Legislation Passed November 29, 2016

The Tacoma City Council, at its regular City Council meeting of November 29, 2016, adopted the following resolutions and/or ordinances. The summary of the contents of said resolutions and/or ordinances are shown below. To view the full text of the document, click on the bookmark at the left of the page.

**Resolution No. 39589**

A resolution setting Thursday, January 5, 2017, at 9:00 a.m., as the date for a hearing by the Hearing Examiner on the request to vacate a portion of the south 3.5 feet of North G Street, lying between North 1st and North 2nd Streets, to accommodate patios, stairs, and a community room in a new development.

(Stadium Apartments, LLC; File No. 124.1374)

[Troy Stevens, Senior Real Estate Specialist; Kurtis D. Kingsolver, P.E., Director, Public Works]

**Resolution No. 39590**

A resolution appointing Zachary Dillon to the Human Services Commission.

[Doris Sorum, City Clerk; Elizabeth Pauli, City Attorney]

**Resolution No. 39591**

A resolution awarding a contract to Green Earthworks Construction, Inc., in the amount of $577,597.72, plus sales tax, plus a 10 percent contingency, for a total of $653,357.49, budgeted from various departmental funds, for nuisance abatement services at various locations across the City - Specification No. NC16-0354F.

[Lisa Wojtanowicz, Community Services Division Manager; Nadia Chandler Hardy, Director, Neighborhood and Community Services]

**Resolution No. 39592**

A resolution awarding a contract to Pease & Sons, Inc., in the amount of $385,595.00, plus sales tax, plus a 10 percent contingency, for a total of $424,154.50, budgeted from various departmental funds, for securing damaged properties at various locations across the City - Specification No. NC16-0355F.

[Lisa Wojtanowicz, Community Services Division Manager; Nadia Chandler Hardy, Director, Neighborhood and Community Services]

**Resolution No. 39593**

A resolution awarding a contract to Rosenbauer South Dakota, LLC, in the amount of $1,016,470, plus sales tax, for a total of $1,524,705, budgeted from various departmental funds, for two fire engines, with the option to order a third identical engine in early 2017 - National Joint Powers Alliance Contract No. 011714-RSD.

[Michael Fitzgerald, Assistant to the Chief; James P. Duggan, Fire Chief]
Resolution No. 39594
A resolution authorizing an increase to the contract with Braun Northwest Inc., in the amount of $327,074, plus sales tax, for a total of $899,924, budgeted from the Fleet Equipment Rental Capital Fund, for two ambulance medic units - Snohomish County Fire District No. 1 Contract Purchase Order No. 17859. [Michael Fitzgerald, Assistant to the Chief; James P. Duggan, Fire Chief]

Resolution No. 39595
A resolution declaring surplus of approximately 0.70 acres of property, located in the southeast corner of Tacoma Mall Boulevard and South 58th Street, and approving the sale of said property to Heritage Bank, for the amount of $560,000. [Gloria Fletcher, Senior Real Property Officer; Linda McCrea, Water Superintendent]

Resolution No. 39596
A resolution authorizing the use of $50,000, budgeted from the City Council Contingency Fund, to support the Tacoma Community House Capital Campaign for a new facility, contingent upon said agency securing sufficient funding; and directing the City Manager to negotiate and execute an agreement for said contribution. [Council Member Blocker]

Resolution No. 39597
A resolution authorizing the use of up to $90,000, budgeted from the City Council Contingency Fund, towards a schematic design of a multicultural pavilion located in the Chinese Reconciliation Park; and directing the City Manager to negotiate and execute an agreement for services relating to said project. [Mayor Strickland]

Ordinance No. 28390
An ordinance granting a non-exclusive franchise to MCImetro Access Transmission Services Corp., d/b/a Verizon Access Transmission Services, to construct, operate, and maintain a telecommunications system in the City. [Jeff Lueders, Cable Communications and Franchise Services Manager; Gwen Schuler, Director, Media and Communications]

Ordinance No. 28400
An ordinance amending Chapter 1.12 of the Municipal Code, relating to the Compensation Plan, to implement changes as negotiated with the Tacoma Joint Labor Committee. [Joy St. Germain, Director, Human Resources]
RESOLUTION NO. 39589

A RESOLUTION relating to the vacation of City right-of-way; setting Thursday, January 5, 2017, at 9:00 a.m., as the date for a hearing before the City of Tacoma Hearing Examiner on the petition of Stadium Apartments, LLC, to vacate a portion of the southerly 3.5 feet of North “G” Street, lying between North 1st and North 2nd Streets, to accommodate patios, stairs, and a community room in a new development.

WHEREAS Stadium Apartments, having received the consent of the owners of more than two-thirds of the properties abutting the southerly 3.5 feet of North “G” Street, lying between North 1st and North 2nd Streets, has petitioned for the vacation of the following legally described right-of-way area:

A portion of land in the Northwest Quarter of the Southeast Quarter of Section 32, Township 21 North, Range 3 East, W.M., in Pierce County, Washington described as follows:

The southerly 3.50 feet in width of the North “G” Street right-of-way adjacent to and abutting Lots 4 to 12, inclusive, Block 3114, Map of New Tacoma, Washington Territory, according to plat filed for record February 3, 1875 in the office of the County Auditor, in Pierce County, Washington, more particularly described as follows:

Beginning at the northeast corner of Lot 12 in said Block 3114, also being a point on the southerly margin of said North “G” Street;

Thence North 63°02’14” West, along said southerly margin for a distance of 224.79 feet to the northwest corner of Lot 4 in said Block 3114;

Thence North 26°57’53” East, along the northerly extension of the northwesterly line of said Lot 4 for a distance of 3.50 feet;

Thence South 63°02’14” East, parallel with said southerly margin for a distance of 224.79 feet to a point on the northerly extension of the southeasterly line of Lot 12 in said Block 3114;

Thence South 26°57’42” West, along said southeasterly line for a distance of 3.50 feet to the point of beginning.

Now, Therefore,
BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

Section 1. That Thursday, January 5, 2017, at 9:00 a.m., is hereby fixed as the date and time, and the Council Chambers on the first floor of the Tacoma Municipal Building, 747 Market Street, in the City of Tacoma, as the place when and where said request will be heard by the Hearing Examiner and her recommendations thereafter transmitted to the Council of the City of Tacoma.

Section 2. That the Clerk of the City of Tacoma shall give proper notice of the time and place of said hearing.

Adopted ________________

________________________________________
Mayor

Attest:

________________________________________
City Clerk

Approved as to form: Property description approved:

________________________________________
Deputy City Attorney

Chief Surveyor
Public Works Department

Location: Southerly 3.5 feet of North “G” Street, lying between North 1st and North 2nd Streets

Petitioner: Stadium Apartments, LLC

File No.: 124.1374
RESOLUTION NO. 39590

BY REQUEST OF COUNCIL MEMBERS BLOCKER, LONERGAN, AND WOODARDS

A RESOLUTION relating to committees, boards, and commissions; appointing an individual to the Human Services Commission.

WHEREAS a vacancy exists on the Human Services Commission, and

WHEREAS, at its meeting of August 25, 2016, the Community Vitality and Safety Committee conducted interviews and recommended the appointment of Zachary Dillon to said commission, and

WHEREAS, pursuant to City Charter 2.4 and the Rules, Regulations, and Procedures of the City Council, Zachary Dillon has been nominated to serve on the Human Services Commission; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That Zachary Dillon is hereby confirmed and appointed to the Human Services Commission, to serve an unexpired term to expire April 30, 2017.

Adopted _____________________________

_____________________________________

Mayor

Attest:

______________________________

City Clerk

Approved as to form:

_____________________________________

City Attorney
A RESOLUTION related to the purchase of materials, supplies or equipment, and the furnishing of services; authorizing the execution of a contract with Green Earthworks Construction, Inc., in the amount of $577,597.72, plus sales tax, plus a 10 percent contingency, for a cumulative total of $653,357.49, budgeted from various departmental funds, for nuisance abatement services at various locations across the City, pursuant to Specification No. NC16-0354F.

WHEREAS the City has complied with all applicable laws and processes governing the acquisition of those supplies, and/or the procurement of those services, inclusive of public works, as is shown by the attached Exhibit “A,” incorporated herein as though fully set forth, and

WHEREAS the Board of Contracts and Awards has concurred with the recommendation for award as set forth in the attached Exhibit “A”; Now,

Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

Section 1. That the Council of the City of Tacoma concurs with the Board of Contracts and Awards to adopt the recommendation for award as set forth in the attached Exhibit “A.”

Section 2. That the proper officers of the City are hereby authorized to enter into a contract with Green Earthworks Construction, Inc., in the amount of $577,597.72, plus sales tax, plus a 10 percent contingency, for a cumulative total of $653,357.49, budgeted from various departmental funds, for nuisance
abatement services at various locations across the City, pursuant to
Specification No. NC16-0354F, consistent with Exhibit “A.”

Adopted __________________________

______________________________
Mayor

Attest:

______________________________
City Clerk

Approved as to form:

______________________________
City Attorney
RESOLUTION NO. 39592

A RESOLUTION related to the purchase of materials, supplies or equipment, and the furnishing of services; authorizing the execution of a contract with Pease & Sons, Inc., in the amount of $385,595.00, plus sales tax, plus a 10 percent contingency, for a cumulative total of $424,154.50, budgeted from various departmental funds, for securing properties at various locations across the City, pursuant to Specification No. NC16-0355F.

WHEREAS the City has complied with all applicable laws and processes governing the acquisition of those supplies, and/or the procurement of those services, inclusive of public works, as is shown by the attached Exhibit “A,” incorporated herein as though fully set forth, and

WHEREAS the Board of Contracts and Awards has concurred with the recommendation for award as set forth in the attached Exhibit “A”; Now,

Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

Section 1. That the Council of the City of Tacoma concurs with the Board of Contracts and Awards to adopt the recommendation for award as set forth in the attached Exhibit “A.”

Section 2. That the proper officers of the City are hereby authorized to enter into a contract with Pease & Sons, Inc., in the amount of $385,595.00, plus sales tax, plus a 10 percent contingency, for a cumulative total of $424,154.50, budgeted from various departmental funds, for securing properties
at various locations across the City, pursuant to Specification No. NC16 0355F, consistent with Exhibit "A."

Adopted ______________________

_____________________________________
Mayor

Attest:

_____________________________________
City Clerk

Approved as to form:

_____________________________________
City Attorney
RESOLUTION NO. 39593

A RESOLUTION related to the purchase of materials, supplies or equipment, and the furnishing of services; authorizing the execution of a contract with Rosenbauer South Dakota, LLC, in the amount of $1,016,470, plus sales tax, budgeted from various department funds, for two 1,500 gallon per minute triple combination pumper fire engines, with the option to order a third identical engine in early 2017, for a cumulative total contract amount of $1,524,705, pursuant to National Joint Powers Alliance Contract No. 011714-RSD.

WHEREAS the City has complied with all applicable laws and processes governing the acquisition of those supplies, and/or the procurement of those services, inclusive of public works, as is shown by the attached Exhibit “A,” incorporated herein as though fully set forth, and

WHEREAS the Board of Contracts and Awards has concurred with the recommendation for award as set forth in the attached Exhibit “A”; Now,

Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

Section 1. That the Council of the City of Tacoma concurs with the Board of Contracts and Awards to adopt the recommendation for award as set forth in the attached Exhibit “A.”

Section 2. That the proper officers of the City are hereby authorized to enter into a contract with Rosenbauer South Dakota, LLC, in the amount of $1,016,470, plus sales tax, budgeted from various department funds, for two 1,500 gallon per minute triple combination pumper fire engines, with the option to order a third identical engine in early 2017, for a cumulative total contract...
amount of $1,524,705, pursuant to National Joint Powers Alliance Contract No. 011714-RSD, consistent with Exhibit “A.”

Adopted ______________________

______________________________
Mayor

Attest:

______________________________
City Clerk

Approved as to form:

______________________________
City Attorney
RESOLUTION NO. 39594

A RESOLUTION related to the purchase of materials, supplies or equipment, and the furnishing of services; authorizing the increase of Contract No. 4600006561 with Braun Northwest Inc., in the amount of $327,074, for a cumulative total of $899,924, plus sales tax, budgeted from the Fleet Equipment Rental Capital Fund, to purchase two replacement type III ambulance medic units, pursuant to Snohomish County Fire District No. 1 Contract Purchase Order No. 17859.

WHEREAS the City has complied with all applicable laws and processes governing the acquisition of those supplies, and/or the procurement of those services, inclusive of public works, as is shown by the attached Exhibit “A,” incorporated herein as though fully set forth, and

WHEREAS the Board of Contracts and Awards has concurred with the recommendation for award as set forth in the attached Exhibit “A”; Now,

Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

Section 1. That the Council of the City of Tacoma concurs with the Board of Contracts and Awards to adopt the recommendation for award as set forth in the attached Exhibit “A.”

Section 2. That the proper officers of the City are hereby authorized to increase Contract No. 4600006561 with Braun Northwest Inc., in the amount of $327,074, for a cumulative total of $899,924, plus sales tax, budgeted from the Fleet Equipment Rental Capital Fund, to purchase two
replacement type III ambulance medic units, pursuant to Snohomish County Fire District No. 1 Contract Purchase Order No. 17859, consistent with Exhibit “A.”

Adopted ______________________

____________________________
Mayor

Attest:

____________________________
City Clerk

Approved as to form:

____________________________
City Attorney
RESOLUTION NO. 39595

A RESOLUTION relating to surplus property; approving the sale of approximately 0.70 acres of property located at the southeast corner of Tacoma Mall Boulevard and South 58th Street in Tacoma, Washington, owned by the City of Tacoma through its Department of Public Utilities, Water Division, and now surplus to its needs, to Heritage Bank for the negotiated price of $560,000.

WHEREAS the City of Tacoma, through its Department of Public Utilities, Water Division (dba “Tacoma Water”), acquired an 80-acre parcel through condemnation for the purpose of constructing, operating, and maintaining a reservoir, and

WHEREAS the 80-acre parcel was declared surplus in the early 1970s when Tacoma Water determined that it would not develop a reservoir, and the majority of the parcel was sold and preserved as the Wapato Hills Urban Wildlife Habitat, and

WHEREAS Tacoma Water owns 0.70 acres of the original 80-acre parcel, located at the southeast corner of Tacoma Mall Boulevard and South 58th Street in Tacoma, Washington (“Property”), as more particularly described in the documents on file in the office of the City Clerk, and

WHEREAS the Property is vacant and zoned C-2, General Community Commercial District, and has been appraised at $530,000, and

WHEREAS Heritage Bank has offered to purchase the Property for $560,000, and
WHEREAS Tacoma Water has determined that the Property is not essential for current or future needs, and a negotiated sale in the amount of $560,000 would be in the best interests of the City, and

WHEREAS, on October 12, 2016, by adoption of Public Utility Board Resolution No. U-10883, the Property was declared surplus to Tacoma Water’s needs and approved for sale, pending confirmation from the City Council, and

WHEREAS, as required by state law, a public hearing was held on November 15, 2016, to allow the public to comment on the proposed sale, and

WHEREAS, there being no foreseeable need for continued City ownership of the Property, a declaration of surplus and negotiated disposition of the Property and the execution of a Purchase and Sale Agreement to convey said Property to Heritage Bank, for the negotiated price of $560,000, appears to be in the best interests of the City; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

Section 1. That the request of the City of Tacoma Department of Utilities, Water Division (dba “Tacoma Water”), to close on the sale of approximately 0.70 acres of City owned property located at the southeast corner of Tacoma Mall Boulevard and South 58th Street in Tacoma, Washington (“Property”) that is now surplus to Tacoma Water’s needs, to Heritage Bank for the negotiated price of $560,000, is hereby approved.

Section 2. That the appropriate officers of the City of Tacoma are hereby authorized to execute a Bargain and Sale Deed consummating the sale of the
Property to Heritage Bank for the negotiated price of $560,000, pursuant to that certain Purchase and Sale Agreement on file in the office of the City Clerk.

Adopted _______________________

______________________________
Mayor

Attest:

______________________________
City Clerk

Approved as to form:

______________________________
Chief Deputy City Attorney

Requested by Public Utility Board
Resolution No. U-10883
RESOLUTION NO. 39596

BY REQUEST OF COUNCIL MEMBERS BLOCKER, CAMPBELL, AND WOODARDS

A RESOLUTION authorizing the use of City Council Contingency Funds, in the amount of $50,000, to support the Tacoma Community House (“TCH”) Capital Campaign for a new facility, contingent upon TCH securing sufficient funding for completion of its proposed new building; and directing the City Manager to negotiate an agreement for services with TCH, outlining the terms and deliverables for the City’s contribution.

WHEREAS the Tacoma Community House (“TCH”) has served the City and South Puget Sound region through education, employment, immigration, and advocacy since 1910, and

WHEREAS TCH strives to provide the highest quality of services to all individuals and is a valuable resource for immigrants, refugees, and residents seeking enrichment, and

WHEREAS TCH has provided 3,700 program services to 2,700 adults and youth from the U.S. and over 90 other countries through it four core programs: basic education, employment preparation and placement, immigration assistance and citizenship classes, and client advocacy, and

WHEREAS the TCH Capital Campaign is raising funds for a new facility in order to expand the valuable services it provides to the City and surrounding community, and

WHEREAS, as of September 2016, TCH estimates its campaign revenue sources at $2.36 million, of the $8.5 million needed, and

WHEREAS, at the November 22, 2016, City Council Study Session, Council Member Blocker shared a Council Consideration Request to use up to $50,000 of
City Council Contingency funds to support the TCH Capital Campaign for a new facility, contingent upon TCH securing sufficient funding for completion of its proposed new building, and

WHEREAS Ordinance No. 22569 requires an affirmative vote of not less than six members of the City Council in order to withdraw moneys from this fund;

Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

Section 1. That one-time funding in the amount of $50,000, budgeted from the City Council Contingency Fund, is hereby approved to support the Tacoma Community House (“TCH”) Capital Campaign for a new facility, contingent upon TCH securing sufficient funding for completion of its proposed new building.

Section 2. That the City Manager is hereby directed to negotiate an agreement for services with TCH for the purposes hereinabove enumerated, said agreement to outline the terms and deliverables for the City’s contribution.

Adopted ____________________________

____________________________________
Mayor

Attest:

____________________________________
City Clerk

Approved as to form:

____________________________________
Deputy City Attorney
RESOLUTION NO. 39597

BY REQUEST OF MAYOR STRICKLAND AND COUNCIL MEMBERS CAMPBELL AND McCARTHY

A RESOLUTION authorizing the use of City Council Contingency Funds, in the amount of up to $90,000, towards the Chinese Reconciliation Park Project Foundation’s schematic design of a multicultural pavilion as outlined in Phase IV of the Chinese Reconciliation Park Master Site Plan; and directing the City Manager to negotiate and execute an agreement for services, outlining the terms and deliverables for the City’s contribution.

WHEREAS the Chinese Reconciliation Park serves as a public waterfront attraction for the City, and hosts many small-scale, outdoor private events, and

WHEREAS the interpretative features of the Park also serve to educate residents and visitors about the historic expulsion of the Chinese, and

WHEREAS, in 1993, the City Council passed a resolution to begin the process of developing the Park along the Ruston Way waterfront, made possible by a donation of land from the National Guard, and

WHEREAS the nearly four-acre site is located in close proximity to the Chinese settlement that was burned down during the expulsion, and

WHEREAS a Master Site Plan was developed in 2001, and updated in 2014, with construction broken into phases, and the final phase, Phase IV, includes a multicultural pavilion and entrance gate, in addition to several other features, and

WHEREAS, at the November 22, 2016 Study Session, a Council Consideration Request was shared by Mayor Strickland to use up to $90,000 of City Council Contingency Funds, towards the Chinese Reconciliation Park Project Foundation’s schematic design of a multicultural pavilion as outlined in Phase IV of the Chinese Reconciliation Park Master Site Plan, and
WHEREAS Ordinance No. 22569 requires an affirmative vote of not less
than six members of the City Council in order to withdraw moneys from this fund;

Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

Section 1. That one-time funding in the amount of up to $90,000, budgeted
from the City Council Contingency Fund, is hereby approved towards the Chinese
Reconciliation Park Project Foundation’s schematic design of a multicultural
pavilion as outlined in Phase IV of the Chinese Reconciliation Park Master Site
Plan.

Section 2. That the City Manager is hereby directed to negotiate and
execute an agreement for services with the Foundation for the purposes
hereinabove enumerated, said agreement to outline the terms and deliverables for
the City’s contribution.

Adopted _______________________

______________________________
Mayor

Attest:

______________________________
City Clerk

Approved as to form:

______________________________
Deputy City Attorney
ORDINANCE NO. 28390

AN ORDINANCE granting a non-exclusive franchise to MCImetro Access Transmission Services Corp., a Delaware corporation, d/b/a Verizon Access Transmission Services, to construct, operate, and maintain a telecommunications system in the City of Tacoma; setting forth provisions, terms, and conditions of the grant of franchise; specifically making such grant subject to the provisions of Title 16B, Title 9, and Title 10 of the Tacoma Municipal Code, as well as the Tacoma City Charter; providing for City regulation of the Telecommunications System; and prescribing liquidated damages and certain other remedies for violation of franchise provisions in addition to those specified pursuant to the Tacoma Municipal Code and Tacoma City Charter.

WHEREAS MCImetro Access Transmission Services Corp., a Delaware corporation, d/b/a Verizon Access Transmission Services (“MCImetro” or “Franchisee”) is a telecommunications company currently involved in the business of operating a telecommunications network utilizing fiber optic technology, and

WHEREAS, as part of expanding such network, MCImetro desires to obtain a franchise to operate its telecommunications network in City of Tacoma right-of-way, and

WHEREAS MCImetro has applied to the City to install and operate fiber optic cable and Facilities within the City streets and public rights-of-way, and

WHEREAS the City Council has determined to grant such a franchise to MCImetro upon those certain terms and conditions which the Council deems necessary due to the unique nature of fiber optic cable and Facilities as set forth herein, and

WHEREAS this City of Tacoma Telecommunications Franchise Ordinance contains the following sections:
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Now, Therefore,
BE IT ORDAINED BY THE CITY OF TACOMA:

Section 1. Definitions. For the purposes of this Franchise, the following terms, phrases, words, and their derivations shall have the meaning given herein; words not defined herein which are defined in Title 16B of the Tacoma Municipal Code (“TMC”) shall have the same meaning or be interpreted as provided in Title 16B. Words not defined here or in Title 16B shall be construed consistently with Title 47 of the United States Code, and if not therein, they shall have their common and ordinary meaning. A reference to any Title of the TMC or to the City Charter refers to the same, as may be amended from time to time.

1.1 “City” means the City of Tacoma, a municipal corporation of the state of Washington, and all departments, divisions, and agencies thereof, including Tacoma Public Utilities.

1.2 “City Manager” means the City Manager or the City Manager’s designee.

1.3 “Communications system” refers to a telecommunications system.

1.4 “Construction, operation, or maintenance” and similar formulations of these terms mean the named actions interpreted broadly, encompassing, among other things, installation, extension, maintenance, replacement, or components thereof, relocation, undergrounding, grading, site preparation, adjusting, testing, make-ready, and excavation.

1.5 “Customer” means any Person or entity who legally receives within the corporate limits of the City any one or more of the services provided by the Telecommunications System.
1.6 “Facilities” means, refers to, and includes, but is not limited to, plant, systems, improvements, and equipment owned, leased, or otherwise used by the Franchisee, such as poles, fiber, wires, fixtures, equipment, underground circuits, and conduit, in Public Rights-of-Way necessary or convenient for the transmission and distribution of communications services in the City of Tacoma. “Facilities,” when used without a modifier, shall be considered to encompass both Overhead Facilities and Underground Facilities. Nothing in this definition, or anything else in this Franchise shall be interpreted as authorizing Franchisee to construct any Facilities in the Franchise Area without first having obtained all necessary permits.

1.7 “Franchise” means the rights expressly granted by this Franchise and conditioned as set forth herein and under the TMC and the City Charter.

1.8 “Franchise Area” means that area within the present and future corporate limits of Tacoma.

1.9 “Franchisee” is MCImetro Access Transmission Services Corp., a Delaware corporation (“MCImetro” of “Franchisee”) with its primary office at One Verizon Way, Basking Ridge, NJ, 07920.

1.10 “Gross Receipts,” for purposes of this Franchise, means any and all revenue received directly or indirectly by Franchisee which is derived from the operation of its System in the City, less uncollectibles. Gross Receipts shall include, by way of example and not limitation, revenues from its Telecommunications Service, all fees, late fees, installation and connection fees, upgrade and downgrade fees, and rental fees. The term Gross Receipts shall not include any taxes or surcharges on services furnished by Franchisee imposed by
any municipality, state, or other governmental unit and collected by Franchisee for such governmental unit, nor shall the term include any wholesale services provided by Franchisee upon which fees or taxes have already been levied within the City of Tacoma.

1.11 “Operator,” when used with reference to a System, refers to a Person (a) who provides service over a Communications System and directly or through one or more affiliates owns a significant interest in such facility; or (b) who otherwise controls or is responsible for, through any arrangement, the management and operation of such a facility for or on behalf of Franchisee. A Person that operates under agreement of a Telecommunications System or a specific portion of a Telecommunications System to provide Telecommunications Services shall be treated as an Operator for purposes of this Franchise.

1.12 “Overhead Facilities” refers to electric utility and Communications Facilities located above the surface of the ground, including the underground supports and foundations for such Facilities.

1.13 “Person” includes any individual, corporation, partnership, association, joint stock company, trust, or any other legal entity, but not the City for purposes hereof.

1.14 “Public Rights-of-Way” mean the public streets and easements over which, under the City Charter, the TMC, City ordinances, and applicable laws, the City has authority to grant Franchises, permits, or Licenses for use thereof or has regulatory authority thereover, but expressly excluding railroad rights-of-way/crossings, airport, and harbor areas. Public Rights-of-Way, for the
purpose of this Franchise, also do not include buildings, parks, poles, conduits, or
similar facilities or property owned by or leased to the City, including, by way of
example and not limitation, structures in the Public Rights-of-Way such as utility
poles and light poles.

1.15 “System” means the Telecommunications System.

1.16 “Telecommunications Service” or “Service” means the transmission for
hire of information in electronic or optical form, including, but not limited to, voice,
video, or data, whether or not the transmission medium is owned by the provider
itself. Telecommunications Service includes telephone service, data, voice, and
other communications-related services, but does not include cable TV or
commercial video service or over-the-air broadcasts to the public-at-large from
facilities licensed by the Federal Communications Commission or any successor
thereof.

1.17 “Telecommunications System” means a tangible facility that is used to
provide one or more Telecommunications Services, any portion of which occupies
Public Rights-of-Way. The term Telecommunications System, by way of example
and not limitation, includes wires, equipment cabinets, guys, conduit, radio
transmitting towers, poles, other supporting structures, and associated and
appurtenant facilities used to transmit telecommunications signals. The term
Telecommunications System includes all devices mounted on power poles in the
Public Rights-of-Way through which Telecommunications Services are originated or
terminated. An Open Video System is not a Telecommunications System to the
extent that it provides only video services; a Cable System is not a
Telecommunications System to the extent that it provides only Cable Service. The term Telecommunications System includes any of the tangible components of a Telecommunications System which occupies Public Rights-of-Way.

1.18. “Telephone Service” means the provision of access to a local telephone network, local telephone network switching service, intrastate toll service, or coin telephone service, or providing telephonic, video, data, or similar communication or transmission for hire via a local telephone network, toll line, channel, cable, microwave, or similar communication or transmission system by any person. Telephone Service includes intrastate or interstate service, including toll service, originating from or received on communications equipment or apparatus in this State if the charge for the service is billed to a person in this State. Telephone Service does not include the providing of Competitive telephone service as defined in TMC 6A.40.030, the providing of cable television service, or the providing of broadcast services by radio or television stations.

1.19 “Title,” when used alone in the context of referring to this Title of the TMC, shall mean Title 16 (and more specifically Title 16B) of the TMC.

1.20 “Underground Facilities” refers to electric utility and Communications Facilities located under the surface of the ground, excluding the underground foundations or supports for Overhead Facilities.

Section 2. Franchise.

2.1 Grant of Franchise. The City hereby grants to Franchisee a non-exclusive Franchise which, once it becomes effective, shall authorize Franchisee to use the City’s Public Rights-of-Way within the Franchise Area to...
construct, maintain, and operate a fiber optic System to provide Telecommunication Service and internet access services, and to use the City’s Public Rights-of-Way as authorized herein.

Such grant is subject to and must be exercised in strict accordance with and subject to this Franchise Agreement, Title 16B, and other applicable provisions of the TMC, and the Tacoma City Charter, including, but not limited to, the provisions set forth in Article VIII of the Charter, and this Franchise may be revoked under Section 2.5 if it is not so exercised. The exercise of any rights pursuant to this Franchise is subject to the exercise of the City’s police powers and other regulatory powers as the City may have or obtain in the future, and all rights granted herein must be exercised in strict accordance with applicable laws, including, by way of example and not limitation, zoning codes and permitting requirements. No rights shall pass to Franchisee by implication. This Franchise shall constitute both a right and an obligation to provide the services of the Telecommunications System as required by the provisions of this Franchise.

The grant of this Franchise is limited to the purpose of Franchisee providing Telecommunications Service and internet access service. This Franchise does not include permission to provide cable service, as defined in 47 U.S.C. § 522, multichannel video programming, open video systems, or uses other than Telecommunications Service.

Notwithstanding the above grant to use Public Rights-of-Way, no Public Rights-of-Way shall be used by Franchisee if the City, in its opinion, determines that such use is inconsistent with the terms, conditions, or provisions by which such
Public Rights-of-Way were created or dedicated, or presently used under applicable laws.

In the event of any conflict between a provision in this Franchise and any provision of the City Charter, which Charter is incorporated herein by reference, the applicable provision of the Charter shall control over any inconsistent provision of this Franchise.

2.2 Franchise Term. The term of the Franchise shall be ten years unless terminated sooner in accordance with this Franchise, Title 16B, or the City Charter. At the expiration of the term, Franchisee may apply to extend or renew the Franchise as provided in Title 16B.02.100.

2.3 Franchise Non-Exclusive. The Franchise granted herein shall be non-exclusive.

2.4 Transfers, Generally.

A. Any transfer of this Franchise, as the term “Transfer” is defined in TMC 16B.01.030.Y, shall be accomplished in accordance with TMC 16B.02.120. Any Transfer not made in accordance with TMC 16B.02.120 may be considered a substantial violation of this Franchise by the City and may subject the Franchise to termination proceedings by the City as provided herein and in Title 16B. Transfers to Affiliates of Franchisee shall be excepted from the requirements of TMC 16B.02.120.A and B, provided the Transfer meets the requirements of and complies with the process set forth in TMC 16B.02.120.F.

B. Applications for approval of any Transfer shall be filed in accordance with procedures set out in Title 16B of the TMC.
C. Franchisee shall, within 60 days of the closing date of any Transfer, file with the City Clerk a copy of the deed, agreement, contract, mortgage, lease, SEC filing, or other written instrument evidencing such sale, lease, contractual agreement, mortgage, assignment, or Transfer, certified and sworn to as correct by Franchisee, subject to any confidentiality provisions in any such document. Every such Transfer, whether voluntary or involuntary, may be deemed void and of no effect as to the effectiveness of this Franchise by the City unless Franchisee files the required copy within the 60-day period.

D. The requirements of this section shall not be deemed to prohibit the use of Franchisee’s property as collateral for security in financing the construction or acquisition of all or part of the Telecommunications System franchised hereunder, provided that no such security shall purport to attach to the City’s real property interest in the Public Rights-of-Way or any other City interest. In addition, no such arrangement may be made if it would in any respect under any condition prevent the Operator or any successor from complying with the Franchise and applicable law. Any mortgage, pledge, or lease shall be subject to and subordinate to the rights of the City under this Franchise and other applicable law.

2.5 Revocation. In addition to any rights set out elsewhere in this Franchise, the City Charter, or Title 16, subject to the notice and cure provisions contained in Title 16B, Section 16B.05.100, the City reserves the right to declare a forfeiture or otherwise revoke this Franchise, and all rights and privileges pertaining thereto, as provided in Title 16(B) or in the event that:
A. Franchisee is in non-compliance with a material provision of this Franchise; or

B. Franchisee is found to have engaged in any actual or attempted fraud or deceit upon the City, Persons, or Customers in the City; or

C. Franchisee fails to obtain and maintain any permit required by any federal or state regulatory body or by the City relating to the construction, maintenance and operation of the Facilities within the Public Rights-of-Way within the Franchise Area; or

D. At any time during the term of the Franchise, Franchisee (i) fails to provide and maintain all of the securities required under this Franchise, including, but not limited to, the performance bond required under this Franchise; (ii) fails to maintain the insurance required by this Franchise; (iii) fails to satisfy the indemnity set out in this Franchise; or (iv) if any guarantor of Franchisee revokes its guarantee or fails to satisfy or becomes unable to satisfy its obligations under such guarantee.

E. The procedures for revocation and forfeiture shall be governed by Title 16B, Section 16B.05.100. Before the Franchise is revoked, Franchisee shall be given notice and opportunity to cure at least equivalent to that required by Title 16B as of the effective date of this Franchise (except in those cases where notice and opportunity to cure are not required or would be futile), and shall be accorded an opportunity to be heard that provides at least the due process protections required by Title 16B as of the effective date of this Franchise, which opportunities and protections are set out in Section 2.5.F below.
F. 1. Where, after notice and providing Franchisee an opportunity to be heard, the City finds that there has been an act or omission that would justify revocation of the Franchise, the City may make an appropriate reduction in the remaining term of the Franchise or revoke the Franchise. However, the Franchise may only be revoked if Franchisee (a) was given written notice of the default; and (b) 30 days to cure the default; and (c) Franchisee failed to cure the default, or to propose a schedule for curing the default acceptable to the City where it is impossible to cure the default in 30 days. The required written notice shall be given before the City conducts the proceeding required by this paragraph. No opportunity to cure is required for repeated violations of material provisions of the Franchise, and fraud shall be deemed incurable.

2. Notwithstanding the foregoing, the City may declare a Franchise forfeited without opportunity to cure when Franchisee: (a) fails to begin to exercise its rights hereunder within 45 days of Franchisee’s acceptance of this Franchise, (b) stops providing all Service it is required to provide under the Franchise for a period of not less than three consecutive months, (c) Transfers without the prior consent of the City as and when required in the Franchise, or (d) is found by a court or regulatory body with appropriate jurisdiction to have defrauded or attempted to defraud the City or Franchisee’s Customers within the City. Notwithstanding the provisions of Title 16B.05.100C.2, if Franchisee fails to timely pay any undisputed Franchise application/administrative fees or other fees owed hereunder or under Title 16B, before the City can initiate any termination or forfeiture of rights, Franchisee shall be provided with ten (10) business days’ prior
written notice and an opportunity to cure the failure to pay. However, Franchisee
shall have the right to receive 30 days’ prior notice of an intent to declare a
Franchise forfeited, and shall have the opportunity to show cause why the
Franchise should not be forfeited.

3. Notwithstanding the foregoing, and only to the extent
permitted by applicable law, the Franchise will automatically terminate by force of
law 120 calendar days after an assignment for the benefit of creditors or the
appointment of a receiver or trustee to take over the business of Franchisee,
whether in a receivership, reorganization, bankruptcy, assignment for the benefit of
creditors, or other action or proceeding. However, the Franchise may be reinstated
within that 120-day period, if: (a) such assignment, receivership, or trusteeship has
been vacated; or (b) such assignee, receiver, or trustee has fully complied with the
terms and conditions of Title 16B and this Franchise and has executed an
agreement, approved by any court having jurisdiction, assuming and agreeing to be
bound by the terms and conditions of Title 16B and this Franchise. However, in the
event of foreclosure or other judicial sale of any of the facilities, equipment, or
property of Franchisee, the City may revoke this Franchise, following a public
hearing before the City Council, by serving notice upon Franchisee and the
successful bidder at the sale, in which event the Franchise and all rights and
privileges of this Franchise will be revoked and will terminate 30 calendar days after
serving such notice, unless: (a) the City has approved the Transfer of the
Franchise to the successful bidder in writing; and (b) the successful bidder has
covenanted and agreed in writing with the City to assume and be bound by the

2.6  Continuity of Service and Right to Purchase the System.

A. In the event the City has declared a forfeiture for cause or

otherwise validly revoked this Franchise as provided herein, or in the event of

expiration of the initial term of this Franchise without this Franchise being renewed

or extended as provided in Section 2.2 (referred to below collectively as a

"termination"), Franchisee shall remove its Facilities from the Public Rights-of-Way

under Section 2.7, unless the City elects to purchase the Facilities as provided in

Section 2.6.B.

B. In the event the City has declared a forfeiture for cause or

otherwise validly revoked this Franchise as provided herein, or in the event of

expiration of the initial term of this Franchise without this Franchise being renewed

or extended as provided in Section 2.2 (referred to collectively in this paragraph B as a “termination”), the City shall have an option upon termination of the Franchise
to purchase that portion of the Telecommunications System owned by Franchisee
and located in the Public Rights-of-Way, whether termination is, or is not, for cause.
This option requires Franchisee to convey the Telecommunications System or such
portion thereof as the City may choose to purchase, provided, that nothing herein
shall require the City to accept or pay for any contract that it does not wish to
assume. Franchisee is not required to convey portions of the Telecommunications
System not located in the Public Rights-of-Way, located outside the City, or that is
leased or used (but not owned) by Franchisee from a third party pursuant to a tariff

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or contract. The foregoing option also requires Franchisee to sell the
Telecommunications System owned by Franchisee and located in the Public
Rights-of-Way, or such portion thereof as the City may choose to purchase at a fair
market price, if the Franchise is terminated for cause. If Franchisee's request for a
Franchise renewal is denied, the option requires Franchisee to sell the
Telecommunications System owned by Franchisee and located in the Public
Rights-of-Way, or such portion thereof as the City may choose to purchase, at fair
market value, determined on the basis of the value of the Telecommunications
System as a going concern (taking into account such property used and useful in
providing service within the City that is not to be conveyed) and with no value
allocated to the Franchise itself.

C. The City may exercise its Section 2.6.B option rights in the
following manner: the City will have up to 180 days after receiving the inventory
required by Section 2.6.A to notify Franchisee that it intends to exercise its right to
purchase the Telecommunications System or a portion of the Telecommunications
System. Within 90 days of the date the City notifies Franchisee of its intent to
exercise the option, or by such other time as the parties may separately agree, the
parties shall meet to establish a price that comports with the requirements of
Section 2.6.B. If the parties are unable to agree to a price within 180 days after the
City notifies Franchisee that the City intends to exercise its purchase option, either
party may require the price to be set by appraisal by sending the other party notice
that it wishes to have the price set by appraisal. Within 45 days of the date that
notice is submitted, each party may appoint one appraiser. If each party appoints
an appraiser, the two appraisers shall appoint a third appraiser; if only a single
apraiser is appointed (whether by mutual agreement or because of the failure of a
party to timely nominate an appraiser) that appraiser shall be the sole appraiser.
The appraiser or appraisers shall establish a price for the System or portion thereof
that the City desires to purchase in accordance with Section 2.6.B. This appraisal
determination shall be final and non-appealable. The City shall have 120 days after
the decision of the appraisers to notify Franchisee that it wishes to conclude the
transaction; if it does not so notify Franchisee, the option shall be deemed
terminated.

If the City gives the notice required by the preceding paragraph, the
parties will thereafter promptly sign all necessary documents required to close the
transaction; provided, however, that the City may make conclusion of the
transaction conditional upon any necessary voter approval of any bond funding for
acquisition of all or a part of the System and, if applicable, the successful sale of the
bonds.

The City and Franchisee will share equally the costs associated with
any appraiser that is jointly appointed (by them or by the appraisers each selects);
the City will bear costs associated with any appraiser that it separately appoints and
Franchisee will bear costs associated with any appraiser that it separately appoints.

D. 1. Nothing in this section or in any other section of this
Franchise shall prevent the City’s exercise of its rights under the Tacoma City
Charter. Included within the rights granted under Tacoma’s Charter is the right to
purchase or condemn Franchisee’s property within the Franchised Area at any
time, which right is expressly set out in Section 8.1(c) of the Charter as follows:

“to acquire by purchase or condemnation, for the use of the
City itself or its inhabitants, all of the property of the grantee
within the public streets, alleys, or places at a fair and just
value, which shall not include any valuation of the franchise,
right, or privilege, which shall thereupon be terminated.”

2. Likewise, nothing in this section or in any other section of
this Franchise shall be read to limit the City’s right to acquire the
Telecommunications System through exercise of any right of eminent domain under
state law.

3. Nothing in this section shall be read to limit the City’s right to
acquire the Telecommunications System as a result of abandonment.

E. In the event the City purchases, acquires, takes over, or holds all
or parts of the System, the City shall have the right, without limitation, to assign,
sell, lease, or otherwise transfer its interest in all or parts of such System to any
other Person or entity, including any other Franchisee of a Telecommunications
System, on whatever terms the City deems appropriate.

2.7 Right to Require Removal of Property/Right to Remove Property.

A. Upon termination of this Franchise, Franchisee may be required to
remove its property from any Public Rights-of-Way and restore such Rights-of-Way
to the condition required by the TMC and City Right-of-Way Restoration Policy,
subject to any rights Franchisee may have to abandon property in place, as set out
in Title 16B. If Franchisee fails to remove property that the City requires it to
remove, the City may perform the work and collect the actual cost thereof from
Franchisee. The actual cost thereof, including direct and indirect administrative costs, shall be a lien upon all plant and property of Franchisee, effective upon filing of the lien with the Pierce County Auditor. In the event that Franchisee is permitted to abandon its Facilities in place, the City acknowledges that any ownership it takes in the Facilities thereafter is taken on an AS-IS, WHERE-IS basis.

B. To the extent any portion of the System in the Public Rights-of-Way or on any other public property of the City is not removed by the Operator within 12 months of the end of the Franchise term, the property will be deemed abandoned in its AS-IS, WHERE-IS condition and shall become the property of the City if the City wishes to own it.

C. Any order by the City issued pursuant to Section 2.7.A to remove Facilities shall be sent by registered or certified mail, postage prepaid, return receipt requested, to Franchisee not later than 24 months following the date of Franchise termination. Removal shall be completed (except with respect to property that Franchisee is permitted to abandon in place) not later than 12 months following the date of notification to remove the Facilities.

D. Franchisee shall file a written removal plan with the City not later than 30 calendar days following the date of the receipt of any orders directing removal or any consent to removal, describing the work that will be performed, the manner in which it will be performed, and a schedule for removal by location. The removal plan shall be subject to approval and regulation by the City, including, without limitation, the City’s Public Rights-of-Way Restoration Policy. The affected property must be restored in compliance with City’s Public Rights-of-Way
Restoration Policy; and any damage caused by Franchisee’s removal must be addressed/compensated to the reasonable satisfaction of the City.

E. The purchase option provided for in Section 2.6 does not affect the City’s authority to require Franchisee to remove any portion of its Telecommunications System that the City will not purchase upon Franchise termination, as provided in this section and Title 16B, nor does it affect the City’s right to assume ownership of any portion of the Telecommunications System that is abandoned. Within 60 days of a request by the City, Franchisee shall execute such documents as may be required to convey such abandoned property to the City free and clear of all encumbrances.

2.8 Customers’ Right to Obtain Service. It shall be the right of all Customers to receive all available services insofar as their financial and other obligations to Franchisee are honored during the term of the Franchise. In addition to the obligations established under the other provisions of this Franchise, in the event that Franchisee elects to overbuild, rebuild, modify, or sell the System, Franchisee shall make its best effort to ensure that all Customers receive service subject to the terms and conditions of the service contract then in effect between the respective Customer and Franchisee.

2.9 Responsibility for Costs. Except as expressly provided otherwise, any act that Franchisee is required to perform under this Franchise shall be performed at its cost. If Franchisee fails to perform work that it is required to perform within the time provided for performance, the City, after first providing notice and an opportunity to cure as herein provided, may perform the work and bill Franchisee
the actual cost thereof. Franchisee shall pay the amounts billed within 30 days of receipt of an itemized bill. The parties agree that any amounts paid pursuant to this section or Title 16B are not franchise fees.

2.10 Work of Contractors and Subcontractors. Work by contractors and subcontractors is subject to the same restrictions, limitations, and conditions as if the work were performed by Franchisee. Franchisee shall be responsible for all work performed by its contractors and subcontractors, and others performing work on its behalf as if the work were performed by it and shall ensure that all such work is performed in compliance with this Franchise and Title 16B, and other applicable laws, including, without limitation, the City’s Right-of-Way Restoration Policy.

Franchisee and its contractors and subcontractors shall be jointly and severally liable for all damages and correcting all damages they cause. It is Franchisee’s responsibility to ensure that contractors, subcontractors, or other Person(s) performing work on Franchisee’s behalf are familiar with the requirements of this Franchise, Title 16B, the City’s Right-of-Way Restoration Policy, and other applicable laws governing the work performed by them.

2.11 Survival of Terms. Upon the termination or forfeiture of the Franchise, Franchisee shall no longer have the right to occupy the Public Rights-of-Way for the purpose of providing Telecommunications Service. However, Franchisee’s obligations to the City (other than the obligation to provide service to Customers) survive the expiration of these rights according to their terms. By way of illustration and not limitation, Sections 2.6, 2.7, 2.9, 2.10, and 4 of this Franchise shall continue in effect as to Franchisee notwithstanding any expiration, forfeiture, or revocation of.
the Franchise, except to the extent that a City-approved Transfer, sale, or
assignment of the Telecommunications System is completed, and another entity
has assumed full and complete responsibility for the Telecommunications System
or for the relevant acts or omissions.


3.1 Use of Public Rights-of-Way. Franchisee may, subject to the terms of
this Franchise and Title 16B, the City's Right-of-Way Restoration Policy, and other
applicable laws, construct, operate, and maintain a fiber optic Telecommunications
System in Public Rights-of-Way within the Franchise Area to provide
Telecommunications Services and internet access services. Without limiting the
foregoing, Franchisee expressly agrees that it will construct, operate, and maintain
its System in compliance with the requirements of Title 16B, including those
governing the placement of its Telecommunications System and with other
applicable City codes; and will obtain and maintain all bonds and billable work
orders required by the same.

3.2 Construction, Operation, or Maintenance. Franchisee shall, in all cases,
comply with all lawful City ordinances and regulations now in effect or hereinafter
enacted regarding the acquisition of permits and such other items as may be
required by the City in connection with the construction, operation, or maintenance
of the Telecommunications System, including, without limitation, the City's
Right-of-Way Restoration Policy.
Without limiting the foregoing, Franchisee agrees that it shall, in the course of constructing, operating, and maintaining its Telecommunications System, comply with the requirements of Title 16B and, among other things:

A. 1. Franchisee shall, by a time specified by the City, protect, support, temporarily disconnect, relocate, or remove any of its property when required by the City by reason of traffic conditions; public safety; Public Rights-of-Way construction; Public Rights-of-Way repair (including resurfacing or widening); change of Public Rights-of-Way grade; construction, installation, or repair of sewers, drains, water pipes, power lines, signal lines, tracks, or any other type of government-owned Communications System, public work, public project, public facility, or improvement or any government-owned utility; Public Rights-of-Way vacation; or for any other purpose where the work involved would be aided by the removal or relocation of the Telecommunications System.

Collectively, such matters are referred to herein as the “public work.”

2. In the event of an emergency, or where the Telecommunications System creates or is contributing to an imminent danger to health, safety, or property, the City may protect, support, temporarily disconnect, remove, or relocate any or all parts of the Telecommunications System without prior notice and charge Franchisee for actual costs incurred.

3. In the case of non-public work, if any Person that is authorized to place Facilities in the Rights-of-Way requests Franchisee to protect, support, temporarily disconnect, remove, or relocate Franchisee’s facilities to accommodate the construction, operation, or maintenance of the facilities of such
other Person, Franchisee shall, after 30 days’ advance written notice, take action to
effect the necessary changes requested. In the case of non-public work or non-
public projects, unless, and to the extent, the matter is governed by a valid contract
between Franchisee and such Person requesting Franchisee to take action under
this subsection (3) or governed by a valid state or federal law or regulation, or
unless Franchisee’s Telecommunications System was not installed in accordance
with any Permit issued by the City, the reasonable cost of the same shall be borne
by the Person requesting the protection, support, temporary disconnection,
removal, or relocation and at no charge to the City, even if the City makes the
request for such action.

4. Franchisee shall, on the request of any Person holding a
valid permit issued by a governmental authority, temporarily raise or lower its wires
to permit the moving of buildings or other objects. The expense of such temporary
removal or raising or lowering of wires shall be paid by the Person requesting the
same.

B. Franchisee’s obligation to construct, operate, and maintain its
Telecommunications System in compliance with all applicable laws, ordinances,
departmental rules and regulations, and published or otherwise readily available
practices affecting such System, includes, by way of example and not limitation, the
obligation to construct, operate, and maintain in accordance with zoning codes,
safety codes, and City construction standards, including the most current version of
the Standard Specifications for Road, Bridge and Municipal Construction, as
prepared by the Washington State Department of Transportation (“WSDOT”) and
the Washington State Chapter of American Public Works Association ("APWA"); the most current version of the APWA Amendments to Division One, and the most current version of the City of Tacoma Amendments thereto. In addition, the construction, operation, and maintenance shall be performed in a manner consistent with industry standards. Franchisee shall exercise reasonable care in the performance of all its activities and shall use commonly accepted methods and devices for preventing failures and accidents that are likely to cause damage, injury, or nuisance to the public or to property. In the event that Franchisee’s work or other use of the Public Rights-of-Way causes damage to any City facility, Franchisee shall bear the cost of repairing, or replacing as necessary, such City facility.

C. Franchisee’s construction, operation, or maintenance of its Telecommunications System shall not commence until all required permits have been properly filed for and obtained from the proper City officials and all required permits and associated fees paid. In any permit so issued, the City may impose, as a condition of the granting of the permit, such conditions and regulations as may be necessary to the management of the Public Rights-of-Way, including, by way of example and not limitation, for the purpose of protecting any structures in the Public Rights-of-Way, maintaining proper distance from other utilities, for the proper restoration of such Public Rights-of-Way and structures, and for the protection of the City and the public and the continuity of pedestrian and vehicular traffic.

D. Franchisee must follow City-established requirements for placement of Facilities in Public Rights-of-Way, including the specific location of
Facilities in the Public Rights-of-Way, and must in any event install Facilities in a manner that minimizes interference with the use of the Public Rights-of-Way by others, including others that may be installing or have installed Communications Facilities. The City may require that Facilities be installed at a particular time, at a specific place, or in a particular manner as a condition of access to a particular Public Right-of-Way area; may deny access if Franchisee is not willing to comply with the City’s requirements; and may remove, or require removal of, any Facility that is not installed in compliance with the requirements established by the City, or which is installed without prior City approval of the time, place, or manner of installation, and charge Franchisee for all costs associated with removal; and may require Franchisee to cooperate with others to minimize adverse impacts on the Public Rights-of-Way through joint trenching and other arrangements consistent with requirements the City imposes on other similarly situated franchisees or users of the Public Rights-of-Way.

E. Franchisee agrees that, as a condition of a permit for installation of conduit, the City may require it to install conduit, at the same location for which a permit has been requested, in excess of its reasonably foreseeable requirements for the purpose of accommodating the City where the City Manager determines it is appropriate to do so to minimize disruption of public passage or infrastructure, to forestall or relieve exhaustion of Right-of-Way capacity, or to protect environmentally sensitive areas; provided that the City will be responsible for the additional costs, including material and labor, associated with installing such excess
conduit; and provided further that the City’s use of any such excess conduit is
limited to non-commercial, governmental uses.

F. To the extent possible and technically and operationally feasible,
Franchisee shall use conduit existing at the time of permitting in installing its
System.

G. Whenever all existing utilities are located underground in an area
in the City, Franchisee, at its own cost, must also locate its Telecommunication
System underground, including Telecommunication System Facilities, such as
drops, which cross private property.

1. Whenever the owners of poles locate or relocate
underground within an area of the City, Franchisee shall concurrently relocate its
Facilities underground at its own cost.

2. Whenever an electric utility opens a trench for the purpose
of installing or relocating Facilities underground, Franchisee shall concurrently
relocate its Facilities underground and, if it uses the same trench, be responsible for
its prorated share of the cost.

3. The City Manager may, for good cause shown, exempt a
particular portion of the Telecommunication System from the obligation to locate or
relocate Facilities underground where relocation is impractical or where the interest
in protecting against visual blight can be protected in another manner. Nothing in
this Section 3.2.G prevents the City from ordering Franchisee to locate or relocate
its Telecommunication System underground in areas where other existing utilities
are ordered to locate or relocate their facilities underground under other provisions
of the TMC, it being the intent that the number and extent of Overhead Facilities and the visual pollution resulting therefrom will, over time, be reduced and eventually, to the extent feasible, be eliminated.

H. Franchisee shall participate in conversion to underground Local Improvement Districts ("LIDs") at the same time as all other utilities are required to participate in conversion to underground LIDs. Franchisee, at no cost to the City or abutting property owners, shall share fairly with other utilities their proportionate share of the cost of undergrounding when done through the LID process. As part of its obligations under the TMC, Franchisee shall provide the preliminary cost estimate, facility conversion designs, and final cost estimates to any LID project coordinator in a timely manner. At the request of an LID project coordinator, Franchisee shall perform underground construction and movement of Customer connections underground (overhead reclaim), in coordination with the undergrounding services provided by all other LID utilities, at no cost to the City or abutting property owners.

I. Franchisee shall promptly repair any and all Public Rights-of-Way, public property, or private property that is disturbed or damaged during the construction, operation, or maintenance of its Telecommunications System. Public property and Public Rights-of-Way must be restored in conformance with the City’s Right-of-Way Restoration Policy.

J. No tree trimming shall be performed without the permission of the City and other affected authorities, and any tree trimming must be performed in
strict accordance with the TMC. Even if tree trimming is authorized by the City, Franchisee is liable for any damage it causes during the course of tree trimming.

K. In any dispute over the adequacy of a restoration relative to this section, the Tacoma Department of Public Works Director shall, in his/her sole discretion, make the final determination.

L. Franchisee may freely remove its Facilities, provided it complies with the following provisions.

1. Franchisee shall not remove any Facilities which require trenching or other opening of the Rights-of-Way along the extension of the Facilities to be removed without the express permission of the City, which permission shall not be unreasonably withheld, conditioned, or delayed. Franchisee must request permission from the City to remove the Facilities at least 30 days in advance of the date Franchisee proposes to begin removal.

2. Franchisee shall remove such Facilities as the City orders it to remove; provided, that the City may not order removal where such removal is primarily to give economic benefit or advantage to a competing provider of Telecommunications Service.

3. Where trenching or other opening of the Rights-of-Way along the extension of Facilities to be removed is required, Franchisee must post bonds as the City may require, ensuring that the property is promptly removed with minimum disruption. Franchisee must restore the affected property in conformance with the City’s Right-of-Way Restoration Policy; and Franchisee must compensate those whose property it damages for the damage.
4. Subject to the City’s rights to purchase the Telecommunications System under Section 2, Franchisee may voluntarily remove any Facilities from the streets which have been installed in such a manner that they can be removed without trenching or other opening of the Rights-of-Way.

3.3 Right To Inspect and Order Corrections. The City may inspect the Telecommunications System at any time reasonable under the circumstances to ensure compliance with this Franchise and applicable law, including to ensure that Franchisee’s Telecommunications System is constructed and maintained in a safe condition. If Franchisee’s representatives are not on-site performing work on the Telecommunications System, whenever feasible, the City shall give reasonable advance notice of its intent to inspect so that Franchisee may have a representative present during the inspection. If an unsafe condition is found to exist, the City, in addition to taking any other action permitted under applicable law, may order Franchisee, in writing, to make the necessary repairs and alterations specified therein forthwith to correct the unsafe condition on a time table established by the City which is reasonable in light of the unsafe condition. The City has the right to correct, inspect, administer, and repair the unsafe condition if Franchisee fails to do so in a timely manner, and to charge Franchisee therefor.

3.4 Information Regarding Ongoing Work. In addition to providing notice to the public of ongoing work as may be required under applicable law, Franchisee shall make available information regarding any ongoing construction, operation, or installation of its Telecommunications System sufficient to show (1) the nature of
the work being performed; (2) where it is performed; (3) its estimated completion date; and (4) progress to completion.


4.1 Intent. The City shall have the right to administer and regulate activities of this Franchise up to the fullest extent of the law. The failure to reserve a particular right to regulate or reference a particular regulation shall not be interpreted by negative implication or otherwise to prevent the application of a regulation to Franchisee.

4.2 Remedies for Franchise Violations. The City has the right to exercise any and all of the following remedies, singly or in combination, in the event Franchisee violates any provision of this Franchise:

A. Draw upon the performance bond or other security provided under this Franchise; provided, however, such drawing shall be only in such a manner and in such amount as the City reasonably determines is necessary to remedy the default. Should the City take this action, Franchisee shall be responsible for all direct and actual costs related to such action, including, but not limited to, actual legal and administrative costs:

B. Commencing an action at law for monetary damages;

C. Commencing an action for equitable or other relief;

D. Declaring the Franchise to be revoked; and/or

E. Seeking specific performance of any provision, which reasonably lends itself to such remedy.
In determining which remedy or remedies for Franchisee’s violation are appropriate, the City may take into consideration the nature and extent of the violation, the remedy needed to prevent such violations in the future, whether Franchisee has a history of previous violations of the same or similar kind, and such other considerations as are appropriate under the circumstances. Remedies are cumulative; the exercise of one shall not foreclose the exercise of others.

4.3 Procedure for Remediying Franchise Violations. Before imposing liquidated damages or drawing upon the performance bond, or any other security set out in Section 6, the City shall follow the procedure below.

A. Notice of Violation In the event that the City believes that Franchisee has not complied with the terms of this Franchise, the City shall notify Franchisee in writing, by certified mail, of the nature of the alleged noncompliance.

B. Franchisee’s Right to Cure or Respond. Except as provided in Section 4.3.D, Franchisee shall have 30 days from the receipt of notice described above to (a) respond to the City contesting the assertion of noncompliance, or (b) to cure such default or, in the event that by the nature of the default such default cannot be cured within the 30-day period, initiate steps to remedy such default as promptly as possible and complete the cure within a reasonable time. The duty to cure includes the duty to cure all harms caused by the acts or omissions of Franchisee which gave rise to the alleged non-compliance. At the end of the 30-day period, Franchisee shall notify the City, in writing, of the steps it has taken to cure the default, if any; if the cure is not complete, the reason it is not complete and
the projected date for completion; and if the default is disputed, the complete basis for that contention.

C. Public Hearing. The City may schedule a public hearing to investigate any alleged default. The City shall give Franchisee 20 calendar days’ notice of the time and place of the hearing and provide Franchisee with an opportunity to be heard.

D. Action after Hearing. If the City determines after such hearing that Franchisee did not timely cure or initiate steps to cure the default in a timely manner satisfactory to the City, after the notice required by Section 4.3.A was provided, then the City may draw upon any performance bond, security fund, or other security, including requiring performance under the guarantee; and impose liquidated damages. However, notice and opportunity to cure are not required for repeat violations or for a failure to correct a default where Franchisee knew or should have known it was in default; in such cases, the performance bond, letter of credit or other security may be drawn upon, the guarantor required to perform and liquidated damages imposed after the hearing required by Section 4.3.C.

E. Liquidated Damage Amounts. Because any material failure to comply with the provisions of this Franchise by Franchisee will result in injury to the City, and because it may be difficult to estimate the extent of each such injury, Franchisee and the City agree to the following liquidated damages, which provisions represent the best estimate of the damages resulting from injuries of specific types. The amounts of liquidated damages set forth in this Franchise are in 2016 dollars and shall be increased each year by the increase in the
U. S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for Pacific Cities and U. S. City Average for the greater Seattle area. The amount of liquidated damages for all material violations of this Franchise for which actual damages may not be ascertainable shall be: $500 per day for each violation, for each day the violation continues. It is provided, however, that the City shall allow Franchisee a minimum of 30 days after notice to Franchisee of such neglect, failure, or refusal to comply within which to meet compliance or correct performance prior to the assessment of any liquidated damages.

4.4 Failure to Enforce. Franchisee shall not be relieved of any of its obligations to comply promptly with any provision of this Franchise by reason of any failure of the City to enforce prompt compliance, and the City’s failure to enforce shall not constitute a waiver of rights or acquiescence in Franchisee’s conduct.

4.5 Force Majeure. Franchisee shall not be deemed in default with provisions of this Franchise where performance was rendered impossible by war or riots, civil disturbances, floods, or other natural catastrophes beyond Franchisee’s control; the unforeseeable unavailability of labor or materials; or power outages exceeding back-up power supplies. The acts or omissions of affiliates shall not be deemed to be beyond the Franchisee’s control, and the knowledge of affiliates shall be imputed to Franchisee. This Franchise shall not be revoked or Franchisee penalized for such noncompliance, provided that Franchisee takes immediate and diligent steps to bring itself back into compliance and to comply as soon as possible under the circumstances with this Franchise without unduly endangering the health,
safety, and integrity of Franchisee’s employees or property, or the health, safety, and integrity of the public, Public Rights-of-Way, public property, or private property.

4.6 Alternative Remedies. No provision of this Franchise shall be deemed to bar the right of the City or Franchisee to seek or obtain judicial relief from a violation of any provision of this Ordinance or any rule, regulation, requirement or directive promulgated thereunder. Neither the existence of other remedies identified in this Franchise nor the exercise thereof shall be deemed to bar or otherwise limit the right of the City or Franchisee to recover monetary damages for such violation by Franchisee, or to seek and obtain judicial enforcement of Franchisee’s or the City’s obligations by means of specific performance, injunctive relief or mandate, or any other judicial remedy at law or in equity.

4.7 Compliance with the Laws. Franchisee shall comply with all applicable federal and state laws and regulations, including regulations of any administrative agency thereof, as well as all applicable City ordinances, resolutions, rules, policies, and regulations heretofore or hereafter adopted or established during the entire term of the Franchise; provided that, nothing herein shall prevent Franchisee from challenging a provision of laws that applies only to it as an impairment of contract. Nothing in this Franchise shall limit the City’s right of eminent domain under state law. Nothing in this Franchise shall be deemed to waive the requirements of any lawful code or resolution of the City regarding permits, fees to be paid, or manner of construction.
Section 5. Reporting Requirements.

5.1 Quarterly Reports. Within 30 days after the end of each of Franchisee’s fiscal quarters, Franchisee shall submit a written report to the City which shall contain a listing of all categories of Gross Receipts collected by Franchisee for its business activities as identified in Section 2.1, which are activities specifically taxable as a telephone business under TMC Title 6. Said written report shall be in sufficient detail and with sufficient explanation to enable the City to understand the report and to verify the accuracy of the report. In addition, Franchisee shall provide such other reports as may be required by Title 16B.

5.2 Annual Report. In the event that changes in applicable laws allow the City to require a franchise fee as referenced at Section 6 below, then no later than 120 days following the end of Franchisee’s fiscal year each year after the imposition of franchise fees, Franchisee shall present a written report to the City which shall include:

A. Unaudited financial statements for (1) Franchisee and (2) any affiliate which is involved in any way with the operation or ownership of the System; and a financial statement for Franchisee that includes Gross Receipts from all sources, gross Subscriber revenues from each category of service, as well as an income statement and a balance sheet.

All financial reports required under this section shall be presented to the City, accompanied by such notes and explanations as are required to fully understand the reports. Such notes and explanations shall include, but not be
limited to, an explanation of any and all deductions made from Gross Receipts for the calculation of Fees or taxes to be paid to the City, as well as:

1. A summary of the previous year’s activities for the Franchise Area, including, but not limited to, the total number of Customers, miles of Facilities, any services added or dropped, and any technological changes occurring in the system;

2. Plans for the future; and

3. Such other information as is required by Title 16B.

5.3 Additional Reports. Franchisee shall prepare and furnish to the City within 60 days of written request, to the person and address specified in the City’s request, in a form reasonably prescribed by the City, such additional reports with respect to Franchisee’s operation, affairs, transactions, or property as may be reasonably necessary and appropriate to ensure compliance with the material provisions of this Franchise, or to permit the performance of any of the rights, functions, or duties of the City in connection with the Franchise.

5.4 Preservation of Confidential Information. Trade secrets and confidential information designated as such by Franchisee shall be subject to such protection as provided in Title 16B or under chapter 42.56 RCW, or as otherwise provided by applicable laws. Franchisee shall be responsible for clearly and conspicuously identifying the work as confidential or proprietary, and shall provide a brief written explanation regarding its position on the protected status of the information under State or federal law. In the event that the City receives a public records request under chapter 42.56 RCW or similar law for the disclosure of information
Franchisee has designated as confidential, trade secret, or proprietary, the City shall promptly provide notice of such disclosure so that Franchisee can take appropriate steps to protect its interests. Nothing in this section prohibits the City from complying with chapter 42.56 RCW, or any other applicable law or court order requiring the release of public records, and the City shall not be liable to Franchisee for compliance with any law or court order requiring the release of public records. The City shall comply with any injunction or court order obtained by Franchisee which prohibits the disclosure of any such confidential records.


6.1 Fees; Taxes.

A. State Prohibition of Franchise Fee. The parties understand that RCW 35.21.860 currently prohibits a municipal franchise fee for the intended use. Franchisee agrees that if this statutory prohibition is removed, the City may assess a reasonable franchise fee, to be agreed to by the parties if the statutory prohibition is removed. The parties agree that this Section 6.1.A does not limit the right of Franchisee to challenge the franchise fee pursuant to 47 USC § 253. Nothing in this Section 6 is intended to alter or add to presently required/allowed taxes and fees that can be charged on Franchisee’s business under applicable laws.

B. Franchisee Subject to the City Telephone Business Tax.

Franchisee agrees that its activities in the City of Tacoma identified in Section 2.1, but excluding internet access service, are activities specifically taxable as a telephone business under TMC Chapter 6A, and are taxable at the 6 percent rate specified in TMC 6A.40.050.D, now in effect or as amended, which at the time of
the execution of this Franchise agreement is 6 percent of Franchisee’s Gross Receipts, but excluding any Gross Receipts from the provision of internet access service. It is agreed that the amount of Gross Receipts to be taxed will include the amount of tax imposed on Franchisee by City ordinance. This Franchise does not limit the City’s power of taxation.

C. Franchisee Obligated to Pay Administrative Costs. In accord with RCW 35.21.860, as presently effective and as it may be later amended, Franchisee must pay the City an amount sufficient to recover administration expenses incurred in receiving and approving this Franchise, including, but not limited to, the reasonable costs of outside consultants retained by the City to assist in the City’s consideration and processing of this Franchise application. The first $5,000 of said expenses will be covered by the $5,000 application fee deposited with the City. To the extent allowed by RCW 35.21.860 or other applicable laws, Franchisee may be required to pay other costs applicable to this Franchise and Franchisee’s activities hereunder. The amount of payment to be made by Franchisee to cover these administrative costs is an amount determined to be reasonable by the Franchise Services Manager. Such obligation further includes municipal fees related to receiving and approving permits or licenses, inspecting plans and construction, or relating to the preparation of a detailed statement pursuant to Chapter 43.21C RCW. Said fees must be paid within 30 days of receipt of the City’s billing therefor.

D. Manner of Payment; Audit. Franchisee will pay the City Telephone Business Tax specified in Section 6.1.B on a monthly basis, accompanied by Franchisee’s standard remittance form which specifies the net taxable charges, the
local tax rate, and the local tax due, plus penalties and/or interest, if any is due.

Franchisee shall make all other required fee payments in the form, at the intervals, and in the manner requested by the City Treasurer, and furnish him/her any information related to his/her revenue collection functions reasonably requested. In case of audit, the City Treasurer may require Franchisee to furnish a verified statement of compliance with Franchisee’s obligations or in response to any questions. Said certificate may be required from an independent, certified public accountant at Franchisee’s expense. All audits will take place on Franchisee’s premises or offices furnished by Franchisee, which shall be a location within the City of Tacoma or other mutually agreeable place; however, Franchisee must agree to pay the associated costs of travel. Franchisee agrees, within 30 days of written request of the City Treasurer, to provide, to the person and address specified in the City Treasurer’s request, copies of all documents filed with any federal, state, or local regulatory agency, to be mailed to the City Treasurer on the same day as filed, postage prepaid, affecting any of Franchisee’s Facilities or business operations in the City of Tacoma.

E. No Other Deductions. No deductions, including current or previously paid fees, shall be subtracted from the Gross Receipts amount, except as allowed under state or federal law, upon which payments are calculated and due for any period, nor shall copyright fees or other license fees paid by Franchisee be subtracted from Gross Receipts for purposes of calculating payments.
F. Late Payments. Any fees owing which remain unpaid more than 10 days after the dates specified herein shall be delinquent and shall thereafter accrue interest at the maximum allowable rate pursuant to RCW 19.52.020.

G. Period of Limitations. The period for commencing an action for the recovery of any fee payable hereunder shall be six years from the date on which payment by Franchisee is due, subject to tolling as provided as a matter of law or equity. Unless within six years from and after the due date for a particular payment, the City makes written request to review Franchisee’s records with respect to such fee payment (either individually or as part of a broader request) recovery shall be barred with respect to such payment and the Franchising Authority shall be estopped from asserting any claims whatsoever against Franchisee relating to any alleged deficiencies in that particular payment.

6.2 Auditing and Financial Records. Franchisee shall manage all of its operations in accordance with a policy of keeping books and records open and accessible to the City. Without limiting its obligations under this Franchise, Franchisee agrees that it will collect and make books and records available for inspection and non-confidential books and records for copying by the City in accordance with Title 16B. Franchisee shall be responsible for collecting the information and producing it. Books and records shall be made available for inspection to the City at the Tacoma Municipal Building, or such other location as the parties may agree. Notwithstanding any provision of Title 16B or this Franchise, if documents are too voluminous or for security reasons cannot be produced at the Tacoma Municipal Building or mutually agreeable location within the City, then
Franchisee may produce the material at another central location, provided it also agrees to pay the additional reasonable costs incurred by the City in reviewing the materials.

Franchisee shall take all steps reasonably required, if any, to ensure that it is able to provide the City all information which must be provided or may be requested under Title 16B or this Franchise, including by providing appropriate Subscriber privacy notices. Nothing in this section shall be read to require Franchisee to violate 47 U.S.C. §§ 222 or 551 or to disclose or make available to the City any books and records protected from disclosure under other applicable law.

Franchisee shall be responsible for redacting any data that federal law prevents it from providing to the City. Records shall be kept for at least six years. In addition to maintaining all records as required by Title 16B, Franchisee shall maintain records sufficient to show its compliance with the requirements of this Franchise, and shall produce those records within 30 days of a City request.

Franchisee agrees to meet with a representative of the City, upon request, to review its methodology of record-keeping, financial reporting, computing fee obligations, and other procedures, the understanding of which the City deems necessary for understanding the meaning of reports and records.

The City agrees to request access to only those books and records, in exercising its rights under this section, which it deems reasonably necessary as part of a bona fide exercise of its authority over the Telecommunications System under this Franchise, Title 16B, or other applicable law. The City further agrees that it will withhold from public disclosure those books and records made available
to it pursuant to this Section 6.2, but only to the extent that the City believes that it has the discretion to do so under state law. The City will, however, provide notice to Franchisee of any request for such books and records so that Franchisee can engage whatever protective measures are available to it.

6.3 Performance Bond. At the same time it provides its Franchise acceptance to the City, Franchisee shall provide a performance bond to ensure the faithful performance of its responsibilities under this Franchise and applicable law, including, by way of example and not limitation, its obligations to relocate and remove its facilities; and to restore City Public Rights-of-Way and other property. The initial amount of the performance bond shall be $250,000. The amount of the bond may be changed from time to time to reflect changed risks to the City or to the public. Franchisee may be required to obtain additional bonds in accordance with the City’s ordinary practices and/or pursuant to applicable TMC provisions. The bond shall be in a form and with a surety (authorized to do business in the state of Washington) reasonably acceptable to the City’s Risk Manager, and in a form reasonably acceptable to the City Attorney. Franchisee shall pay all premiums or costs associated with maintaining the bond, and shall keep the same in full force and effect at all times during the Franchise Term.

6.4 Indemnification by Franchisee.

A. Franchisee, by accepting this Franchise, agrees to release the City from and against any and all liability and responsibility in or arising out of, or by reason of, or resulting from or of the negligent acts, errors, or omissions of Franchisee during the construction, operation, or maintenance of the
Telecommunications System, and, without limiting the provisions of Section 7.4, agrees not to sue or seek any money or damages from City, except to the extent Franchisee’s Telecommunication System is damaged by the negligent acts or omissions or willful misconduct of the City or its agents.

B. Franchisee agrees to indemnify and hold harmless the City, its trustees, elected and appointed officers, agents, and employees, from and against any and all claims, demands, or causes of action of whatever kind or nature, and the resulting losses, costs, expenses, reasonable attorneys’ fees, liabilities, damages, orders, judgments, or decrees, sustained by any third party arising out of, or by reason of, or resulting from or of the acts, errors, or omissions of Franchisee, or its agents, independent contractors, or employees related to or in any way arising out of the construction, operation, maintenance, or relocation of the Telecommunications System. Franchisee waives immunity under Title 51 RCW and affirms that the City and Franchisee have specifically negotiated this provision, as required by RCW 4.24.115, to the extent it may apply.

C. Franchisee agrees that the covenants and representations relating to the indemnity provided in Sections A and B above shall survive the term/expiration/termination of this Franchise and continue in full force and effect as to Franchisee’s responsibility to indemnify.

6.5 Franchisee Insurance.

A. Franchisee shall maintain, throughout the term of the Franchise, adequate insurance to protect the City, its trustees, elected and appointed officers,
agents, and employees against claims and damages that may arise as a result of the construction, operation or maintenance of the Telecommunications System.

B. General Requirements.

1. The insurance must be provided by an insurer with a rating of A [-] VII or higher in A.M. Best’s Key Rating Guide, and pursuant to RCW 48, licensed, authorized, or permitted to do business in the state of Washington (or issued as a surplus line by a Washington Surplus lines broker.)

The City reserves the right to approve or reject the insurance provided, based upon the insurer (including financial condition), terms and coverage, the Certificate of Insurance, and/or endorsements.

2. Franchisee shall keep this insurance in force during the entire term of the contract and for thirty (30) days after completion of all work required by the contract, unless otherwise provided herein.

3. The liability insurance policies required by this section shall contain a “severability of insureds,” “separation of interest,” or “cross liability” provision.

4. The insurance required by this section shall be primary and non-contributory insurance to any insurance coverage or self-insurance program the City may maintain. The General Liability and Automobile Liability insurance must contain a Waiver of Subrogation endorsement in favor of the City of Tacoma.

5. Franchisee shall provide the City not less than 30 days’ notice of any cancellation or non-renewal of this required insurance.

6. Upon request, Franchisee shall forward to the City a full and
certified copy of the insurance policy(s) and endorsements required by this section.

7. Franchisee shall not begin work under the contract until the required insurance has been obtained and approved by the City.

8. Failure on the part of Franchisee to obtain and maintain the insurance as required by this section shall constitute a material default of the Franchise, upon which the City may revoke the Franchise in accordance with Section 2.5.

9. This obligation shall require Franchisee to maintain insurance in at least the following amounts:

   (a) Commercial General Liability Insurance Services Office (“ISO”) Form CG0001(04-13) or its equivalent. A policy of Commercial General Liability Insurance (“CGL”) shall be written on an “occurrence,” not “claims made,” basis, with a limit of $5,000,000 per occurrence for bodily injury and property damage and $10,000,000 general aggregate, and shall include the following coverage:

   - Products Hazard/Completed Operations – Shall be maintained for a period of six years after the termination of the Franchise or License (in the case of the Communication System owner or operator) or completion of the work for the Communications System Owner or Operator (in the case of contractor or subcontractor).
   - Personal/Advertising Injury
   - Contractual Liability
   - Explosion, Collapse, or Underground Property Damage
   - Blasting (only required when Franchisee’s work under this contract includes exposures to which this specified coverage responds)
   - If Franchisee is performing work within 50 feet of a railroad right-of-way, the General Liability policy shall be endorsed to eliminate the Contractual...
Liability exclusion pertaining to work within 50 feet of a railroad right-of-way using ISO form CG2417(10-01) or the equivalent.

- The City of Tacoma, its trustees, elected and appointed officers, agents, and employees shall be included as an additional insured as their interest may appear under this Franchise for both ongoing and completed operation using ISO Forms CG2026(04-13) and CG 2037(04-13) or the equivalent.

- Primary and Non-Contributory with any insurance or self-insurance maintained by the City.

- Waiver of Subrogation in favor of the City.

(b) Workers’ Compensation insurance shall be maintained during the life of this contract to comply with statutory limits for all employees, and in the case any work is sublet, Franchisee shall require its contractors and subcontractors similarly to provide workers’ compensation insurance for all the latter’s employees unless such employees are covered by the protection afforded by Franchisee. Franchisee shall also maintain during the life of this policy employers liability insurance. The following minimum limits must be maintained:

(i) Workers’ Compensation Statutory

(ii) Employer’s Liability $1,000,000 Each accident/disease/policy limit

(c) Commercial Automobile Liability Coverage using ISO Form CA0001 or the equivalent, and shall include all owned (if any), hired, and non-owned vehicles with a limit of $5,000,000 each accident for bodily injury and property damage. Such insurance shall be Primary and Non-Contributory with any insurance or self-insurance maintained by the City and shall contain a Waiver of Subrogation in favor of the City.
(d) A Commercial Umbrella Liability or Excess Liability policy with limits not less than $1,000,000 each occurrence and $5,000,000 aggregate. Such policy must provide coverage in excess of the above-required Commercial General Liability, Commercial Automobile Liability, and Employer’s Liability policies.

C. The required insurance must be obtained and maintained for the entire period Franchisee has facilities in the Public Rights-of-Way, and for six years thereafter. If Franchisee, its contractors, or subcontractors do not have the required insurance, the City may order such entities to stop operations until the insurance is obtained and approved.

D. Certificates of insurance, reflecting evidence of the required insurance and naming the City as an additional insured with all required endorsements on the General Liability and Automotive policies described above, shall be filed with the City’s Risk Manager. The certificate shall be filed with the acceptance of the Franchise, and annually thereafter, and as provided in Section E below.

E. Policies shall be issued by companies authorized to do business under the laws of the state of Washington. Financial Ratings must be no less than “A [-] VII” in the latest edition of A.M. Best’s Key Rating Guide.

F. In the event that the insurance certificate provided indicates that the insurance shall terminate or lapse during the period of the Franchise, Franchisee shall furnish, at least 30 days prior to the expiration of the date of such insurance, a renewed certificate of insurance as proof that equal and like coverage
has been or will be obtained prior to any such lapse or termination during the
balance of the period of the Franchise.

G. The City shall reserve the right to require any other insurance
coverage it deems necessary during the term of the Franchise, depending upon the
exposures.

H. It is Franchisee’s responsibility to ensure that each subcontractor
obtains and maintains adequate liability insurance coverage, and upon request of
the City, Franchisee shall provide evidence of such insurance.

6.6 Security Fund. Franchisee shall establish a cash security fund or
provide the City an irrevocable letter of credit or assignment of funds in the amount
of $50,000 as additional security to secure the payment of fees owed, to secure any
other performance promised in this Franchise, and to pay any taxes, fees, or liens
owed to the City. Any letter of credit shall be in a form and with an institution
acceptable to the City’s Director of Finance and in a form acceptable to the City
Attorney. Should the City draw upon the cash security fund or letter of credit or
assignment of funds, it shall promptly notify Franchisee and Franchisee shall
promptly restore the fund or the letter of credit or assignment of funds to the full
required amount. The City may, from time to time, change the amount of the
required security fund/letter of credit/assignment of funds to reflect changes in the
risks to the City and to the public, including delinquencies in taxes or other
payments to the City.

7.1 Posting and Publication. Franchisee shall assume the cost of posting and publication of this Franchise, as such posting and publication is required by law, and such is payable upon Franchisee’s filing its acceptance of the Franchise.

7.2 Guarantee of Performance. Franchisee acknowledges that it enters into the Franchise voluntarily in order to secure and in consideration of the grant from the City of a ten-year Franchise. Performance pursuant to the terms and conditions of this Franchise agreement is guaranteed by Franchisee.

7.3 Governing Law and Venue. The Franchise shall be governed by and construed in accordance with the laws of the state of Washington without recourse to any principles of Conflicts of Laws, except that where federal law preemptively applies it shall control. Any litigation between the City and Franchisee arising under or regarding this Franchise shall occur, if in the state courts, in the Superior Court of Pierce County, and if in the federal courts, in the United State District Court for the Western District of Washington.

7.4 No Recourse. Without limiting such immunities as the City or other Persons may have under applicable law, Franchisee shall have no monetary recourse whatsoever against the City or its officials, boards, commissions, agents, or employees for any loss, costs, expense, or damage arising out of any provision or requirement of Title 16B or because of the enforcement of Title 16B or the City’s exercise of its authority pursuant to Title 16B, this Franchise, or other applicable law, except to the extent Franchisee’s Telecommunication
System is damaged by the negligent acts or omissions or willful misconduct of the City or its representatives.

7.5 Notice. Unless expressly otherwise agreed between the parties, every notice, billing, or response required by this Franchise to be served upon the City or Franchisee shall be in writing, and shall be deemed to have been duly given to the required recipient upon actual receipt or refusal of delivery, and shall be sent by a nationally recognized overnight courier or by U.S. certified mail, return receipt requested, postage prepaid. The notices or responses to the City shall be addressed as follows:

City of Tacoma
Municipal Services Building
1224 MLK Jr Way
Tacoma, WA  98405
Attn:  Franchise Services Manager

The notices or responses to Franchisee shall be addressed as follows:

MCImetro Access Transmission Services Corp.
Attn:  Franchise Manager
600 Hidden Ridge
Mailcode: HQE02G295
Irving, TX 75038

With copies to (except for invoices):

Verizon Business Services, Inc.
1320 N. Courthouse Road, Suite 900
Arlington, VA  22201
Attn:  Vice President and Deputy General Counsel

The City and Franchisee may designate such other address, from time to time, by giving written notice to the other, but notice cannot be required to more than two addresses.
7.6 Execution. Franchisee shall execute and return to the City three original countersigned copies of this Ordinance and a signed acceptance of the Franchise granted hereunder within 30 days after the date of passage of the Ordinance by the City Council. The acceptance shall be submitted in the form attached hereto or other form acceptable to the City Attorney, and in accepting the Franchise, Franchisee warrants that it has carefully read the terms and conditions of this Franchise and unconditionally accepts all of the terms and conditions of this Franchise and agrees to abide by the same and acknowledges that it has relied upon its own investigation of all relevant facts, that it has had the assistance of counsel, that it was not induced to accept a Franchise, that this Franchise represents the entire agreement between Franchisee and the City, and that Franchisee accepts all risks related to the interpretation of this Franchise. The countersigned Ordinance and acceptance shall be returned to the City accompanied by: evidence of insurance; a payment for publication costs; billable work order deposit; and the security fund deposit and performance bond.

The Franchise rights granted herein shall not become effective until all of the foregoing is received in acceptable form. In the event Franchisee fails to submit the countersigned Ordinance and acceptance as provided for herein, or

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fails to provide the required accompanying documents and payments, within the
time limits set forth in this section, the grant of the Franchise shall be null and void.

Passed __________________________

______________________________
Mayor

Attest:

______________________________
City Clerk

Approved as to form:

______________________________
Deputy City Attorney
ACCEPTANCE OF CITY FRANCHISE

Ordinance No. ____________, effective ________________, 2016.

I, _______________________, am the ____________________ of
MCImetro Access Transmission Services Corp., a Delaware corporation, and am
the authorized representative to accept the above referenced City franchise
ordinance on behalf of MCImetro.

I certify that this franchise and all terms and conditions thereof are accepted
by MCImetro.

DATED this _____ day of ________________, 2016.

MCImetro Access Transmission Services Corp.

By ______________________________

Its ______________________________
ORDINANCE NO. 28400

AN ORDINANCE relating to pay and compensation; amending Chapter 1.12 of the Tacoma Municipal Code to implement changes as negotiated with the Tacoma Joint Labor Committee; and declaring the effective dates thereof.

BE IT ORDAINED BY THE CITY OF TACOMA:

Section 1. That Tacoma Municipal Code ("TMC") 1.12.095, Health Care and Disability Benefits, is hereby amended, effective January 1, 2017, to read as follows:

* * *

1.12.095 Health Care and Disability Benefits.

A. Health Care and Disability Coverage.

1. The City shall pay all or such portion of the premiums or expenses for, medical, hospital, vision, long-term disability, and dental coverage for eligible permanent, project, appointive, and temporary pending exam employees and their dependents, as defined by the applicable employee benefit plan or agreement, beginning on the first day of the calendar month following the date of hire, unless the date of hire is also the first working day of the calendar month, in which case benefits would be effective on the date of hire. For temporary employees, the City shall pay all or such portion of the premium or expenses for medical and dental benefits beginning on the first day of the calendar month following 60 days of continuous employment from the date of hire, except for temporary hiring-hall workers for whom benefits are administered through their unions. Employee contributions toward the cost of insurance premiums or benefit expenses shall be by payroll deduction, except where expressly exempted by applicable bargaining agreement or operation of law.

a. If a permanent, project, appointive, or temporary pending exam employee fails to timely enroll in, or properly opt out of, medical coverage within the required enrollment period, the employee will be enrolled in the City’s default medical plan. If a temporary employee fails to timely enroll in, or waive, medical coverage, the employee will be determined to have waived coverage.

b. Subject to applicable procedures and legal restrictions, full-time and part-time employees may qualify to opt out of City-provided medical, dental, and/or vision insurance.

c. No City employee or eligible dependent may be insured under more than one City medical, dental, or vision insurance plan.

2. Employees hired into a part-time status after January 1, 1983, shall have the option of electing to enroll in either the medical benefits plan, or the dental benefits plan, or both, with the cost of the same being prorated on the hours the employee is hired to work (such as three-quarter time, half-time, and so forth). Employees electing coverage under this paragraph shall contribute the cost of elected coverage by payroll deduction.

B. Tacoma Rail – Gap Medical Coverage. The City shall pay for a policy of health insurance, or medical and/or hospital insurance coverage from a health care contractor or insurer furnishing such service to the City for a Tacoma Rail Division employee who retires on or after January 1, 2004, and who, at the time of retirement (a) was employed in the unrepresented, appointive classification of Rail Superintendent, Assistant Rail Superintendent, or Railway Roadmaster, (b) is a member of the Federal Railroad Retirement System, and (c) who, because of lack of age only, cannot qualify for Social Security and
Medicare benefits. The coverage to be provided such eligible retiree shall be substantially similar to that provided for active employees. Payments for such coverage may be made only from the time of retirement to the time when the eligible retired employee qualifies or would have qualified for Medicare benefits. In no event shall the granting of this privilege give or grant such eligible retired employee any preferential treatment with reference to the health contracts over and above that of active employees of the City of Tacoma, and such privilege is at all times subject to the ability of the City of Tacoma to negotiate for and obtain said health care coverage.

* * *

Section 2. That TMC 1.12.140, Compensation of employees other than full-time regular employees, is hereby amended, effective January 1, 2017, to read as follows:

** * *

1.12.140 Compensation of employees other than full-time regular employees.

The following rules shall apply to the compensation and employee allowances of part-time, temporary and emergency personnel, and construction workers:

* * *

C. Temporary and emergency personnel and construction workers (who are not regular employees) shall not be entitled to vacation, Personal Time Off, sick leave benefits, or holidays with pay, except as hereafter provided:

1. That when such employees are required to work on an established holiday they shall be compensated for such work in cash at the straight time, time-and-one-half or double-time rate in the manner provided for regular full-time employees under the provisions of Section 1.12.200.

2. In the event an employee on a temporary appointment receives a permanent appointment, all continuous temporary employment shall be included in the computation for vacation and sick leave and/or Personal Time Off, as applicable, in the same manner as for regular employees.

D. Temporary employees engaged in detached or independent construction or maintenance work as provided in Sections 1.12.150 and 1.24.720 are designated as a distinct class or group for which the City has elected, pursuant to Ordinance No. 14247, voluntary coverage under the State Unemployment Compensation Act through agreements entered into with the State of Washington as authorized by RCW 50.04.200.

E. After six months of continuous service, temporary employees shall be eligible for holidays with pay as provided in Section 1.12.200.

F. Emergency personnel and construction workers (who are not regular employees) shall not be entitled to vacation, Personal Time Off, sick leave benefits, or holidays with pay, except as hereafter provided:

1. That when such employees are required to work on an established holiday they shall be compensated for such work in cash at the straight time, time-and-one-half or double-time rate in the manner provided for regular full-time employees under the provisions of Section 1.12.200.

* * *

Section 3. That TMC 1.12.230, Sick allowance with pay, is hereby amended, effective January 1, 2017, to read as follows:
**1.12.230 Sick allowance with pay.**

A. Eligibility for Sick Leave. The following provisions, unless otherwise specified, apply to all regular, probationary, project, temporary, temporary pending exam, or appointive full-time employees except those employees of the Tacoma Municipal Belt Line Railway set forth in Section 1.12.231 and members of the Police and Fire Departments covered by RCW 41.26 (LEOFF I Pension System) set forth in Section 1.12.232.

1. Accrual. Regular, probationary, project, temporary, temporary pending exam, or appointive full-time employees shall accrue sick leave at the rate of 3.69 hours for each 80 hours in which he or she is in paid status. Eligible employees who are on leave of absence for active duty training or for inductive purposes shall accrue sick leave.

   a. Sick leave earned shall be credited to an employee’s accruals after the completion of each biweekly pay period and may not be used in the pay period earned.

   b. For purposes of this section, eligible permanent employees of the Municipal Belt Line Railway assigned to the Extra Board will be considered as full-time employees.

2. Permissible Use of Paid Sick Leave.

   a. Sick leave may be taken in tenths (0.10) of an hour increments.

   b. Injury or illness of employee to such extent as to constitute a hazard to the safety or health of himself or herself or other employees.

   c. Medical or dental care for the employee. Supervisors should attempt to accommodate appointments for care. Employees should attempt to schedule such appointments to minimize disruption to work.

   d. Quarantine of employee due to exposure to a contagious disease.

   e. On-the-job injuries during the first three days if not eligible for Workers’ Compensation and as a supplement to Workers’ Compensation after the 120-day supplementary on-the-job injury benefits provided under Section 1.12.090.

   f. Death of a spouse, father, mother, foster parent, brother, sister, child, foster child, grandparents, or grandchildren of employee or relatives of the spouse of the employee in the same categories of relationship subject to the requirements of subsection B.5 hereinafter set forth.

   g. Employees working shifts other than the regular Monday through Friday workweek shall be paid holiday pay plus paid sick leave when scheduled to work on a holiday and they are unable to work due to illness or injury. Such employees, when not scheduled to work on a holiday, shall not be entitled to paid sick leave therefor.

   h. Preinduction physical for service in the Armed Forces.

   i. Illness or disability due to pregnancy or conditions related thereto.

   j. Pursuant to RCW 49.12.270, effective January 1, 2003, sick leave may be used to care for: (a) a child of the employee with a health condition that requires treatment or supervision; or (b) a spouse, parent, parent-in-law, or grandparent of the employee who has a serious health condition or an emergency condition, both (a) and (b) are subject to the requirements of subsection B.3 hereinafter set forth. For purposes of this section, the following definitions apply:

   1. “Child” means a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing in loco parentis who is: (a) Under 18 years of age; or (b) 18 years of age or older and incapable of self-care because of a mental or physical disability.

   2. “Grandparent” means a parent of a parent of an employee.
(3) “Parent” means a biological parent of an employee or an individual who stood in loco parentis to an employee when the employee was a child.

(4) “Parent-in-law” means a parent of the spouse of an employee.

(5) “Spouse” means a person legally married to a City employee and for purposes of this section includes an individual registered as the employee’s domestic partner under state law or City policy.

* * *

D. Incentive Payments for Nonuse of Sick Leave Accruals.

1. An employee separated from the City service due to death or retirement for disability or length of service with attendant pension payments under any City employee pension system who does not qualify for a VEBA deposit under TMC Section 1.12.229 shall be compensated at a rate for the classification in which he or she was working on the date of separation to the extent of 25 percent of his or her sick leave accruals.

a. An employee separated from the City service due to retirement, and represented by the Tacoma Fire Fighters Union, Local 31, shall receive a contribution into the Washington State Council of Fire Fighters (WSCFF) Employee Benefit Trust in the amount of the sick leave payment as defined in TMC Section 1.12.230.D.1 in lieu of a cash payment, when properly authorized annually by Local 31.

2. A regular, project, temporary, temporary pending exam, or appointive employee separated in good standing from the City service for any other reason than death or retirement due to disability or length of service with attendant pension payments under any City employee pension system pursuant to Section 1.12.229 who has a minimum of 10 days accrual shall be compensated at a rate for the classification in which he or she was working on the date of separation to the extent of 10 percent of his or her sick leave accruals up to a maximum accrual of 120 days. An employee separated from the City service due to layoff may, upon reemployment from the eligible list or departmental reemployment list upon which placed as provided in Section 1.24.900, have his or her sick leave accrual restored upon repayment to the City of the 10 percent payment as herein provided. If appointed from other employment lists within the two-year period of eligibility, such repayment may also apply.

* * *

Section 4. That Sections 1, 2, and 3 will become effective January 1, 2017.

Passed ____________________________

______________________________ Mayor

Attest:
______________________________
City Clerk

Approved as to form:
______________________________ Deputy City Attorney