




TO: Elizabeth Pauli, City Manager
FROM: Gwen Schuler, Director, Media & Communications Office
Jeff Lueders, MCO Cable Communications & Franchise Services Manager 
COPY: City Council and City Clerk
SUBJECT: Ordinance for Telecommunications Franchise Agreement with ExteNet Systems Incorporated, November 7, 2017 City Council Agenda
DATE: October 24, 2017

SUMMARY:

Request for an ordinance related to telecommunications and franchise services, granting a ten-year Telecommunications Franchise Agreement to ExteNet Systems Incorporated to construct, operate, maintain, remove, replace, and repair small cell wireless communications facilities within public right-of-way areas within the City of Tacoma. This is a new agreement and is needed for them to move forward with Pole Attachment agreement negotiation, gain permits and operate within the City’s public right-of-way, which will allow for technology growth in Tacoma.

STRATEGIC POLICY PRIORITY:

- Ensure all Tacoma residents are valued and have access to resources to meet their needs.
- Foster a vibrant and diverse economy with good jobs for all Tacoma residents.
- Encourage thriving residents with abundant opportunities for life-long learning.

By allowing telecommunications providers to utilize our right-of-way, we continue to foster competition in the market place, increase choices for our residents, and allow for the growth of technology in our city.

BACKGROUND:

This Telecommunications Franchise Agreement will be brought before the Government Performance and Finance Committee on November 1, 2017, where staff will seek a recommendation by the Committee to forward to the full City Council for adoption. After a thorough negotiation process between the City of Tacoma and ExteNet Systems Incorporated, staff negotiated this tentative agreement and recommends adoption.

ExteNet Systems Incorporated is applying for the opportunity to construct its own small cell network within the jurisdictional boundaries of the City of Tacoma by way of attaching devices to poles and/or overhead construction methods.

Revenue will be generated for the Public Works Department depending on the Pole Attachment agreement for devices attached to Street Light and Signal poles. Revenue will also be generated for TPU for devices attached to TPU Poles. These amounts are to be determined as TPU has hired a consultant to determine fair market value for pole attachment fees and then negotiations will occur between the parties.

ISSUE:

This is a proposed ten-year Telecommunications Franchise Agreement. According to Title 16B of the Tacoma Municipal Code a Telecommunications Provider must have a Telecommunications Franchise Agreement with the City of Tacoma in order to gain permits and operate within our public right-of-way.



ALTERNATIVES:

Without this agreement, ExteNet Systems Incorporated will not have access to the public right-of-way to construct, operate, maintain, remove, replace, and repair their small cell wireless infrastructure. The City of Tacoma City Council has previously approved a number of Telecommunication Franchise Agreements, not approving this one could be grounds for potential litigation.

RECOMMENDATION:

Staff recommends the approval of the Telecommunications Franchise Agreement between the City of Tacoma and ExteNet Systems Incorporated. The agreement would go to City Council for First Reading on November 7, 2017 and then held over per City Code for 15 days for Public Comment before coming back to City Council on November 28, 2017 for Final Reading. It would be published on December 1, 2017 and then sent for signatures by both parties after which it would become fully enacted on January 1, 2018.

FISCAL IMPACT:

- There is no fiscal impact per the franchise agreement but the city will receive revenue per the Pole Attachment agreements with Public Works (Light and Signal poles) and TPU (Power poles). The amounts of these agreements have not been determined or negotiated at this time.