City of Tacoma **City Council Action Memorandum**

TO:	Elizabeth Pauli, City Manager
FROM:	Amy Clancy, MCO Director Jeff Lueders, MCO – Division Manager – Franchise Services
COPY:	City Council and City Clerk
SUBJECT:	Request for Resolution for acceptance of a Transfer of a Telecommunications Franchise Agreement between the City of Tacoma and Unite Private Networks, LLC to Ziply Fiber Pacific, LLC
DATE:	November 7, 2024

SUMMARY AND PURPOSE:

Unite Private Networks, LLC has informed the City of Tacoma that it is selling its PNW assets to Ziply Fiber, LLC. The purpose of this item is to Request a Resolution for Transfer of the 10-year Telecommunications Franchise Agreement between the City of Tacoma and Unite Private Networks, LLC (Ordinance No. 28979) to the Telecommunications Franchise Agreement (Ordinance No. 28956) between the City of Tacoma and Ziply Fiber Pacific, LLC. We have reviewed this request and are recommending City Council consideration and approval.

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 change only in that Ziply Fiber has a presence in our community and will continue to 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 Resolution		This could cause a lawsuit and/or create a negative perception of the Tacoma Business Community and Economy.
2.		
3.		

EVALUATION AND FOLLOW UP:

Ziply 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 November 19, 2024.

Staff is recommending passage of this Request for Resolution by the City Council. This recommendation will allow a Transfer of Obligations and Services from one telecommunications provider (UPN, LLC) to another (Ziply Fiber Pacific, LLC) in our community to continue operations, providing services desired by residents, governmental agencies, and businesses.

Effective Date: As soon as approved by City Council and all obligations will be per Ordinance No. 28956.

FISCAL IMPACT:

Ziply and UPN each paid their $5,000.00 Telecommunications Franchise application fee earlier this year so there is No fiscal impact.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount

TOTAL			$.00

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 Ordinance No. 28956, the City Council approved Telecommunications Franchise Agreement between the City of Tacoma and Ziply Fiber Pacific, LLC.
- Attached is a copy of Ordinance No. 28979, the City Council approved Telecommunications Franchise Agreement between the City of Tacoma and Unite Private Networks, LLC.
- Attached is a copy of the Transfer Agreement between the two parties Unite Private Networks, LLC and Ziply Fiber Pacific, LLC.