



**TO:** T.C. Broadnax, City Manager  
**FROM:** Gwen Schuler, Media & Community Services Manager *JS*  
Jeff Lueders, Cable Communications & Franchise Services Manager *J.L.*  
**COPY:** City Council  
**SUBJECT:** Zayo Telecommunications Franchise Agreement  
**DATE:** December 12, 2013

**SUMMARY:**

Authorizing the execution of an amendment to the ten-year non-exclusive telecommunications franchise agreement with Zayo Group, LLC, to construct operate, and repair a telecommunications system throughout the city.

**BACKGROUND:**

The City of Tacoma and Zayo Group, LLC reached an agreement on a Telecommunications Franchise which was approved by the City Council as Ordinance 28124 on January 29, 2013. The Zayo Group recently discovered that this Telecommunications Franchise, that they had reviewed and agreed to terms on, only granted them the ability to install infrastructure “underground” and their network design now requires that some of their infrastructure be installed “overhead”.

**ISSUE:**

The Zayo Group, LLC has requested that the Telecommunications Franchise Agreement (Ordinance 28124) be amended as presented to allow for installation of “overhead” infrastructure. In addition, the City of Tacoma Legal Department is taking this opportunity to amend the definition of “Gross Receipts” to clarify the City of Tacoma’s legal position on this item which Zayo has agreed to.

**ALTERNATIVES:**

N/A

**FISCAL IMPACT:**

RCW 35.21.860 exempts telecomm companies from paying municipal franchise fees. Given that, there is no fiscal impact to the City as a result of this franchise.

**RECOMMENDATION:**

The Media and Communications Office recommends approval of the Amendments to the Telecommunications Franchise Agreement (Ordinance 28124) and presents this item to the City Council for consideration and adoption.