



TO: Mayor and City Council
FROM: William A. Gaines, Director of Utilities/CEO
COPY: Elizabeth Pauli, City Manager and City Clerk
SUBJECT: Resolution to accept Telecommunications Franchise Agreement Between City of Puyallup and City of Tacoma, Click! Network – October 3, 2017
DATE: September 15, 2017

SUMMARY:

A Resolution to accept Telecommunications Franchise Agreement between City of Puyallup and City of Tacoma, Click! Network for right to construct and operate telecommunications facilities within the rights-of-way for a ten-year period. This is a new Franchise Agreement and should be accepted so that Click! Network has authorization to occupy the rights-of-way with a fiber optic facility to establish an interconnection point in the Centeris Data Center. This item is being brought before City Council to involve the Council in a policy decision impacting Click! Network, and Click! Network respectfully requests the council authorize acceptance of the Franchise.

STRATEGIC POLICY PRIORITY:

Assure outstanding stewardship of the natural and built environment.

City of Tacoma, Department of Public Utilities, has invested significant funds over the life span of Click! Network to build and operate a robust telecommunications network. Establishing an interconnection point in this data center enables the network to be more fully leveraged in that it will provide additional choices to Click! and its wholesale customers for connections to large telecommunications carriers for data transport outside of the local market area.

BACKGROUND:

Application was made with City of Puyallup by City of Tacoma, Dept. of Public Utilities, Light Division, dba Click! Network for a non-exclusive telecommunications franchise granting it the right to occupy rights-of-way within the City to accommodate construction of a fiber optic line connecting the Click! Network to the Centeris Regional Data Center. The Telecommunications Franchise was granted to City of Tacoma, Dept. of Public Utilities, Light Division, dba Click! Network by City of Puyallup Ordinance No. 3148 on August 22, 2017, for a ten year term. The Public Utility Board authorized acceptance of the Franchise on September 13, 2017, by Resolution U-10954.

ISSUE:

This Resolution would authorize the Power Superintendent/COO to execute the Franchise Agreement approved by the City of Puyallup on August 22, 2017 by its Ordinance No. 3148, signifying acceptance by City of Tacoma. This issue is being brought before City Council because of Council’s desire to be involved in major policy decisions impacting Click! Network. Click! Network respectfully requests City Council authorization to execute the Franchise Agreement so it may take effect for the ten-year time period through August 29, 2027.

ALTERNATIVES:

The alternative to granting authorization to execute the Franchise Agreement would result in rejection of the Franchise and its rights and obligations, preventing Click! Network from constructing the fiber optic line to the data center.



RECOMMENDATION:

It is recommended that City Council execute a Resolution authorizing Click! Network to execute the Telecommunications Franchise Agreement with City of Puyallup, signifying acceptance of the rights and obligations contained therein.

FISCAL IMPACT:

There is no fiscal impact by accepting this Telecommunications Franchise. The franchise creates an obligation to pay City Utility Tax on revenues generated within Puyallup. No customers will be served within that City and no revenue will be generated. The Franchise does not authorize provision of cable television services, so there are no applicable Franchise Fees.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: NONE

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? N/A