \$1,203,543; and
2. Authorize the City Manager, or his designee, to execute the Reimbursement Agreement, including making minor and non-substantive changes.

**BACKGROUND:**

On July 2, 2024, the City Council approved the preliminary engineering reimbursement agreement (PERA) with Sprint Communications Company L.P. (now known as Cogent Fiber LLC) for an amount of \$143,928 and approved the Second Amendment to Preliminary Engineering Services agreement with Burlington Northern Santa Fe Railroad (BNSF) for \$50,000, bringing the total agreement amount to \$160,000.

**DISCUSSION:**

The Third Street Grade Separation project (Project) will construct a railroad underpass at Third Street and the BNSF railroad tracks. Third Street will be lowered between Vine Street and Park Avenue and a bridge will be constructed to convey rail traffic. The project will require the realignment of Commerce Street, construction of slopes, retaining walls, storm water pump station, and relocation of wet and dry utilities.

The Project impacts the existing fiber optic cable and facilities owned and operated by Cogent Fiber LLC (formerly known as Sprint Communications Company L.P.) which are located within BNSF right-of-way under a Memorandum of License Agreement with BNSF dated December 20, 1991. These facilities are critical components of a regional telecommunications network and must

remain operational during and after construction. Due to realignment of the tracks and construction of the underpass, relocation of these facilities is required.

Cogent Fiber LLC will perform the relocation work in accordance with the engineering drawings and scope of work as detailed in Exhibits A and B of the Reimbursement Agreement. The City will reimburse Cogent for all actual direct and indirect costs associated with the relocation, including engineering, labor, materials, construction, administrative overhead, and related expenses. The total estimated cost of the relocation is \$1,203,543.

The Project is scheduled to be advertised for bids by April 2026. Construction is anticipated to start in the third quarter of 2026 and is expected to last approximately 2 years.

**FISCAL IMPACT:**

The total fiscal impact of this action is \$1,203,543. Sufficient funds are budgeted and available in the Measure A Fund, Third St BNSF Grade Separation project account number 9990130-440309 to execute the agreement with Cogent LLC and complete the relocation work.

Prepared by:	Sweta Patel, Principal Engineer
Approved by:	Nathan Mustafa, Interim Public Works Director
Certified as to availability of funds:	Julie Nemes, Interim Finance Director
Approved by:	Kris Martinez, Assistant City Manager
Approved as to form:	Rebecca McKee-Reimbold, Interim City Attorney

- Attachments:
1. Reimbursement Agreement