



City of Tacoma

City Council Action Memorandum

TO: Elizabeth Pauli, City Manager
FROM: Jeff Lueders, MCO – Division Manager – Franchise Services
Amy Clancy, MCO Director
COPY: City Council and City Clerk
SUBJECT: Request for Ordinance for a Telecommunications Franchise Agreement - Ziplly Fiber Pacific, LLC, dba Ziplly Fiber
DATE: January 23, 2024

SUMMARY AND PURPOSE:

The purpose of this item is to Request an Ordinance for a 10 year Telecommunications Franchise Agreement between the City of Tacoma and Ziplly Fiber Pacific, LLC. This is the first such ordinance for Ziplly Fiber. We have reviewed their request, negotiated terms, and reached a tentative agreement pending City Council consideration and approval. Based on Ziplly Fiber’s Financial and Technical abilities, and History as a provider and vendor, we are recommending passage of this Request for Ordinance.

BACKGROUND:

This Department’s Recommendation is Based On State and Local Law which requires a Telecommunications Provider to have a Franchise Agreement to operate in the City of Tacoma Public Right of Way.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

Residents and Businesses in our community will be impacted by this decision as Ziplly Fiber will offer competitive services at competitive rates.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility: *(Mandatory)*

A competitive Telecommunications marketplace allows all residents and businesses to have choices when selecting services and at reduced prices due to competition. [Click or tap here to enter text.](#)

Economy/Workforce: *Equity Index Score: Low Opportunity*

Increase positive public perception related to the Tacoma economy.

Increase the number of infrastructure projects and improvements that support existing and new business developments.

Education: *Equity Index Score: Low Opportunity*

Increase digital access and equity across the city.

Select an indicator.

Civic Engagement: *Equity Index Score: Low Opportunity*

Increase the percentage of residents who believe they are able to have a positive impact on the community and express trust in the public institutions in Tacoma.

Representation at public meetings will reflect the diversity of the Tacoma community

Livability: *Equity Index Score: Moderate Opportunity*

Improve access and proximity by residents to diverse income levels and race/ethnicity to community facilities, services, infrastructure, and employment.



Decrease the percentage of individuals who are spending more than 45% of income on housing and transportation costs.

Explain how your legislation will affect the selected indicator(s).

A competitive Telecommunications marketplace allows all residents and businesses to have choices when selecting services and reduced prices due to competition. A robust marketplace increases livability, service availability and potential employment opportunities. Having multiple service providers increases competition, which in turn provides competitive pricing and improves the quality of life. The increase in infrastructure allows businesses to have choice and get the services they need at competitive prices to move their businesses forward and improves the overall perception of the Tacoma economy.

ALTERNATIVES:

Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Not Approve this Request for Ordinance		This could cause a lawsuit and/or create a negative perception of the Tacoma Business Community and Economy.
2.		
3.		

EVALUATION AND FOLLOW UP:

Zply Fiber continues to successfully do business in Tacoma and through-out the region abiding by Federal, State and Local Laws.

STAFF/SPONSOR RECOMMENDATION:

This item was presented to the Government Performance and Finance Committee on February 6, 2024.

Staff is recommending passage of this Request for Ordinance by the City Council. This recommendation will allow a new telecommunications provider into our community to do business, providing services desired by residents, governmental agencies, and businesses.

Effective Date: April 8, 2024.

FISCAL IMPACT:

Zply paid an application fee of \$5,000.00 to the City of Tacoma which according to this agreement (Section 6 - COMPENSATION AND FINANCIAL PROVISIONS, 6.1 Fees; Taxes, B. Franchise Obligated to Pay Administrative Costs (PAGE 38)) will be used to cover the administrative costs of evaluating their application.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
General Fund 0010	Cable Comm. & Franchise Services 20930	GL 4315551	\$5,000.00



	TOTAL		\$5,000.00
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Are there financial costs or other impacts of not implementing the legislation?

No

Will the legislation have an ongoing/recurring fiscal impact?

No

Will the legislation change the City's FTE/personnel counts?

No

ATTACHMENTS:

List attachments using bullet points.

- Attached is a copy of the negotiated Telecommunications Franchise Agreement between the City of Tacoma and Ziplly Fiber Pacific, LLC.